

RESOLUTION # 234

RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF CHESTERFIELD, MISSOURI.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHESTERFIELD,
MISSOURI, AS FOLLOWS:

Section 1. The City of Chesterfield, Missouri, is hereby authorized to offer at competitive public sale approximately \$10,215,000 principal amount of General Obligation Refunding Bonds, Series 1998 (the "Bonds"), as described in the Notice of Bond Sale attached hereto as **Exhibit A**.

Section 2. The City's Director of Finance and Administration (the "Finance Director") is hereby authorized and directed to receive sealed bids for the purchase of the Bonds at the City Hall in Chesterfield, Missouri, until 11:00 A.M., Central Time, on May 5, 1998, or such later date and time as shall be determined by the Finance Director to be in the City's best interests, upon the terms and conditions set forth in said Notice of Bond Sale, and to deliver all bids so received to the City Council at its meeting to be held within 24 hours of the time established for receipt of bids, at which meeting the City Council shall review such bids and shall award the sale of the Bonds or reject all bids.

Section 3. The Notice of Bond Sale is hereby approved in substantially the form attached hereto as **Exhibit A**, and the Finance Director is hereby authorized to execute such Notice of Bond Sale, with such changes and additions thereto as such official shall deem necessary or appropriate, and to use such document in connection with the public sale of the Bonds.

Section 4. The Preliminary Official Statement is hereby approved in substantially the form attached hereto as **Exhibit B**, with such changes and additions thereto as the Finance Director shall deem necessary or appropriate, and the appropriate officers and representatives of the City are hereby authorized to use such document in connection with the public sale of the Bonds.

Section 5. The Finance Director is hereby authorized and directed to give notice of said bond sale by publishing a summary of the Notice of Bond Sale in a newspaper having general circulation in the City, and by mailing copies of the Notice of Bond Sale and Preliminary Official Statement to such banks and investment banking firms and other financial institutions located in the State of Missouri and elsewhere which might be interested in the purchase of the Bonds.

Section 6. For the purpose of enabling the purchaser of the Bonds (the "Original Purchaser") to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the appropriate officers of the City are hereby authorized, if requested, to provide the Original Purchaser a letter or certification to the effect that the City deems the information regarding the City contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Original Purchaser to comply with the requirement of such Rule.

Section 7. The City agrees to provide to the Original 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 Original Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Original Purchaser to comply with the requirements of Rule

15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 8. The officers and representatives of the City are hereby authorized and directed to take such action as may be necessary, after consultation with its financial advisor and bond counsel, to subscribe for the United States Treasury Securities to be purchased and deposited in the escrow for the City's Series 1995 Bonds to be refunded with the proceeds of the Bonds.

Section 9. The Finance Director and other officers and representatives of the City are hereby authorized and directed to take such other action as may be necessary to carry out the public sale of the Bonds.

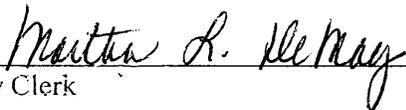
Section 10. This Resolution shall be in full force and effect from and after its passage by the City Council.

PASSED by the City Council this 20th day of April, 1998.

(SEAL)

ATTEST:


Mayor


City Clerk

CITY OF CHESTERFIELD, ST. LOUIS COUNTY, MISSOURI
 General Obligation Refunding Bonds, Series 1998
 (Parks) -- Par restricted to Par + Accrued Interest

A.G. Edwards & Sons, Inc.
 INVESTMENT BANKING

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Sources and Uses of Funds

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Delivery Date: 4/ 1/98

Sources of Funds

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PAR AMOUNT OF BONDS.....	\$10,215,000.00	
+PREMIUM /-DISCOUNT.....	\$72,211.40	
BOND PROCEEDS.....		10,287,211.40
Issuer Cash Contribution.....		840,000.00

		\$11,127,211.40

Uses of Funds

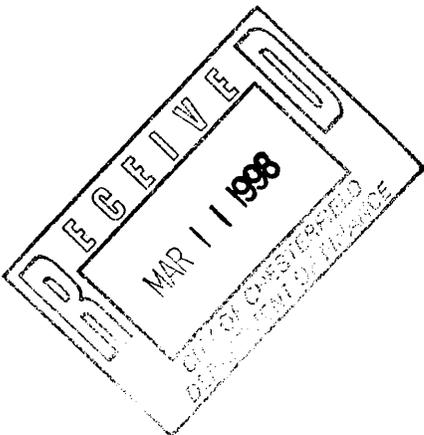
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ESTIMATED COST OF ESCROW SECURITIES.....		10,977,057.16
Competitive Underwriter's Discount.....(0.700000%)...		71,505.00
Cost of Issuance.....		75,000.00
CONTINGENCY.....		3,649.24

		\$11,127,211.40

PREPARED BY: A.G. Edwards & Sons, Inc. (JGP)

Micro-Muni Sizing Date: 03-04-1998 @ 08:46:42 Filename: PARKS Key: 98



CITY OF CHESTERFIELD, ST. LOUIS COUNTY, MISSOURI
 General Obligation Refunding Bonds, Series 1998
 (Parks) -- Par restricted to Par + Accrued Interest

A.G. Edwards & Sons, Inc.
 INVESTMENT BANKING

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 Bond Production Report
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Dated 4/ 1/1998
 Delivery 4/ 1/1998

Date	Principal	Bond Type	B/Y	Coupon	Yield	\$Price	Priced to Call	Gross Production
2/15/99	440,000.00	Standard	384	5.2500	3.7500	101.270		445,588.00
2/15/ 0	400,000.00	Standard	1133	5.2500	3.8500	102.500		410,000.00
2/15/ 1	420,000.00	Standard	2339	5.2500	3.9500	103.492		434,666.40
2/15/ 2	450,000.00	Standard	4082	5.2500	4.0500	104.255		469,147.50
2/15/ 3	475,000.00	Standard	6396	5.2500	4.1500	104.802		497,809.50
2/15/ 4	510,000.00	Standard	9391	4.2000	4.2000	100.000		510,000.00
2/15/ 5	530,000.00	Standard	13033	4.3000	4.3000	100.000		530,000.00
2/15/ 6	555,000.00	Standard	17402	4.4000	4.4000	100.000		555,000.00
2/15/ 7	580,000.00	Standard	22548	4.4500	4.4500	100.000		580,000.00
2/15/ 8	610,000.00	Standard	28570	4.5000	4.5000	100.000		610,000.00
2/15/ 9	640,000.00	Standard	35528	4.6000	4.6000	100.000		640,000.00
2/15/10	675,000.00	Standard	43542	4.6500	4.6500	100.000		675,000.00
2/15/11	710,000.00	Standard	52681	4.7500	4.7500	100.000		710,000.00
2/15/12	745,000.00	Standard	63016	4.8000	4.8000	100.000		745,000.00
2/15/13	780,000.00	Standard	74616	4.8500	4.8500	100.000		780,000.00
2/15/14	825,000.00	Standard	87711	4.9000	4.9000	100.000		825,000.00
2/15/15	870,000.00	Standard	102390	4.9500	4.9500	100.000		870,000.00
-----								10,287,211.40
10,215,000.00								

Par Amount	10,215,000.00				
Production	72,211.40				
Gross Production	10,287,211.40			100.7069153	
Bond Insurance	0.00			0.0000000	
Underwriters Discount	0.00			0.0000000	
Bid	10,287,211.40			100.7069153	
Accrued	0.00				
Net to Issuer	10,287,211.40				
Gross Interest Cost	4,864,161.92				
-Net Premium	72,211.40				
Net Interest Cost	4,791,950.52				
N I C %	4.6801076		Using	100.7069153	
Arbitrage Yield	4.6519351				
Bond Years	102,389.750				
Average Coupon	4.750634				
Average Life	10.023470				
Weighted Bond Years	102,640.748				
Weighted Average Life	9.977509				
Weighted N I C %	4.6686629		Using	100.7069153	

PREPARED BY: A.G. Edwards & Sons, Inc. (JGP)

Micro-Muni Sizing Date: 03-04-1998 @ 08:46:51 Filename: PARKS Key: 98

CITY OF CHESTERFIELD, ST. LOUIS COUNTY, MISSOURI
 General Obligation Refunding Bonds, Series 1998
 (Parks) -- Par restricted to Par + Accrued Interest

A.G. Edwards & Sons, Inc.
 INVESTMENT BANKING

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 Savings Report
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Date	Principal	Proposed Debt Service Coupon	Interest	Total	Prior Debt Service	Savings	Cumulative Savings
2/15/99	440,000.00	5.250000	425,849.42	865,849.42	958,265.00	92,415.58	-743,935.18
2/15/ 0	400,000.00	5.250000	465,135.00	865,135.00	961,465.00	96,330.00	-647,605.18
2/15/ 1	420,000.00	5.250000	444,135.00	864,135.00	959,272.50	95,137.50	-552,467.68
2/15/ 2	450,000.00	5.250000	422,085.00	872,085.00	968,017.50	95,932.50	-456,535.18
2/15/ 3	475,000.00	5.250000	398,460.00	873,460.00	969,917.50	96,457.50	-360,077.68
2/15/ 4	510,000.00	4.200000	373,522.50	883,522.50	975,220.00	91,697.50	-268,380.18
2/15/ 5	530,000.00	4.300000	352,102.50	882,102.50	978,620.00	96,517.50	-171,862.68
2/15/ 6	555,000.00	4.400000	329,312.50	884,312.50	979,835.00	95,522.50	-76,340.18
2/15/ 7	580,000.00	4.450000	304,892.50	884,892.50	978,805.00	93,912.50	17,572.32
2/15/ 8	610,000.00	4.500000	279,082.50	889,082.50	985,470.00	96,387.50	113,959.82
2/15/ 9	640,000.00	4.600000	251,632.50	891,632.50	984,170.00	92,537.50	206,497.32
2/15/10	675,000.00	4.650000	222,192.50	897,192.50	990,130.00	92,937.50	299,434.82
2/15/11	710,000.00	4.750000	190,805.00	900,805.00	992,660.00	91,855.00	391,289.82
2/15/12	745,000.00	4.800000	157,080.00	902,080.00	997,035.00	94,955.00	486,244.82
2/15/13	780,000.00	4.850000	121,320.00	901,320.00	997,895.00	96,575.00	582,819.82
2/15/14	825,000.00	4.900000	83,490.00	908,490.00	1,000,605.00	92,115.00	674,934.82
2/15/15	870,000.00	4.950000	43,065.00	913,065.00	1,009,850.00	96,785.00	771,719.82
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	10,215,000.00		4,864,161.92	15,079,161.92	16,687,232.50		771,719.82
ACCRUED							
	10,215,000.00		4,864,161.92	15,079,161.92	16,687,232.50		771,719.82
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Dated 4/ 1/98 with Delivery of 4/ 1/98
 Bond Years 102,389.750
 Average Coupon 4.750634
 Average Life 10.023470
 N I C % 4.680108 % Using 100.7069153

Weighted Bond Years 102,640.748
 Weighted Average Life 9.977509
 Weighted N I C % 4.668663 % Using 100.7069153
 Arbitrage Yield 4.651935 %

N O T E : Cumulative Savings are Net of the Initial Transfer Amount of 836,350.76

Net Present Value Savings at: 4.6519% Equals 275,979.33 or 2.7017% of Par of the Current Issue
 or 2.7217% of Par of the Prior Issue

N O T E : Present Value Savings are Net of the Initial Transfer Amount of 836,350.76

PREPARED BY: A.G. Edwards & Sons, Inc. (JGP)

Micro-Muni Debt Date: 03-04-1998 @ 08:53:52 Filename: PARKS Key: 98

CITY OF CHESTERFIELD, ST. LOUIS COUNTY, MISSOURI
 General Obligation Refunding Bonds, Series 1998
 (Parks) -- Par restricted to Par + Accrued Interest

A.G. Edwards & Sons, Inc.
 INVESTMENT BANKING

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 Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
8/15/98			181,731.92	181,731.92	
2/15/99	440,000.00	5.250000	244,117.50	684,117.50	865,849.42
8/15/99			232,567.50	232,567.50	
2/15/ 0	400,000.00	5.250000	232,567.50	632,567.50	865,135.00
8/15/ 0			222,067.50	222,067.50	
2/15/ 1	420,000.00	5.250000	222,067.50	642,067.50	864,135.00
8/15/ 1			211,042.50	211,042.50	
2/15/ 2	450,000.00	5.250000	211,042.50	661,042.50	872,085.00
8/15/ 2			199,230.00	199,230.00	
2/15/ 3	475,000.00	5.250000	199,230.00	674,230.00	873,460.00
8/15/ 3			186,761.25	186,761.25	
2/15/ 4	510,000.00	4.200000	186,761.25	696,761.25	883,522.50
8/15/ 4			176,051.25	176,051.25	
2/15/ 5	530,000.00	4.300000	176,051.25	706,051.25	882,102.50
8/15/ 5			164,656.25	164,656.25	
2/15/ 6	555,000.00	4.400000	164,656.25	719,656.25	884,312.50
8/15/ 6			152,446.25	152,446.25	
2/15/ 7	580,000.00	4.450000	152,446.25	732,446.25	884,892.50
8/15/ 7			139,541.25	139,541.25	
2/15/ 8	610,000.00	4.500000	139,541.25	749,541.25	889,082.50
8/15/ 8			125,816.25	125,816.25	
2/15/ 9	640,000.00	4.600000	125,816.25	765,816.25	891,632.50
8/15/ 9			111,096.25	111,096.25	
2/15/10	675,000.00	4.650000	111,096.25	786,096.25	897,192.50
8/15/10			95,402.50	95,402.50	
2/15/11	710,000.00	4.750000	95,402.50	805,402.50	900,805.00
8/15/11			78,540.00	78,540.00	
2/15/12	745,000.00	4.800000	78,540.00	823,540.00	902,080.00
8/15/12			60,660.00	60,660.00	
2/15/13	780,000.00	4.850000	60,660.00	840,660.00	901,320.00
8/15/13			41,745.00	41,745.00	
2/15/14	825,000.00	4.900000	41,745.00	866,745.00	908,490.00
8/15/14			21,532.50	21,532.50	
2/15/15	870,000.00	4.950000	21,532.50	891,532.50	913,065.00
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	10,215,000.00		4,864,161.92	15,079,161.92	
ACCRUED					
	10,215,000.00		4,864,161.92	15,079,161.92	
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Dated 4/ 1/98 with Delivery of 4/ 1/98
 Bond Years 102,389.750
 Average Coupon 4.750634
 Average Life 10.023470
 N I C % 4.680108 % Using 100.7069153

Weighted Bond Years 102,640.748
 Weighted Average Life 9.977509
 Weighted N I C % 4.668663 % Using 100.7069153
 Arbitrage Yield 4.651935 %

PREPARED BY: A.G. Edwards & Sons, Inc. (JGP)

Micro-Muni Sizing Date: 03-04-1998 @ 08:47:03 Filename: PARKS Key: 98

\$11,000,000
CITY OF CHESTERFIELD, ST. LOUIS COUNTY, MISSOURI
General Obligation Bonds, Series 1995

A.G. Edwards & Sons, Inc.
INVESTMENT BANKING

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Debt Service and Call Report

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Date	Original Principal	Coupon	Original Interest	Original Debt Service	Principal To Escrow	Call Premium	Interest To Escrow	Debt Service To Escrow
8/15/98			311,632.50	311,632.50			311,632.50	311,632.50
2/15/99	335,000.00	8.000000	311,632.50	646,632.50	335,000.00		311,632.50	646,632.50
8/15/99			298,232.50	298,232.50			298,232.50	298,232.50
2/15/ 0	365,000.00	7.450000	298,232.50	663,232.50	365,000.00		298,232.50	663,232.50
8/15/ 0			284,636.25	284,636.25			284,636.25	284,636.25
2/15/ 1	390,000.00	5.450000	284,636.25	674,636.25	390,000.00		284,636.25	674,636.25
8/15/ 1			274,008.75	274,008.75			274,008.75	274,008.75
2/15/ 2	420,000.00	5.500000	274,008.75	694,008.75	420,000.00		274,008.75	694,008.75
8/15/ 2			262,458.75	262,458.75			262,458.75	262,458.75
2/15/ 3	445,000.00	5.550000	262,458.75	707,458.75	445,000.00		262,458.75	707,458.75
8/15/ 3			250,110.00	250,110.00			250,110.00	250,110.00
2/15/ 4	475,000.00	5.600000	250,110.00	725,110.00	475,000.00		250,110.00	725,110.00
8/15/ 4			236,810.00	236,810.00			236,810.00	236,810.00
2/15/ 5	505,000.00	5.700000	236,810.00	741,810.00	7,710,000.00		236,810.00	7,946,810.00
8/15/ 5			222,417.50	222,417.50				
2/15/ 6	535,000.00	5.800000	222,417.50	757,417.50				
8/15/ 6			206,902.50	206,902.50				
2/15/ 7	565,000.00	5.900000	206,902.50	771,902.50				
8/15/ 7			190,235.00	190,235.00				
2/15/ 8	605,000.00	6.000000	190,235.00	795,235.00				
8/15/ 8			172,085.00	172,085.00				
2/15/ 9	640,000.00	6.100000	172,085.00	812,085.00				
8/15/ 9			152,565.00	152,565.00				
2/15/10	685,000.00	6.200000	152,565.00	837,565.00				
8/15/10			131,330.00	131,330.00				
2/15/11	730,000.00	6.250000	131,330.00	861,330.00				
8/15/11			108,517.50	108,517.50				
2/15/12	780,000.00	6.300000	108,517.50	888,517.50				
8/15/12			83,947.50	83,947.50				
2/15/13	830,000.00	6.300000	83,947.50	913,947.50				
8/15/13			57,802.50	57,802.50				
2/15/14	885,000.00	6.300000	57,802.50	942,802.50				
8/15/14			29,925.00	29,925.00				
2/15/15	950,000.00	6.300000	29,925.00	979,925.00				
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	10,140,000.00		6,547,232.50	16,687,232.50	10,140,000.00		3,835,777.50	13,975,777.50

Dated 2/15/98 with Delivery of 4/ 1/98
Bond Years 106,370.000
Average Coupon 6.155149
Average Life 10.490138

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Calls Performed

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Call No.	Call Date	First Maturity Called	Last Maturity Called	Principal Called	Call Price	Call Premium
1)	2/15/ 5	2/15/ 6	2/15/15	7,205,000.00	100.000	0.00
				7,205,000.00		0.00

PREPARED BY: A.G. Edwards & Sons, Inc. (JGP)

Micro-Muni Debt Date: 03-03-1998 @ 09:38:02 Filename: PARKS Key: 95OUT

\$11,000,000
 CITY OF CHESTERFIELD, ST. LOUIS COUNTY, MISSOURI
 General Obligation Bonds, Series 1995

A.G. Edwards & Sons, Inc.
 INVESTMENT BANKING

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Present Value of Prior Issue Discounted at Arbitrage Yield

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from 4/ 1/98

Date	Debt Service	Present Value Factor	Present Value @ 4.65193505%
8/15/1998	311,632.50	0.98302844	306,343.61
2/15/1999	646,632.50	0.96068326	621,209.02
8/15/1999	298,232.50	0.93884601	279,994.39
2/15/2000	663,232.50	0.91750513	608,519.22
8/15/2000	284,636.25	0.89664936	255,218.91
2/15/2001	674,636.25	0.87626766	591,161.93
8/15/2001	274,008.75	0.85634925	234,647.19
2/15/2002	694,008.75	0.83688361	580,804.55
8/15/2002	262,458.75	0.81786044	214,654.63
2/15/2003	707,458.75	0.79926969	565,450.34
8/15/2003	250,110.00	0.78110152	195,361.30
2/15/2004	725,110.00	0.76334634	553,510.06
8/15/2004	236,810.00	0.74599474	176,659.01
2/15/2005	7,946,810.00	0.72903756	5,793,523.00
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Total	13,975,777.50		10,977,057.16

Calculations based on 2 Compoundings/Year on a 30/360 Year Basis

PREPARED BY: A.G. Edwards & Sons, Inc. (JGP)

Micro-Muni Sizing Date: 03-03-1998 @ 09:38:42 Filename: PARKS Key: CBD-95OUT

\$11,000,000
 CITY OF CHESTERFIELD, ST. LOUIS COUNTY, MISSOURI
 General Obligation Bonds, Series 1995

A.G. Edwards & Sons, Inc.
 INVESTMENT BANKING

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
8/15/98			311,632.50	311,632.50	311,632.50
2/15/99	335,000.00	8.000000	311,632.50	646,632.50	
8/15/99			298,232.50	298,232.50	944,865.00
2/15/0	365,000.00	7.450000	298,232.50	663,232.50	
8/15/0			284,636.25	284,636.25	947,868.75
2/15/1	390,000.00	5.450000	284,636.25	674,636.25	
8/15/1			274,008.75	274,008.75	948,645.00
2/15/2	420,000.00	5.500000	274,008.75	694,008.75	
8/15/2			262,458.75	262,458.75	956,467.50
2/15/3	445,000.00	5.550000	262,458.75	707,458.75	
8/15/3			250,110.00	250,110.00	957,568.75
2/15/4	475,000.00	5.600000	250,110.00	725,110.00	
8/15/4			236,810.00	236,810.00	961,920.00
2/15/5	505,000.00	5.700000	236,810.00	741,810.00	
8/15/5			222,417.50	222,417.50	964,227.50
2/15/6	535,000.00	5.800000	222,417.50	757,417.50	
8/15/6			206,902.50	206,902.50	964,320.00
2/15/7	565,000.00	5.900000	206,902.50	771,902.50	
8/15/7			190,235.00	190,235.00	962,137.50
2/15/8	605,000.00	6.000000	190,235.00	795,235.00	
8/15/8			172,085.00	172,085.00	967,320.00
2/15/9	640,000.00	6.100000	172,085.00	812,085.00	
8/15/9			152,565.00	152,565.00	964,650.00
2/15/10	685,000.00	6.200000	152,565.00	837,565.00	
8/15/10			131,330.00	131,330.00	968,895.00
2/15/11	730,000.00	6.250000	131,330.00	861,330.00	
8/15/11			108,517.50	108,517.50	969,847.50
2/15/12	780,000.00	6.300000	108,517.50	888,517.50	
8/15/12			83,947.50	83,947.50	972,465.00
2/15/13	830,000.00	6.300000	83,947.50	913,947.50	
8/15/13			57,802.50	57,802.50	971,750.00
2/15/14	885,000.00	6.300000	57,802.50	942,802.50	
8/15/14			29,925.00	29,925.00	972,727.50
2/15/15	950,000.00	6.300000	29,925.00	979,925.00	
8/15/15					979,925.00
	-----		-----	-----	
ACCRUED	10,140,000.00		6,547,232.50	16,687,232.50	
			79,639.42	79,639.42	
	10,140,000.00		6,467,593.08	16,607,593.08	
	=====		=====	=====	

Dated 2/15/98 with Delivery of 4/ 1/98
 Bond Years 106,370.000
 Average Coupon 6.155149
 Average Life 10.490138
 N I C % 6.155149 % Using 100.0000000

Weighted Bond Years 105,074.333
 Weighted Average Life 10.362360
 Weighted N I C % 6.155255 % Using 100.0000000
 Arbitrage Yield 6.136118 %

PREPARED BY: A.G. Edwards & Sons, Inc. (JGP)

Micro-Muni Debt Date: 03-03-1998 @ 09:23:06 Filename: PARKS Key: 95OUT

NOTICE OF BOND SALE
\$10,215,000
CITY OF CHESTERFIELD, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS, SERIES 1998

SEALED BIDS will be received until 11:00 A.M., Central Time, on

TUESDAY, MAY 5, 1998

Each bid must be enclosed in a sealed envelope addressed to the undersigned and marked "Proposal for the Purchase of General Obligation Refunding Bonds of the City of Chesterfield, Missouri." Bids may be submitted by mail or delivered in person addressed to Ms. Jan Hawn, Director of Finance and Administration, Chesterfield City Hall, 922 Roosevelt Parkway, Chesterfield, Missouri 63017, or by calling in the bid to the City's Financial Advisor as provided in the Notice of Bond Sale.

The Bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be dated the date of delivery, and will become due serially on February 15 in the years as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1999	\$440,000	2008	\$610,000
2000	400,000	2009	640,000
2001	420,000	2010	675,000
2002	450,000	2011	710,000
2003	475,000	2012	745,000
2004	510,000	2013	780,000
2005	530,000	2014	825,000
2006	555,000	2015	870,000
2007	580,000		

The Bonds will bear interest from the date thereof at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on February 15 and August 15 in each year, beginning on August 15, 1998.

_____ is the bond registrar and paying agent. The Bonds are general obligations of the City and are payable from unlimited ad valorem property taxes on all taxable tangible property in the City. The City will furnish Bonds and the approving opinion of Gilmore & Bell, P.C., St. Louis, Missouri, to the bidder awarded the Bonds. Bids must be for all of the Bonds at a price of not less than 100% of the principal amount of the Bonds plus accrued interest to the date of delivery.

All bids must be submitted on the Official Bid Form which, together with the Preliminary Official Statement and the Notice of Bond Sale, may be obtained from the City or its Financial Advisor at the addresses indicated below:

Ms. Jan Hawn
Director of Finance
& Administration
Chesterfield City Hall
922 Roosevelt Parkway
Chesterfield, Missouri 63017
(314) 537-4726

Ms. Sondra Martin Denk
Vice President, Investment Banking
A.G. Edwards & Sons, Inc.
One North Jefferson Avenue
St. Louis, Missouri 63103
(314) 955-5794

NOTICE OF BOND SALE

\$10,215,000

CITY OF CHESTERFIELD, MISSOURI

**GENERAL OBLIGATION REFUNDING BONDS
SERIES 1998**

Sealed Bids. Sealed bids for the purchase of \$10,215,000 principal amount of General Obligation Refunding Bonds, Series 1998 (the "Bonds"), of the City of Chesterfield, Missouri (the "City"), will be received by the Director of Finance and Administration, on behalf of the City Council of the City, at the Chesterfield City Hall, 922 Roosevelt Parkway, Chesterfield, Missouri 63017, until 11:00 A.M., Central Time, on

TUESDAY, MAY 5, 1998

All bids will be publicly opened, read and evaluated at said time and place, and the award of the Bonds will be acted upon at a meeting of the City Council to be held at 12:00 Noon, Central Time, on said date.

Terms of the Bonds. The Bonds will consist of fully registered bonds without coupons and, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Purchases of beneficial ownership interests in the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be dated the date of delivery, and will become due serially on February 15 in the years as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1999	\$440,000	2008	\$610,000
2000	400,000	2009	640,000
2001	420,000	2010	675,000
2002	450,000	2011	710,000
2003	475,000	2012	745,000
2004	510,000	2013	780,000
2005	530,000	2014	825,000
2006	555,000	2015	870,000
2007	580,000		

The Bonds will bear interest from the date thereof at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on February 15 and August 15 in each year, beginning on August 15, 1998.

Place of Payment. The principal of and interest on the Bonds will be payable in lawful money of the United States of America. So long as DTC or its nominee is the Registered Owner of the Bonds, payments of principal of each Bond will be payable at maturity or upon earlier redemption to DTC by _____, which has been designated by the City as paying agent and bond registrar for the Bonds (the "Paying Agent"). Interest on each Bond will be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or (b) at such other address as is furnished to the Paying Agent in writing by such Registered Owner or (c) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address (which shall be in the continental United States) to which such Registered Owner wishes to have such wire directed.

Redemption of Bonds Prior to Maturity. At the option of the City, Bonds maturing on February 15, 2009 and thereafter will be subject to redemption and payment prior to maturity on February 15, 2008 and thereafter in whole at any time or in part on any interest payment date in such order of maturity as shall be determined by the City (Bonds of less than a single maturity to be selected in multiples of \$5,000 principal amount) at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the redemption date.

Conditions of Bids. Proposals will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all Bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1%. **No interest rate shall exceed 9.0% per annum. The difference between the highest rate specified and the lowest rate specified shall not exceed 3.0%.** No supplemental interest payments will be authorized. **No bid shall be for less than 100% of the principal amount of the Bonds plus accrued interest, if any.** Each bid shall specify the total interest cost (expressed in dollars) during the life of the Bond issue on the basis of such bid, the premium, if any, offered by the bidder, and the true interest cost (expressed as a percentage) on the basis of such bid.

Basis of Award. The Bonds will be awarded to the bidder whose bid will result in the lowest true interest cost (the "Canadian Method") calculated by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds to equal the price bid, excluding interest accrued to the date of delivery. If there is any discrepancy between the true interest data shown on the bid form and the true interest cost determined from the premium, if any, and the coupon specified on the bid form, the latter shall govern and the true interest cost specified in the bid shall be adjusted accordingly. If two or more proper bids are received providing for identical lowest true interest cost, the City shall determine by lot which bid, if any, shall be accepted and its determination shall be final.

Authority, Purpose and Security. The Bonds are being issued pursuant to the Constitution and laws of the State of Missouri for the purpose of refunding the City's Series 1995 general obligation bonds. The Bonds and the interest thereon will constitute general obligations of the City, 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.

Legal Opinion. The Bonds will be sold subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, which opinion will be furnished and paid for by the City and printed on the Bonds and delivered to the successful bidder when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the exclusion of the interest on the Bonds from gross income for federal and Missouri income tax purposes. The Bonds will not be designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. Reference is made to the Preliminary Official Statement for further discussion of federal and Missouri income tax matters relating to the interest on the Bonds.

Certification as to Offering Prices. To provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), the successful bidder will be required to complete, execute and deliver to the City prior to the delivery of the Bonds, a certificate regarding the "issue price" of the Bonds (as defined in Section 148 of the Code), reflecting the initial offering prices (excluding accrued interest and expressed as dollar prices) at which a substantial amount (i.e., 10% or more) of the Bonds of each maturity have been or are expected to be sold to the public. The term "public" excludes bond houses, brokers or similar persons, or organizations acting in the capacity of underwriters or wholesalers. Such certificate shall state that 10% or more of the Bonds of each maturity have been or are expected to be sold to the public at prices no higher than such initial offering prices. However, such certificate may indicate that the successful bidder will not reoffer the Bonds for sale.

Delivery and Payment. The City will pay for printing the Bonds and will deliver the Bonds, properly prepared, executed and registered, without cost to the successful bidder within 30 days after the date of sale to DTC. The successful bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no

litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the City. The City will deliver Bonds in the denomination of each maturity registered in the name of DTC.

Good Faith Deposit. A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check drawn on a bank located in the United States of America or a Financial Surety Bond in the amount of \$204,300, payable to the order of the City, is required for each bid to be considered. If a certified or cashier's check is used, it must accompany such bid. No interest will be paid upon the Deposit made by the successful bidder. Said check shall be returned to the bidder if its bid is not accepted. If a bid is accepted, said check or its proceeds thereof shall be held by the City until the successful bidder has complied with all of the terms and conditions of this Notice, at which time the amount of said check shall be returned to the successful bidder or deducted from the purchase price at the option of the City. If a bid is accepted but the City fails to deliver the Bonds to the bidder in accordance with the terms and conditions of this Notice, said check or the proceeds thereof shall be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this Notice, the proceeds of such check shall be retained by the City as and for liquidated damages.

If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Missouri, and such bond must be submitted to the City or its Financial Advisor prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then that purchaser ("Purchaser") is required to submit its Deposit to the City or its Financial Advisor in the form of a cashier's check (or wire transfer such amount as instructed by the City or its Financial Advisor) not later than 3:30 P.M., Central Time, on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the Deposit requirement.

Ratings. The City has applied to Moody's Investors Service, Inc. for a rating on the Bonds. Such rating will be described in the City's final Official Statement relating to the Bonds, copies of which will be provided to the successful bidder. Should a rating be secured prior to the sale date, all bidders will be advised accordingly.

Bond Insurance. The purchase of any municipal bond insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of a bidder and any increased costs of issuance of the Bonds resulting by reason of the same, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or any such policy or commitment of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for said Bonds in accordance with the terms of its bid.

CUSIP Numbers. CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds will be paid by the City.

Bid Forms. All bids must be made on forms which may be procured from the Director of Finance and Administration or the City's Financial Advisor. No additions or alteration in such forms shall be made and any erasures may cause rejection of any bid. The City reserves the right to waive irregularities and to reject any or all bids.

Submission of Bids. Bids accompanied by good faith checks shall be submitted in sealed envelopes addressed to the undersigned Director of Finance and Administration marked "Proposal for the Purchase of General Obligation Refunding Bonds of the City of Chesterfield, Missouri." Bids may be submitted by mail or delivered in person to the undersigned at the address given above and must be received prior to **11:00 A.M., Central Time, on May 5, 1998.**

Bidders wishing to call in a bid should submit the bidding documents together with the Deposit to the Director of Finance and Administration on or prior to the date of sale as follows: Ms. Sondra Martin Denk, c/o Ms. Jan Hawn, Director of Finance and Administration, Chesterfield City Hall, 922 Roosevelt Parkway, Chesterfield, Missouri 63017. If signed bid forms are received as provided above, bids may be called in up to 11:00 A.M., Central Time, on May 5, 1998, by contacting Ms. Sondra Martin Denk in the Director of Finance and Administration's office at (314) 537-4000. A bid called in as specified above will constitute a bid received by the City.

Any bidder submitting a bid by phone in the manner described above acknowledges that neither the City nor the City's Financial Advisor assumes any liability or responsibility for any inscribing or transmittal error in connection with such bid.

Preliminary Official Statement and Official Statement. The City has prepared a Preliminary Official Statement, copies of which may be obtained from the Financial Advisor. Upon the sale of the Bonds, the City will adopt the final Official Statement and will furnish the successful bidder with a sufficient quantity of such Official Statements within seven business days of the acceptance of the successful bidder's proposal in order to comply with Rule 15c2-12(b)(4) of the Securities and Exchange Commission and Rule G-32 of the Municipal Securities Rulemaking Board. The City's acceptance of the successful bidder's proposal for the purchase of the Bonds shall constitute a contract between the City and the successful bidder for purposes of said Rules. Additional copies of the final Official Statement may be ordered by the successful bidder at its expense.

Continuing Disclosure Undertaking. The City will agree in the Ordinance authorizing the Bonds (the "Bond Ordinance") to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") and as described in greater detail in the Preliminary Official Statement under the caption "CONTINUING DISCLOSURE UNDERTAKING" and "APPENDIX D - SUMMARY OF THE CONTINUING DISCLOSURE CERTIFICATE" (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, to all Nationally Recognized Municipal Securities Information Repositories ("NRMSIRs"), the State Repository designated by the State of Missouri, if any, the successful bidder, and to each holder of Bonds who makes a request for such information, (ii) to all NRMSIRs or the Municipal Securities Rulemaking Board timely notice of the occurrence of certain material events with respect to the Bonds, and (iii) to all NRMSIRs or the Municipal Securities Rulemaking Board timely notice of a failure by the City to provide the required annual financial information on or before the date specified below. Such information shall be made available not later than 180 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 1997.

The successful bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, the Bond Ordinance evidencing that the City has made the continuing disclosure undertaking set forth above for the benefit of the holders of the Bonds.

Additional Information. Additional information regarding the Bonds may be obtained from the Director of Finance and Administration (314-537-4000) or from the City's Financial Advisor, A.G. Edwards & Sons, Inc., One North Jefferson Avenue, St. Louis, Missouri 63103, Attention: Ms. Sondra Martin Denk (314-955-5794).

DATED this _____ day of April, 1998.

CITY OF CHESTERFIELD, MISSOURI

By: /s/ Janet S. Hawn
Director of Finance and Administration

**PROPOSAL FOR THE PURCHASE OF GENERAL OBLIGATION REFUNDING
BONDS OF THE CITY OF CHESTERFIELD, MISSOURI**

May 5, 1998

TO: Ms. Jan Hawn
 Director of Finance & Administration
 Chesterfield City Hall
 922 Roosevelt Parkway
 Chesterfield, Missouri 63017

For \$10,215,000 principal amount of General Obligation Refunding Bonds, Series 1998, of the City of Chesterfield, Missouri, to be dated the date of delivery, as described in your Notice of Bond Sale dated April _____, 1998, said Bonds to mature and bear interest as follows:

<u>Maturity</u> <u>February 15</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>February 15</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
1999	\$440,000	_____%	2008	\$610,000	_____%
2000	400,000	_____	2009	640,000	_____
2001	420,000	_____	2010	675,000	_____
2002	450,000	_____	2011	710,000	_____
2003	475,000	_____	2012	745,000	_____
2004	510,000	_____	2013	780,000	_____
2005	530,000	_____	2014	825,000	_____
2006	555,000	_____	2015	870,000	_____
2007	580,000	_____			

The undersigned will pay a purchase price equal to \$_____ (which is not less than \$10,215,000), plus accrued interest, if any, to the date of delivery.

Total interest cost on the Bonds calculated to maturity at the rates specified above	\$_____
Premium	\$_____
True interest cost	_____%

As provided in the Notice of Bond Sale, the undersigned plans to have the following maturities of the Bonds insured by:

 (Name of Insurer)

Maturities to be insured:

This proposal is subject to all terms and conditions contained in said Notice of Bond Sale, and if the undersigned is the successful bidder, the undersigned will comply with all of the provisions contained in said Notice. The acceptance of this proposal by the City shall constitute a contract

between the City and the successful bidder for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission.

A cashier's or certified check or a Financial Surety Bond in the amount of \$204,300 payable to the order of the City of Chesterfield, Missouri, accompanies this proposal as an evidence of good faith.

Submitted by the Following Firm as Account Manager:

Firm Name: _____

Address: _____

Phone: _____

By: _____

Authorized Signature

In Association with the Following Account Members:

ACCEPTANCE

Pursuant to action duly taken by the City Council of the City of Chesterfield, Missouri, the above proposal is hereby accepted this 5th day of May, 1998.

CITY OF CHESTERFIELD, MISSOURI

By: _____

Mayor of the City of Chesterfield

For completion if this bid is unsuccessful

Return of Good Faith check is hereby acknowledged:

Firm: _____

By: _____

City of Chesterfield

PRELIMINARY OFFICIAL STATEMENT

CITY OF CHESTERFIELD, MISSOURI

\$10,215,000

GENERAL OBLIGATION REFUNDING BONDS

Series 1998

SEALED BIDS WILL BE OPENED BY THE CITY OF CHESTERFIELD ON MAY 5, 1998 AT 11:00 A.M., CENTRAL TIME, AT THE CHESTERFIELD CITY HALL, 922 ROOSEVELT PARKWAY, CHESTERFIELD, MISSOURI 63017. AWARD OR REJECTION OF THE BIDS WILL BE MADE AT 12:00 P.M. NOON, CENTRAL TIME, ON MAY 5, 1998 AT THE CHESTERFIELD CITY HALL.

A.G. Edwards & Sons, Inc.

Financial Advisor

The date of this Preliminary Official Statement is April ____, 1998.

[Red Herring Language to go along left margin of Cover Page:]

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdictions in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 1998

NEW ISSUE
BOOK-ENTRY ONLY

Moody's Rating: "___"
See "BOND RATING" herein.

In the opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal and Missouri income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended. See the section herein captioned "TAX MATTERS" and the form of Opinion of Bond Counsel attached hereto as Appendix C.

\$10,215,000
CITY OF CHESTERFIELD, MISSOURI
General Obligation Refunding Bonds
Series 1998

Dated: Date of Delivery

Due: February 15, as shown below

The General Obligation Refunding Bonds, Series 1998 (the "Bonds") of the City of Chesterfield, Missouri (the "City") are issuable as fully-registered bonds, without coupons, and when issued will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Purchases of beneficial ownership interests in the Bonds will be made in book-entry only form, in the denomination of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS - Book-Entry Only System" herein.

Principal on the Bonds will be payable on February 15, beginning on February 15, 1999. Interest on the Bonds will be payable semiannually on February 15 and August 15 beginning August 15, 1998. The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America by check of or draft upon _____ (the "Paying Agent"). So long as DTC or its nominee is the registered owner of the Bonds, payment of the principal or redemption price of, and interest on, the Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC, and disbursement of

such payments to the beneficial owners is the responsibility of DTC participants and indirect participants, as more fully described herein.

The Bonds maturing on February 15, 2009 and thereafter will be subject to redemption prior to maturity at the option of the City as described herein under the caption "THE BONDS - Optional Redemption."

The Bonds are issued pursuant to and in full compliance with the Constitution and statutes of the State of Missouri and an ordinance adopted by the City on May ____, 1998. The Bonds will constitute valid and legally binding general obligations of the City payable both as to principal and interest from ad valorem taxes which may be levied upon all the taxable, tangible property within the territorial limits of the City, without limitation as to rate or amount.

MATURITY SCHEDULE

<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>Due</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
1999	\$440,000			2008	\$610,000		
2000	400,000			2009	640,000		
2001	420,000			2010	675,000		
2002	450,000			2011	710,000		
2003	475,000			2012	745,000		
2004	510,000			2013	780,000		
2005	530,000			2014	825,000		
2006	555,000			2015	870,000		
2007	580,000						

This cover page contains information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and received by the City, subject to prior placement, withdrawal or modification of the offer without notice and subject to the approval of their validity by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, and subject to certain other conditions. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about _____, 1998.

The date of this Official Statement is _____, 1998

CITY OF CHESTERFIELD

922 Roosevelt Parkway
Chesterfield, Missouri 63017
FAX: (314) 537-4799
Phone: (314) 537-4000

City Council

Nancy Greenwood, Mayor
Mary Brown
Michael Casey
Barry Flachsbart
Larry Grosser
Daniel Hurt
Allan Sheppard
Barry Streeter
Linda Tilley

City Officials

Michael G. Herring
City Administrator

Janet S. Hawn
Director of Finance and
Administration

Financial Advisor

A.G. Edwards & Sons, Inc.
St. Louis, MO

Bond Counsel

Gilmore & Bell, P.C.
St. Louis, MO

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and from other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Financial Advisor. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any other information contained herein since the date hereof.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

CITY OF CHESTERFIELD, MISSOURI GENERAL OBLIGATION REFUNDING BONDS SERIES 1998

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto (the "Official Statement"), is furnished to prospective purchasers in connection with the sale and delivery of \$10,215,000 aggregate principal amount of General Obligation Refunding Bonds, Series 1998 (the "Bonds" or "1998 Bonds"), by the City of Chesterfield, Missouri (the "City").

The following introductory information is subject in all aspects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and appendices should be considered in its entirety. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

THE BONDS

Authorization

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Missouri and an Ordinance (the "Bond Ordinance") approved by the City Council on May ____, 1998. The Bonds are being issued for the purpose of refunding the City's General Obligation Bonds, Series 1995 (the "Series 1995 Bonds"), in the outstanding principal amount of \$10,140,000 (the "Refunded Bonds") and paying the costs of issuance of the Bonds. See the section herein captioned "THE REFUNDING PLAN."

Description

The 1998 Bonds will be issued in the aggregate principal amount of \$10,215,000, will be dated the date of delivery, and will consist of fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof, numbered from R-1 consecutively upward. The 1998 Bonds will mature, subject to redemption as described below, on February 15 in the years and in the maturity amounts set forth on the cover page of this Official Statement. The 1998 Bonds will bear interest from the date thereof at the rates set forth on the cover page hereof, payable semiannually on February 15 and August 15 in

each year, beginning on August 15, 1998. The interest payment on each Bond on any payment date shall be paid by check or draft mailed by the Paying Agent to the person in whose name such Bond is registered at the close of business on the Record Date for such interest, which shall be the first day (whether or not a business day) of the calendar month in which such interest payment date occurs. The principal of the Bonds shall be payable to the registered owners thereof at the principal payment office of the Paying Agent upon presentation and surrender of such 1998 Bonds as they respectively come due. The interest on the 1998 Bonds when due shall be payable to the registered owners as shown on the registration books (the "Bond Register") maintained by the Paying Agent at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such registered owner shown on the Bond Register or (b) at such other address as is furnished to the Paying Agent in writing or (c) in the case of an interest payment to any registered owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such registered owner upon written notice given to the Paying Agent not less than 15 days prior to the Record Date, containing the wire transfer address (which shall be in the continental United States) to which such registered owner wishes to have such wire directed.

Security for the Bonds

The Bonds will constitute general obligations of the City and will be payable as to both 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.

Optional Redemption

At the option of the City, the 1998 Bonds maturing on February 15, 2009 and thereafter may be called for redemption and payment prior to maturity on February 15, 2008 and thereafter in whole at any time or in part on any interest payment date in such order of maturity as shall be determined by the City (Bonds of less than a single maturity to be selected in multiples of \$5,000 principal amount), at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the redemption date.

Notice of Redemption

In the event of any redemption, the Paying Agent will give written notice of the City's intention to redeem and pay the 1998 Bonds or any of them by first class mail addressed to the State Auditor of Missouri, to the Underwriter of the 1998 Bonds, and to the registered owner of each 1998 Bond to be redeemed, each of the notices to be mailed not less than 30 days nor more than 60 days prior to the redemption date.

Exchange, Transfer and Registration of Bonds

Bonds are transferable only upon the books of the Paying Agent upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions, fee or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

Book-Entry Only System

The Bonds are issuable in book-entry only form and beneficial ownership interests therein may be purchased in the principal amount or maturity amount, as the case may be, of \$5,000 or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds.

The following information concerning The Depository Trust Company ("DTC") and DTC's book-entry system has been obtained from sources the City and Financial Advisor believe to be reliable; however, the City and the Financial Advisor take no responsibility as to the accuracy or completeness thereof. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The Bonds will be available only in book-entry form in the principal amounts shown on the cover page of this Official Statement. DTC will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity as set forth on the cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC.

DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the "DTC Participants") and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need of physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of DTC Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the "Indirect Participants"). The rules applicable to DTC and the DTC Participants are on file with the Securities and Exchange Commission.

Purchases of beneficial ownership interests in the Bonds must be made by or through DTC Participants, which will receive a credit balance in the records of DTC. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") will be recorded through the records of the DTC Participant or the Indirect Participant. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive a written confirmation of their purchase providing certain details of the Bond acquired, as well as periodic statements of their holdings, from the DTC Participant or Indirect Participant through which the Beneficial Owner acquired its Bonds. Transfers of ownership interests in the Bonds will be accomplished by book entries made by DTC and, in turn, by the DTC Participants or the Indirect Participants who act on behalf of the Beneficial Owners. Beneficial Owners of the Bonds will not receive nor shall they have the right to receive physical delivery of certificates representing their ownership interest in the Bonds, except in the event the book-entry system is discontinued.

To facilitate subsequent transfers, all Bonds deposited by DTC Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effects no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the DTC Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The DTC Participants will remain responsible for keeping account of their holdings on behalf of their customers.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN AND IN THE ORDINANCE TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

The City, the Paying Agent and the Registrar will recognize DTC or its nominee as the sole and exclusive owner of the Bonds registered in its name for the purpose of payment of the principal or redemption price of or interest on the Bonds, selecting Bonds and portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Ordinance, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The City, the Paying Agent or the Registrar shall not have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any DTC Participant, or any other person which is not shown on the registration books of the City as being an owner, with respect to: the accuracy of any records maintained by DTC or any DTC Participant or Indirect Participant regarding ownership interests in the Bonds; the payment by DTC or any DTC Participant or Indirect Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds; the delivery to any DTC Participant or Indirect Participant or any Beneficial Owner of any notice which is permitted or required to be given to Bondholders under the Ordinance; the selection by DTC, any DTC Participant or Indirect Participant of any person to receive payment in the event of a partial redemption of Bonds; or any consent given or other action taken by DTC as an owner.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an omnibus proxy to the City as soon as possible after the establishment of a "record date." The omnibus proxy assigns Cede & Co.'s consent or voting rights to those DTC Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

Principal or redemption price of and interest on the Bonds will be paid to DTC or Cede & Co., as registered owner of the Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Bonds is the responsibility of the DTC Participants or the Indirect Participants. Upon receipt of any such payments, DTC's current practice is to credit immediately the accounts of the DTC Participants in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants and Indirect Participants to Beneficial Owners of the Bonds will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant or Indirect Participant and not of DTC, the City, the Paying Agent or the Registrar, subject to any statutory and regulatory requirements as may be in effect from time to time.

As long as the book-entry system is used for the Bonds, the Registrar will give any notice of redemption or any other notices required to be given to owners of Bonds only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Indirect Participant, or of any DTC Participant or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption or of any other action premised on such notice. Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time. Beneficial Owners may desire to make arrangements with a DTC Participant or Indirect Participant so that all notices of redemption or other communications to DTC which affect such Beneficial Owners will be forwarded in writing by such DTC Participant or Indirect Participant.

NEITHER THE CITY, THE PAYING AGENT, THE REGISTRAR NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS.

For every transfer and exchange of a beneficial ownership interest in the Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Discontinuation of the Book-Entry System. DTC may determine to discontinue providing its service as securities depository with respect to the Bonds at any time by giving reasonable notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. Upon the resignation of DTC or a determination by the City that DTC is no longer able to carry out its functions, the City may designate another depository institution qualified to carry out the functions of a securities depository. If (a) the City, after reasonable investigation, fails to locate another qualified depository institution, (b) the City makes a determination to deliver to the Beneficial Owners Bond certificates and provides written notice thereof pursuant to the Ordinance or (c) the City receives written notice from DTC Participants having interests of not less than 50% of the principal amount of the Bonds then outstanding that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, then upon receipt of the outstanding Bonds by the Registrar, together with written instructions for registration of transfer satisfactory to the Registrar, new Bonds are required by the Ordinance to be issued registered in the names of such persons and in such authorized denominations as are requested in such written transfer instructions; provided, that neither the City nor the Registrar is required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

THE PLAN OF FINANCE

The Refunding

The Bonds are being issued to refund the City's Series 1995 Bonds currently outstanding in the aggregate principal amount of \$10,140,000. Concurrently with the issuance of the Bonds, the City will transfer \$_____ of the proceeds of the Bonds to _____ (the "Escrow Agent"), for deposit in the Escrow Fund established in the Escrow Trust Agreement, dated as of May 1, 1998 (the "Escrow Agreement"), between the City and the Escrow Agent.

Such moneys deposited with the Escrow Agent in the Escrow Fund will be used to purchase direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America (the "Escrowed Securities") maturing in such amounts and at such times as shall be sufficient together with the interest to accrue thereon, to pay the principal of and interest on the applicable series of Refunded Bonds, as and when the same shall become due, and to redeem and pay the remaining Refunded Bonds on February 15, 2005 at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption.

After the issuance of the Bonds and the deposit of the proceeds thereof and other moneys with the Escrow Agent pursuant to the Escrow Agreement, the Refunded Bonds shall be payable from the maturing principal of the Escrowed Securities, together with the earnings thereon and other moneys held for such purpose by the Escrow Agent. Under the Escrow Agreement, the Escrowed Securities and the moneys held by the Escrow Agent are

irrevocably pledged to the payment of the Refunded Bonds and the interest thereon and may be applied only to such payment.

Estimated Sources and Uses of Funds

The following table summarizes the estimated sources of funds from the sale of the Bonds (excluding accrued interest), and the expected uses of such funds, in connection with the plan of financing.

Estimated Sources

Par Amount of Bonds	\$10,215,000.00
City Contribution	_____.
TOTAL SOURCES	\$ _____.

Estimated Uses

Deposit to Escrow Fund	\$ _____.
Costs of Issuance*	_____.
TOTAL USES	\$ _____.

* Includes legal, paying agent fees, financial advisory fee and other costs and expenses related to the issuance of the Bonds.

THE CITY OF CHESTERFIELD

Economic Condition and Outlook

The City of Chesterfield, Missouri (the "City") is located on the western edge of St. Louis County (the "County"). The City was incorporated under Missouri law as a third class city on June 1, 1988.

According to the Census Bureau's latest estimates (1992) the City has a population of 42,325, including the area annexed in May 1992. The City's 1990 median household income, at \$66,930, was 75.5% higher than the St. Louis County median household income. The median home value is approximately \$193,211, more than twice the median value for the County.

The City is considered by many to be one of the fastest growing cities in the Midwest. The City already has a thriving business community convenient to both the City of St. Louis to the east and St. Charles County to the north. Improvements of I-64/Highway 40 assure the City greater opportunity for growth, enhancing its accessibility to downtown St. Louis. The national and international headquarters and regional offices of corporations such as McDonald's Corporation, Merrill Lynch, Mallinckrodt Specialties Chemical Company, Wagner Brake and Shell Oil Company are located in the City of Chesterfield. In addition,

Monsanto has a \$150 million Life Sciences Research Center which occupies approximately 900,000 square feet or 210 acres within the City.

The City has a strong retail base with Chesterfield Mall, a 1.9 million square foot enclosed shopping space, including four anchor stores (Dillard's, Famous Barr, J.C. Penney and Sears), 30 restaurants, a four-screen cinema, and more than 145 boutiques, shops, stores and services. An expansion in late 1995 to early 1996 added approximately 424,000 square feet of retail space. Chesterfield Mall is one of the largest suburban shopping centers in the metropolitan St. Louis area and is complemented by several smaller shops and boutiques in the surrounding areas.

The City's western corridor, referred to as Chesterfield Valley, expanded dramatically over the last several years, with light industrial and office/warehouse facilities. Chesterfield Valley has made a dramatic comeback from the flood of 1993. The Monarch/Chesterfield levee, owned by the Monarch/Chesterfield Levee District, has been restored to its original 100-year level of protection. The District and the City are working to obtain sufficient funds to build a 500 year levee, which would protect the Valley from flood waters and allow economic growth and development to flourish once again. The City Council has designated Chesterfield Valley as a tax increment financing district.

Type of Government

The City is governed under the City Administrator form of government. The legislative body of the City is the City Council which is comprised of eight council members, (two from each Ward) and a Mayor. Council members are elected to serve two-year terms, one-half of which expire annually.

The Mayor, elected at large to serve a four-year term, is the presiding officer of the City Council. The Mayor may vote in the event of a tie by the City Council.

City Council

	<u>Date First Elected</u>	<u>Date Present Term Expires</u>
Nancy Greenwood, Mayor	April 1997	April 2001
Mary Brown	April 1997	April 1999
Michael Casey	April 1998	April 2000
Barry Flachsbart	April 1988, April 1994*	April 2000
Larry Grosser	April 1996	April 2000
Daniel Hurt	April 1989	April 1999
Allan Sheppard	April 1997	April 1999
Barry Streeter	April 1995	April 1999
Linda Tilley	April 1990	April 2000

* Mr. Flachsbart served on the City Council from 1988 to 1990 and then was re-elected in 1994.

City Administration

Michael G. Herring, *City Administrator.* Mr. Herring was selected as City Administrator following a nationwide search and began his service to the City in July 1988. Prior to working for the City, Mr. Herring served as City Administrator of Ballwin, Missouri, City Administrator of Garden City, Georgia (a suburb of Savannah, Georgia) and Town Administrator for Ridgeland, South Carolina.

Mr. Herring is a Phi Beta Kappa graduate of the University of South Carolina, where he received a Masters in Public Administration (M.P.A.) and a Bachelor of Arts in Political Science.

Mr. Herring received the "Outstanding Achievement in Local Government-1990" Award from the East-West Gateway Coordinating Council for helping to establish Chesterfield's newly-formed government, and has served as president of both the St. Louis Area City Management Association and the Missouri City Managers Association.

Janet S. Hawn, *Director of Finance and Administration.* Ms. Hawn began employment with the City in September 1988 with over nine years of experience in local government. Prior to joining the City, Ms. Hawn served as Finance Officer for the City of Bridgeton, Missouri and Circuit City Administrator for several municipalities in the Normandy, Missouri area.

Ms. Hawn is a Summa Cum Laude graduate of the University of Missouri in St. Louis, where she received a Master of Public Policy Administration and a Bachelor of Arts in Political Science.

Ms. Hawn is active in the Missouri and St. Louis Chapter of the Government Finance Officers Association and has served on the Committee on Governmental Budgeting and Management of the Government Finance Officers Association of the United States and Canada.

Awards

The City Council, the City Administration and the City's auditor have worked together to produce annual audits which are easily readable and efficiently organized, satisfying both generally accepted accounting principles and applicable legal requirements.

As a result of this effort, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Reports for each of the fiscal years ending December 31, 1989 through 1996. This Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports.

The GFOA has also awarded its Distinguished Budget Presentation award to the City for its 1991 through 1997 Annual Operating Budgets. The Distinguished Budget Presentation award is the highest form of recognition in governmental budgeting. The attainment of this award represents a significant achievement by the elected officials and administrative staff of the City.

These awards are valid for one year only. The City has submitted the 1998 budget and plans to submit the 1997 Comprehensive Annual Financial Report upon completion to GFOA to determine its eligibility for additional awards.

Municipal Services

The City provides its residents with a full range of municipal services. These services include legislative, administrative, police services, judicial, planning and public works.

Employees and Employee Relations

The City has 164 full-time employees and 24 part-time employees, including police officers. Under Missouri law, employees of the City do not have the authority to bargain collectively. The City has had no work stoppages or significant employee disputes since its incorporation in 1988.

Pension Plan

In 1989, the City established a money purchase retirement plan (a defined contribution plan) funded through Manufacturers Life Insurance Company. All employees are eligible to participate in the plan after they have completed one year of service and are 18 years of age or older. Per City ordinance, the City contributes an amount equal to 8% of compensation of eligible participants, and no contribution is required from City employees. All employees are vested at 20% after three years of service and an additional 20% per year thereafter, making the employees fully vested after seven years of credited service. The City's contribution for 1996 was \$328,810 or 7.6% of covered payroll.

Total covered payroll for 1997 was \$4,325,451 or 87% of the total City payroll of \$5,000,196.

Transportation

The City's geographic location provides easy access to all areas of metropolitan St. Louis via Interstate 64/U.S. Highway 40 which runs for nine miles through the City and has six interchanges within the City.

Commercial rail service is provided by the St. Louis Southwestern Railroad which runs through Chesterfield Valley.

Charter and commercial air service is available at the Spirit of St. Louis Airport located within the City. Spirit of St. Louis Airport is the second busiest airport in its FAA region (Missouri, Iowa, Kansas and Nebraska). Spirit of St. Louis Airport has 7,000 and 3,800 foot runways and the capacity to base 700 airplanes. Spirit, with its FAA Flight Service Station, terminal service and overhaul amenities, is a major economic generator for the region's commerce. With the proposed commuter service to Kansas City, Tulsa, Nashville and other Midwestern destinations, Spirit will continue to be a leader in the City's growth.

Regularly scheduled air passenger and freight service is available at Lambert St. Louis International Airport located approximately 15 miles northeast of the City.

Population

Population growth directly impacts the City's bottom line in terms of total revenues. The 1990 census originally indicated that 37,991 people resided in the City. The U.S. Bureau of Census later revised their 1990 estimate to 42,325, which includes the area annexed in May, 1992. This population figure reflects a total increase of 49.4% with annexed area or 34.1% without annexed area over the area's 1980 population. Since a significant amount of the City's revenue is based on population (e.g. sales tax, motor fuel tax, motor vehicle sales tax and cigarette tax), this increase has a sizable impact on the City's revenues.

Presently, Chesterfield is the second largest city in St. Louis County in terms of population and the largest in terms of area with over 32 square miles.

Source: State of Missouri Demographer and the U.S. Bureau of the Census

Unemployment

	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
City of Chesterfield	1.5%*	1.7%*	1.8%*	1.8%*	2.5%*
St. Louis County	2.9	3.4	3.6	3.6	4.7
State of Missouri	4.1	4.6	4.8	4.9	6.5
U.S.	4.9	5.4	5.6	6.1	6.9

* These rates are unofficial and do not necessarily reflect current economic conditions.

Source: Missouri Division of Employment Security, Research and Analysis Department

Major Employers

Listed below are the largest identifiable employers within the City's geographical boundaries. The City's proximity to other industrial, commercial and educational centers within the St. Louis Metropolitan Area facilitates cross-over employment patterns for residents of the metropolitan area.

<u>Company</u>	<u>Type of Business</u>	<u>Number of Full-Time Employees</u>
Monsanto Company	Research Company	920
WorldCom Network Services, Inc.	Private Line Telecommunications Srv.	360
Mark Andy Inc.	Printing Press Manufacturer	314
Mallinckrodt Specialty Chemicals	Administrative Office	298
McBride & Son Management Co.	Homebuilder/Developer/Contractor	260
Cooper Automotive	Administrative Offices	215
Roosevelt Bank	Bank	204
CMS Communications	Remarketer of Telecommunications Srv.	200
Doubletree Hotel	Hotel	193
Famous Barr	Department Store	169

Source: City of Chesterfield.

FINANCIAL INFORMATION CONCERNING THE CITY

The following financial information concerning the City is included to provide the background information regarding the financial, accounting and budgetary practices of the City.

Reporting Entities

The general purpose financial statements present financial information on activities of the City for which the City Council has oversight responsibility. Oversight responsibility is defined as control by or dependence on the City as determined on the basis of selection of the governing body, budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the City, obligations of the City to finance any deficits that may occur, or receipt of significant subsidies from the City. As required by generally accepted accounting principles, these financial statements present the City of Chesterfield and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its financial relationships with the City.

Based on the foregoing definition of oversight responsibility, the City's general purpose financial statements include all funds, account groups, agencies, boards, commissions, and authorities that are controlled by or dependent on the City. The general purpose financial statements do not include the operations of the Chesterfield Fire Protection District as it is a separate entity from the City, and does not meet any of the other oversight criterion of the City as defined above.

Component Unit. The component unit columns in the combined financial statements include the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

Chesterfield Community Development Corporation (CCDC) - The members of the governing board of CCDC are appointed by the Mayor. Although CCDC is not controlled by the City, the City provides a material subsidy to CCDC primarily to finance the operations of the organization.

Complete financial statements of CCDC can be obtained at 135 Chesterfield Industrial Boulevard, Chesterfield, Missouri 63005.

Accounting, Budgeting and Auditing Procedures

The accounting policies of the City conform to generally accepted accounting principals (GAAP) as applicable to governmental units. The following is a summary of the significant policies.

Basis of Accounting. All governmental funds are accounted for using the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues which are considered susceptible to accrual include sales taxes, utility gross receipts taxes and certain intergovernmental revenues. Expenditures are recognized in the period in which the funds liability is incurred, if measurable, except principal and interest on general long-term debt which is recognized when due.

Fund Accounting. The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types. Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position. The following is the City's governmental fund type:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, certain general long-term debt principal, interest, and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources designated for the acquisition or construction of major capital facilities or improvements.

Fiduciary Fund Types - Trust and Agency Funds. Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. For the City, these include the expendable trust and agency funds. The expendable trust fund is accounted for, and its results of operations are reported similar to, the governmental fund types. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups. Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. The following are the City's account groups:

General Fixed Assets Account Group - This group of accounts is established to account for all fixed assets of the City.

General Long-Term Debt Account Group - This group of accounts is established to account for all long-term debt of the City.

Budget Policies. Each year the City Administrator submits to the City Council a proposed operating budget for the general, debt service, and capital projects fund types for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by ordinance after public hearings are held to obtain taxpayer comments.

City of Chesterfield
Summary Statement of Revenues, Expenditures and
Changes in Fund Balances - General Fund

For the Years Ended December 31,

	<u>1997¹</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Revenues						
Municipal taxes	\$8,461,586	\$8,229,684	\$7,874,456	\$8,197,199	\$6,565,107	\$5,913,742
Intergovernmental	3,285,265	3,403,210	2,686,275	2,745,463	3,212,468 ²	2,122,090
Licenses and permits	663,124	611,892	597,177	547,770	544,796	496,853
Charges for services	209,030	142,508	153,651	135,003	95,338	122,455
Court fines and fees	409,817	521,039	516,212	377,377	287,591	372,818
Interest	473,671	578,004	472,267	233,697	134,561	86,701
Miscellaneous	<u>55,507</u>	<u>72,742</u>	<u>38,231</u>	<u>48,615</u>	<u>179,565¹</u>	<u>39,389</u>
Total Revenues	<u>13,558,000</u>	<u>13,559,079</u>	<u>12,338,269</u>	<u>12,285,124</u>	<u>11,019,426</u>	<u>9,154,048</u>
Expenditures						
Current:						
Legislative	72,289	68,826	70,078	63,385	71,863	124,921
Administrative	1,705,487	1,595,509	1,489,115	1,776,170	939,007	894,000
Police Services	4,530,021	4,138,290	3,746,463	3,466,659	3,265,910	3,003,391
Judicial	171,847	166,340	132,015	114,221	97,390	95,146
Planning and zoning	396,305	327,904	367,673	360,623	289,688	272,069
Public works	3,094,286	2,493,202	2,683,523	2,714,697	2,884,227	2,100,466
Parks and recreation	207,922	138,283	62,053	23,218	48,336	16,750
Capital outlay	0	810,287	660,917	0	214,652	1,220,149
Debt service:						
Principal	0	0	0	0	128,069	64,989
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,356</u>	<u>16,701</u>
Total Expenditures	<u>10,178,157</u>	<u>9,738,641</u>	<u>9,211,837</u>	<u>8,518,973</u>	<u>7,945,498</u>	<u>7,808,582</u>
Revenues Over (Under)						
Expenditures	<u>3,379,843</u>	<u>3,820,438</u>	<u>3,126,432</u>	<u>3,766,151</u>	<u>3,073,928</u>	<u>1,345,466</u>
Other financing sources (uses)						
Proceeds from Capital						
Lease Obligations	0	0	0	0	0	0
Operating Transfers In	540	0	0	0	0	0
Operating Transfers Out	<u>(2,816,900)</u>	<u>(3,515,268)</u>	<u>(2,978,860)</u>	<u>(1,964,942)</u>	<u>(1,466,280)</u>	<u>0</u>
Excess of revenues and other financing sources over expenditures						
	563,483	305,170	147,572	1,801,209	1,607,648	1,345,466
Fund Balances - Beginning of Year						
	<u>5,779,910</u>	<u>5,474,740</u>	<u>5,327,168</u>	<u>4,626,162</u>	<u>3,938,173</u>	<u>2,592,707</u>
Adjustment to Fund Balance						
	<u>6,537</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - Beginning of Year as restated						
	<u>5,786,447</u>	<u>5,474,740</u>	<u>5,327,168</u>	<u>4,626,162</u>	<u>3,938,173</u>	<u>2,592,707</u>
Fund Balances - End of Year						
	<u>\$6,349,930</u>	<u>\$5,779,910</u>	<u>\$5,474,740</u>	<u>\$6,427,372</u>	<u>\$5,545,821</u>	<u>\$3,938,173</u>

¹ Unaudited

² In 1993 Intergovernmental income accounted for \$3,212,468 or 29.15% of revenues, this was primarily due to FEMA reimbursements of \$935,286 as a result of the 1993 flooding. The significant increase in miscellaneous income resulted from insurance reimbursements of \$157,500.

Source: Compiled from City of Chesterfield's Audited Financial Statements for 1992-1996 and the City of Chesterfield's Unaudited Financial Statement for 1997.

General Governmental Revenue Sources

General governmental revenues, which include general, special revenue, debt service and capital projects funds, totaled \$18,585,625 for the fiscal year ended December 31, 1997, which was the ninth full year of operation for the City since incorporation on June 1, 1988. The following schedule presents a summary of general governmental revenues for the fiscal year ended December 31, 1997, and the amount and percent of increases and decreases in relation to 1996 revenues:

<u>Revenues</u>	<u>1997 Amount</u>	<u>Percent of Total</u>	<u>1996 Amount</u>	<u>Increase (Decrease) From Prior Year</u>	<u>Percent of Increase (Decrease)</u>
Property Tax	\$1,848,504	10.0%	\$1,560,636	\$ 287,868	18.4%
Utility gross receipts tax	3,799,169	20.4	3,667,368	131,801	3.6
Sales tax	6,824,431	36.7	4,766,618	2,057,813	43.2
Intergovernmental	3,285,265	17.7	3,408,192	(122,927)	(3.6)
Licenses and permits	663,124	3.6	611,892	51,232	8.4
Charges for services	209,030	1.1	142,508	66,522	46.7
Court fines and fees	409,817	2.2	521,039	(111,222)	(21.3)
Interest	1,490,778	8.0	1,287,742	203,036	15.8
Miscellaneous	<u>55,507</u>	<u>0.3</u>	<u>72,742</u>	<u>(17,235)</u>	<u>(23.7)</u>
Total Revenues	\$18,585,625	100.0%	\$16,038,737	\$2,546,888	15.9%

Source: City of Chesterfield's 1996 Audited Financial Statements and the City of Chesterfield.

The residents of the City approved a property tax levy of \$.13 per \$100 of assessed valuation to fund the debt service on a general obligation park bond issue in 1995. Property tax revenues related to debt service were \$1,138,710 in 1997. The balance, \$709,794, represents incremental property tax revenue generated in the Chesterfield Valley Tax Increment Financing District which has been generating revenues since 1995.

The largest single source of revenue was the City's share of the 1% county-wide sales tax and the ½% capital improvements sales tax which accounted for \$6,824,431 or 36.7% of total revenue. The second largest source of revenue is utility gross receipts tax, which accounted for \$3,799,169 or 20.4% of total revenues. The third largest source of revenue is intergovernmental revenues, which accounted for \$3,285,265 or 17.7% of total revenues. These three sources are expected to continue to provide a large percentage of city revenue in the future.

Sales tax revenues in 1997 increased by 43.2% over 1996 due to the fact that the voters approved a ½ cent capital improvements sales tax in November, 1996.

Intergovernmental revenues, including motor fuel tax, motor vehicle sales tax, cigarette tax, road and bridge tax, police traffic service grants, FEMA reimbursements, a St. Louis County Police Academy grant, and a few other minor grants, are somewhat lower in 1997.

Utility Gross Receipts Tax - The City levies a 5% gross receipts tax on electric, gas, telephone and water companies within the City. The utility tax is collected by the utility companies at the time of their monthly billing and is remitted to the City within 20 days following the last day of each month.

Sales Tax - Cities in St. Louis County receive a proportionate share of the 1% retail sales tax distributed based upon their population as a percentage of the "pool" population. These population figures are adjusted decennially, based upon the latest census figures. Interim changes, *aside from annexations*, are not made.

The sales tax pool method provides the City with a consistent revenue source based on sales activity over the entire St. Louis County area rather than just the retail sales activity within the City itself.

It is estimated for 1998 that there will be a sales tax per capita distribution of approximately \$114.75.

Intergovernmental Revenues - The motor fuel tax, motor vehicle sales tax, cigarette tax, County road and bridge tax, an I.S.T.E.A. (Intermodal Surface Transportation Efficiency Act) grant and a Metropolitan Sewer District grant are included in Intergovernmental Revenues.

The motor fuel tax, the motor vehicle sales tax (includes State-imposed fees for licenses, plates and sales tax) and the cigarette taxes are collected by the State and distributed to municipalities based upon population.

The County road and bridge tax is billed along with other property tax assessments in the fall of each year and distributed to municipalities based upon their assessed valuation as received.

The I.S.T.E.A. grant is funded through the Federal government.

The Metropolitan Sewer District shares in one-third of the cost for storm water projects within the City.

Licenses & Permits - The City collects revenues from the licensing of businesses, liquor sales, vending machines, cable television franchises, trash haulers, alarm companies and a few miscellaneous sources such as excavation permits, grading permits and solicitors' permits.

The annual business license fees are based on square footage as well as the type of business operated. Annual liquor license fees are based on the type of license issued. These licenses, as well as the vending machine licenses, are issued for the period July 1 through June 30 of each year.

Cable television franchise fees are based on the gross sales of the cable television company annually.

Charges for Services - Charges for services include engineering inspection fees, subdivision processing fees, zoning applications fees, police report fees, false alarm fees, policy holdover fees and other miscellaneous charges as defined by City ordinances.

Tax Rates

(Per \$100 Net Assessed Valuation)

Fiscal Year Ending <u>December 31</u>	General <u>Fund</u>	Special Revenue <u>Fund</u>	Debt Service <u>Fund</u>	Capital Projects <u>Fund</u>	Tax Levy <u>Total</u>
1997	0	0	0.130	0	0.130
1996	0	0	0.130	0	0.130
1995	0	0	0.130	0	0.130

Source: City of Chesterfield's 1996 Audited Financial Statement and the City of Chesterfield.

The City began levying property taxes in 1995 when the voters approved an \$11 million general obligation issue for parks. The entire levy funds debt service.

1997 Overlapping Tax Rates

	<u>Levy</u>
State of Missouri	.030
St. Louis County General	.190
St. Louis County Park Maintenance	.035
St. Louis County Bond Retire	.085
St. Louis County Road & Bridges	.105
St. Louis County Health	.165
St. Louis Community College	.240
Special School District	.620
Metro Zoo	.232
Sheltered Workshop	.085
St. Louis County Library	.140
Parkway School District	3.640
Rockwood School District	4.490
City of Chesterfield	.130
Chesterfield Fire Protection District	1.030
Metro West Fire Protection District	1.030
Metropolitan Sewer District-Extension	.020

Source: St. Louis County Department of Revenue.

Tax Collection Rates

Fiscal Year Ending <u>December 31</u>	Total <u>Tax Levy</u>	Current Taxes <u>Collected</u>	Percentage of Current Taxes <u>Collected</u>	Delinquent Taxes <u>Collected</u>	Total Taxes <u>Collected</u>	Ratio of Total Tax Collections to Total <u>Tax Levy</u>	Outstanding Delinquent Taxes <u>Taxes</u>	Ratio of Delinquent Taxes to Total <u>Tax Levy</u>
1997	\$1,892,140	\$1,769,096	93.5%	\$79,408	\$1,848,504	97.7%	\$144,205	7.6%
1996	1,585,282	1,497,772	94.5	62,864	1,560,636	98.4	100,570	6.3
1995	1,401,482	1,325,557	94.6	-0-	1,325,557	94.6	75,925	5.4

Source: City of Chesterfield.

Largest Taxpayers

The following table lists the ten largest taxpayers in the City of Chesterfield for 1997.

<u>Taxing Name</u>	<u>1997 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Monsanto Company	\$26,159,180	2.83%
JG St. Louis West Limited Liability Co. Gal.	15,976,420	1.73
Union Electric Company	11,902,376	1.29
St. Lukes Episcopal Presbyterian Hospital	6,975,710	0.75
Caplaco, Inc.	6,411,460	0.69
Dierbergs	6,229,260	0.67
May Department Stores	6,096,400	0.66
Wild Horse Joint Venture	5,913,690	0.64
Dillard Department Stores	5,367,030	0.58
Corporate Plaza Management	5,140,710	0.56

The top ten taxpayers comprise 10.41% of the City's 1997 total assessed valuation of \$923,964,304.

Source: St. Louis County Department of Revenue.

Net Assessed and Estimated Actual Value

	<u>Real Property</u>	<u>Personal Property</u>	<u>Railroad and Utilities</u>	<u>Assessed Value*</u>	<u>% Increase</u>	<u>Estimated Actual Value</u>
1988	\$404,550,560	\$60,998,489	---	\$465,549,049	---	\$2,069,802,320
1989	494,909,830	113,252,888	\$15,309,591	623,472,309	33.92%	2,662,533,859
1990	518,041,910	137,789,071	14,906,377	670,737,358	7.58	2,834,312,386
1991	546,048,970	144,354,921	14,813,513	705,217,404	5.14	2,975,197,738
1992**	611,766,200	156,066,333	14,953,292	782,785,825	11.00	3,297,885,746
1993	623,355,670	146,917,716	14,480,699	784,754,085	.25	3,346,767,746
1994***	614,067,940	121,996,684	15,085,563	751,150,187	(4.28)	3,301,191,816
1995	655,300,640	141,510,637	14,635,156	811,446,433	8.05	3,619,761,616
1996	676,795,720	160,550,273	16,131,252	853,477,245	5.18	3,775,913,753
1997	737,719,530	171,773,003	14,471,771	923,964,304	8.26	4,103,912,637

* Assessments are determined by the Assessor of St. Louis County. Property is assessed as of January 1. Assessments are based on a percentage of estimated actual values. Real property is classified as residential, agricultural or commercial. Residential property is assessed at 19%, agricultural is assessed at 12% and commercial is assessed at 32%. All railroad and utility property is assessed at 32%. All personal property is assessed at 33-1/3%. Real property is reassessed biannually in odd-numbered years.

** The City annexed an area encompassing 1.6 square miles to the east on May 15, 1992.

*** 1994 assessed valuations were reduced slightly as a result of the 1993 flood in Chesterfield Valley.

Source: St. Louis County Department of Revenue and City's audited Financial Statements.

Direct and Overlapping Bonded Indebtedness

	Total Outstanding <u>Debt</u>	<u>Percent</u>	Direct and Overlapping <u>Debt Amount</u>
City of Chesterfield ¹	\$23,125,000	100.00%	\$23,125,000
St. Louis County ²	160,520,000	6.35	10,193,020
Parkway School District ³	63,595,000	24.30	15,453,585
Rockwood School District ³	99,183,600	13.53	13,419,541
Chesterfield Fire Protection District ²	4,640,799	72.83	3,379,894
Metro West Protection District	<u>0</u>	9.28	<u>0</u>
Total	\$351,064,399		\$65,571,040

¹ Balance as of the delivery of the Series 1998 Bonds

² Balance as of December 31, 1997

³ Balance as of June 30, 1997

Source: St. Louis County Department of Revenue and the City of Chesterfield.

Debt Measures

1997 Estimated Full Market Valuation		\$ 4,103,912,637
1997 Net Assessed Valuation		\$ 923,964,304
Estimated Population		42,325
Outstanding G.O. Debt		
Series 1997 Bonds	\$12,910,000	
The 1998 Bonds	10,215,000	
Total Direct Debt		\$ 23,125,000
Overlapping Tax Bonded Debt		<u>\$ 42,446,040</u>
Total Direct and Overlapping Tax Bonded Debt		\$ 65,571,040
Percent of Full Market Valuation		1.60%
Percent of Net Assessed Valuation		7.10%
Per Capita		\$ 1,549

Legal Debt Margin

Assessed Value of the City of Chesterfield for 1997	\$ 923,964,304
Limit of bonded indebtedness at 10% of assessed value	\$ 92,396,430
Legal Debt Margin	\$ 69,346,430
Legal Debt Margin after Issuance of the Series 1998 Bonds	\$ 69,271,430

Revenue Obligations

The City has no outstanding revenue obligations.

Lease Obligations

In 1995, the City issued its Certificates of Participation, of which \$2,775,000 remains outstanding.

The City leases equipment under certain operating lease agreements with terms in excess of one year. Annual aggregate lease payments remaining under the terms of the operating lease agreements as of December 31, 1997 are as follows:

1998	328,190
1999	65,312
2000	<u>59,752</u>
	<u>\$453,254</u>

The City had total rent expenditures of \$288,499 for 1997. These were included as contractual services expenditures of the General Fund.

Anticipated Future Borrowings

In 1995, the City completed a Comprehensive Capital Projects Plan of Finance which identified the following capital project needs: street upgrade and repair, City Hall and police headquarters complex, maintenance facilities and community/recreation center. The Series 1997 bonds financed a majority of the street improvements. The City anticipates the issuance of an additional \$15,125,000 of general obligation debt in 1999. The maintenance facility was constructed with the proceeds of the City's Series 1995 Certificates of Participation issue. The prioritization and method of financing for the remaining capital projects is under consideration at this time.

Debt Service Requirements

Fiscal Year	Outstanding Principal & Interest Requirements*	1998 Bonds			Total Requirement All Bonds
		Principal	Interest	Total	
1998					
1999					
2000					
2001					
2002					
2003					
2004					
2005					
2006					
2007					
2008					
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
TOTAL					

*Excludes Refunded Bonds.

CONTINUING DISCLOSURE UNDERTAKING

The City has covenanted in the Bond Ordinance and in its Continuing Disclosure Certificate to provide certain financial information and notices of material events to the state repository, if any, and to each nationally recognized municipal securities information repository, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. A summary of the Continuing Disclosure Certificate is included in Appendix D to this Official Statement.

APPROVAL OF LEGALITY

Certain legal matters incident to the authorization and issuance of the 1998 Bonds are subject to the approval of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel. Bond Counsel has participated only in the preparation of those portions of this Official Statement captioned "THE BONDS" (except for Book-Entry Only System"), "APPROVAL OF LEGALITY" and "TAX MATTERS" and accordingly expresses no opinion as to the accuracy or sufficiency of any other statements, material or financial information contained herein or used in the sale or offering for sale of the 1998 Bonds.

BOND RATING

Moody's Investors Service (Moody's) has assigned its municipal bond rating to the Bonds as shown on the cover page hereof. An explanation of the significance of such rating may be obtained from Moody's. The rating of the Bonds by Moody's reflects only the views of such company at the time the rating is given, and the City makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time, or that it will not be revised downward or withdrawn entirely by Moody's if, in the judgment of Moody's, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

MATHEMATICAL VERIFICATION

_____, independent certified public accountants, will deliver to the City a report indicating that such firm has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Financial Advisor and the City and its representatives. Included in the scope of their examination will be a verification of the mathematical accuracy of (a) the mathematical computations of the adequacy of the initial cash deposit together with the maturing principal of and interest on the Escrowed Securities in the Escrow Fund to pay, when due, the maturing principal of, interest on and call premium

requirements of the Series 1995 Bonds, and (b) the mathematical computations supporting the conclusion of Bond Counsel that the Bonds are not "arbitrage bonds" under the Code.

FINANCIAL ADVISOR

A.G. Edwards & Sons, Inc. has been retained by the City as Financial Advisor in certain aspects of this financing and has assisted in the preparation of this Official Statement. A.G. Edwards & Sons, Inc., in its capacity as Financial Advisor, has read and participated in drafting certain portions of this Official Statement and has supervised the compilation and editing thereof. The Financial Advisor has not, however, independently verified the factual information contained in the Official Statement.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal and Missouri income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in this paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal and Missouri income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

Original Issue Discount Bonds

In the opinion of Bond Counsel, subject to the conditions set forth above, the original issue discount in the selling price of each Bond purchased in this offering at a price less than the principal amount thereof (hereinafter referred to as the "OID Bonds"), to the extent properly allocable to each owner of such Bond, is excludable from gross income for federal income tax purposes with respect to such owner. Original issue discount is the excess of the stated redemption price at maturity of an OID Bond over the initial offering price to the public (excluding underwriters and intermediaries) at which price a substantial amount of the OID Bonds were sold. Under Section 1288 of the Code, original issue discount on tax-

exempt bonds accrues on a compound basis. For an owner who acquires an OID Bond in this offering, the amount of original issue discount that accrues during any accrual period generally equals (i) the issue price of such OID Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity on such OID Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such OID Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in such OID Bond. Any gain realized by an owner from a sale, exchange, payment or redemption of an OID Bond would be treated as gain from the sale or exchange of such Bond. Owners of OID Bonds should consult with their individual tax advisors to determine whether the application of the proposed original issue discount federal regulations will require them to include, for State and local income tax purposes, an amount of interest on the OID Bonds as income even though no corresponding cash interest payment is actually received during the tax year.

Other Tax Consequences

Prospective purchasers of the Bonds should be aware that there may be tax consequences of purchasing the Bonds other than those discussed under the caption "Opinion of Bond Counsel," including the following:

- (1) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of such institution's interest expense allocable to interest on the Bonds;
- (2) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds;
- (3) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code;
- (4) passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year, if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; and

- (5) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Bonds.

Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their own tax advisors as to the applicability of these tax consequences.

NO LITIGATION CERTIFICATE

At the time of the delivery of the Bonds, the Underwriter shall receive a certificate of the City stating that there is no litigation pending which would affect in any way the validity of the Bonds or the ability of the City to levy and collect ad valorem taxes for the payment of the Bonds or the interest thereon.

OTHER MATTERS

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of the information herein. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

Simultaneously with the delivery of the Bonds, the City will furnish to the Underwriter a certificate which shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized.

AUTHORIZATION AND APPROVAL OF OFFICIAL STATEMENT

The Bond Ordinance authorizing the issuance of the Bonds will approve the form and content of the Official Statement and any addenda, supplement or amendment thereto issued on behalf of the City and authorize its further use in the reoffering of the Bonds by the Underwriter.

CITY OF CHESTERFIELD, MISSOURI

By: /s/ Nancy Greenwood
Mayor

APPENDIX C

Gilmore & Bell, P.C., St. Louis, Missouri, proposes to issue its approving opinion upon the issuance of the Bonds in substantially the following form:

Mayor and City Council
Chesterfield, Missouri

[Underwriter]

Re: \$10,215,000 City of Chesterfield, Missouri, General Obligation
Refunding Bonds, Series 1998

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Chesterfield, Missouri (the "City"), of the above-captioned bonds (the "Bonds").

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and legally binding general obligations of the City, payable as to both 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.

2. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal and Missouri income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in this paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the

Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal and Missouri income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

APPENDIX D

The City has covenanted in the Bond Ordinance and in a “Continuing Disclosure Certificate” signed by the City to make available certain financial and operating information on an ongoing basis while the Bonds remain outstanding, in accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission. The following is a summary of certain provisions contained in the Continuing Disclosure Certificate and is qualified in its entirety by reference to the Continuing Disclosure Certificate.

Definitions

In addition to the definitions set forth in the Bond Ordinance, which apply to any capitalized term used in the Continuing Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to the Continuing Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the City or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“National Repository” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean each National Repository and each State Repository.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State of Missouri as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission.

Provision of Annual Reports

Within 180 days after the end of each fiscal year of the City (which currently ends December 31), commencing with the fiscal year ending December 31, 1997, the City shall, or shall cause the Dissemination Agent to, provide to each Repository, the Paying Agent for the Bonds, each Participating Underwriter and to each holder of Bonds who makes a request for such information, an Annual Report which is consistent with the requirements of the Continuing Disclosure Certificate. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event.

Not later than fifteen (15) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide to the Repositories an Annual Report by the date required in the preceding paragraph, the City shall send a notice to the State Repository, if any, and to each National Repository or the Municipal Securities Rulemaking Board.

The Dissemination Agent shall:

- (i) determine each year, prior to the date for providing the Annual Report, the name and address of each National Repository and State Repository, if any; and
- (ii) provide notice to the City (if the Dissemination Agent is other than the City) and the Paying Agent certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided or that the City has certified to the Dissemination Agent that the City has provided the Annual Report to the Repositories.

Content of Annual Reports

The City's Annual Report shall contain or incorporate by reference the following:

1. The City's audited financial statements for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
2. Information relating to the City and its operations set forth in the Official Statement relating to the Bonds, set forth in the tables under the section captioned "FINANCIAL INFORMATION CONCERNING THE CITY".

Reporting of Significant Events

The City shall give, or cause to be given, notice of the occurrence of any of the following events ("Listed Events") with respect to the Bonds, if material:

1. Principal or interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modification to rights of holders of the Bonds;
8. Bond calls (other than mandatory sinking fund redemptions or redemptions at maturity);
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds; or
11. Rating changes.

Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

If the City determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the City shall promptly file a notice of such occurrence with the State Repository, if any, and the Municipal Securities Rulemaking Board, or each National Repository. Notwithstanding the foregoing, notice of Listed Events described in (8) and (9) need not be given any earlier than the notice, if any, of the underlying event is given to holders of affected Bonds pursuant to the Bond Ordinance.

Termination of Reporting Obligation

The City's obligations under the Continuing Disclosure Certificate shall terminate upon the legal defeasance prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event.

Dissemination Agent

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligation under the Continuing Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Continuing Disclosure Certificate. The initial Dissemination Agent shall be the City.

Amendment; Waiver

The City may amend the Continuing Disclosure Certificate, and any provision of the Continuing Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of the provision or content of an Annual Report or disclosure of a Listed Event, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders of the Bonds in the same manner as provided in the Bond Ordinance for amendments to such Bond Ordinance with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating date being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default

If the City fails to comply with any provision of the Continuing Disclosure Certificate, any holder or Beneficial Owner of Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Certificate. A default under the Continuing Disclosure Certificate shall not be deemed a default under the Ordinance and the sole remedy under the Continuing Disclosure Certificate in the event of any failure of the City to comply with the Continuing Disclosure Certificate shall be an action to compel performance.

Beneficiaries

The Continuing Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and Beneficial Owners of the Bonds, and shall create no rights in any other person or entity.

No Prior Default

The City has not defaulted under any continuing disclosure obligation with respect to any bonds or other obligations subject to the Rule.