

Memo

To: LRC
From: Lincoln Theinert
Subject: Bond Payee Disclosure Form –Kentucky Interlocal School Transportation Association (KISTA)
Date: November 29, 2018
cc: File

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Kentucky Interlocal School Transportation Association (KISTA). Please process this issue at the next meeting of the Capital Projects and Bond Oversight Committee.

If you should have any questions or require any additional information, please do not hesitate to contact our office.

BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 16,955,000**
Issue Name: Kentucky Interlocal School Transportation Association Equipment Lease Certificates of Participation, First Series 2019
Purpose: Purchase approximately 159 School Buses for 56 Districts
Projected Sale Date of Bond: 13-Feb-19
First Call Date: 3/1/24@100%
Method of Sale: Competitive Bids
Place/time of sale: 700 Louisville Rd. Carriage House, Frankfort, KY/ 11:00 A.M.
Bond Rating: Moodys: "A1"
Bond Counsel: Steptoe & Johnson Law Firm, Louisville, Ky
Fiscal Agent: Ross, Sinclair & Associates, Lexington, Kentucky
Date received by SFCC: / / *To be filled in by SFCC*
Date scheduled for Committee review: / / *To be filled in by SFCC*
Month Day Year

Estimated par amount of Bonds:
% Share of total Bonds:
Estimated average annual debt service:
Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$ 0	\$ 16,955,000	\$ 16,955,000
0.00%	100.00%	
\$ 0	\$ 2,005,044	\$ 2,005,044
\$ 0	\$ 0	\$ 0

Estimated Cost of Issuance:

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc.
Special Tax Counsel
Number verifications
Bond Rating
Underwriter's Discount
Bank Fee
Total Cost of Issuance:

\$ 0	\$ 80,820	\$ 80,820
\$ 0	\$ 0	
\$ 0	\$ 0	
\$ 0	\$ 24,000	\$ 24,000
\$ 0	\$ 169,550	\$ 169,550
\$ 0	\$ 8,000	\$ 8,000
\$ 0	\$ 282,370	\$ 282,370

Anticipated Interest Rates:

5 Years: 3.000% 10 Years: 3.500% 15 Years: NA
 20 Years: NA

Note: No Local Tax increase is required.

One Riverfront Plaza
401 West Main Street,
Suite 2110
Louisville, KY
40202
502/491-3939
fax: 502/491-9979

November 19, 2018

INVESTMENT
BANKING
FINANCIAL
ADVISORY
PUBLIC
FINANCE
BROKERAGE
SERVICES

Capital Projects and Bond Oversight Committee
702 Capital Avenue, Room 34, Capitol Annex
Frankfort, KY 40601

RE: \$2,600,000 Harlan County School District Finance Corporation
Energy Conservation Bonds, Series of 2019

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance energy improvements within the district.

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming weeks. The Bonds will be funded with 100% Local General Funds.

Please process this bond disclosure form for review by the Bond Oversight Committee at the next meeting. Should you have any questions or require any additional information, please contact our office.

Sincerely,

Dwight G. Salsbury

Enclosures

Cincinnati, OH
Lexington, KY
Owensboro, KY
Columbus, OH
Indianapolis, IN
Columbia, SC
Brentwood, TN
Pittsburgh, PA
St. Petersburg, FL
Alameda, CA

BOND PAYEE DISCLOSURE FORM

Par Amount:

\$2,600,000

Issue Name:

Harlan County School District Finance Corporation School Building Energy Conservation Bonds, Series 2019
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Purpose:

Finance Energy Improvements within the District

Projected Sale Date of Bonds:

February 2019

First Call Date:

8 Years at Par

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, 229 West Main Street, Suite 102, Frankfort, Ky. /
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Bond Rating:

Moodys: "A1"

Bond Counsel:

Steptoe and Johnson, Louisville, KY

Fiscal Agent:

Ross, Sinclair & Associates, Louisville, Kentucky

Date received by SFCC:

/ /	<i>To be filled in by SFCC</i>
-----	--------------------------------

Date scheduled for Committee review:

/ /	<i>To be filled in by SFCC</i>
-----	--------------------------------

Month Day Year

Estimated par amount of Bonds:

General Fund Portion	Local Portion	Total
\$2,600,000	\$0	\$2,600,000
100.00%	0.00%	100.00%
\$192,186	\$0	\$192,186
\$0	\$0	\$0

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

Estimated Cost of Issuance:

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc)

Special Tax Counsel

Number verifications

Bond Rating & Bank Fee

Underwriter's Discount

Credit Enhancement

Total Cost of Issuance:

\$23,400	\$0	\$23,400
\$0	\$0	\$0
\$0	\$0	\$0
\$12,500	\$0	\$12,500
\$52,000	\$0	\$52,000
\$0	\$0	\$0
\$87,900	\$0	\$87,900

Anticipated Interest Rates:

5 Years: 2.50% 10 Years: 3.20% 15 Years: 3.75%
20 Years: 4.00%

Note: No Tax Increase

Harlan County School District

Plan of Financing -- Series 2019 Energy Conservation Bonds

Date of Report: November 19, 2018

Yearly Summary of Local Bond Payments Outstanding	1
Summary of Funds Available.....	2
Estimated Energy Project.....	3
Summary of Series 2019 Energy Project.....	4
Disclosures.....	5



Harlan County School District -- Local Bond Debt

FYE	Series 2000B	Series 2008-Ref	Series 2009-Ref	KISTA Series 2009-Ref*	Series 2011	Series 2012	Series 2012B*	Series 2012-REF*	Series 2012B-REF	KISTA Series 2012-Ref*	Series 2015-REF	Series 2016-REF	Total Payments
2019		\$360,680	\$294,548		\$93,170	\$83,300			\$134,019		\$928,643	\$57,465	\$1,951,824
2020					\$92,850	\$83,131			\$201,119		\$1,531,514	\$46,210	\$1,954,824
2021					\$92,530	\$82,963			\$207,419		\$1,533,001	\$46,853	\$1,962,766
2022					\$92,210	\$82,794			\$223,419		\$1,512,520	\$47,590	\$1,958,533
2023					\$91,810	\$82,625			\$219,219		\$1,519,707	\$48,483	\$1,961,844
2024					\$91,410	\$82,456			\$224,781		\$1,513,871	\$44,582	\$1,957,101
2025					\$91,010	\$82,288			\$116,222		\$1,622,599	\$45,834	\$1,957,952
2026					\$90,610	\$87,119					\$1,756,230	\$47,183	\$1,981,141
2027					\$90,210	\$86,781					\$1,740,415	\$51,871	\$1,969,278
2028					\$539,810	\$356,444						\$525,283	\$1,421,537
2029					\$551,410	\$406,994						\$510,208	\$1,468,612
2030					\$521,198	\$415,519						\$489,970	\$1,426,686
2031					\$516,038	\$453,369						\$492,203	\$1,461,609
2032						\$454,531							\$454,531
2033						\$465,188							\$465,188
2034													\$0
2035													\$0
2036													\$0
TOTALS:	0	\$360,680	\$294,548	\$0	\$2,954,265	\$3,305,500	\$0	\$0	\$1,326,197	\$0	\$13,658,501	\$2,453,735	\$24,353,425

* Series 2000B, KISTA 2009-REF, 2012B, 2012-REF and 2012KISTA Bonds are paid by SFCC

HARLAN COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE (80% OF CAPITAL OUTLAY)

FYE	LOCAL NICKEL	GENERAL FUND NICKEL*	CAPITAL OUTLAY @ 80%	FSPK	TOTAL LOCAL FUNDS	LESS CURRENT PAYMENTS	LOCAL FUNDS AVAILABLE	EXISTING SFCC OFFERS	2016 OFFER	TOTAL FUNDS AVAILABLE
2020	426,230	426,230	267,662	968,956	2,089,078	(1,954,824)	134,254	246,883	37,146	418,283
2021	426,230	426,230	267,662	968,956	2,089,078	(1,962,766)	126,312	251,317	37,146	414,774
2022	426,230	426,230	267,662	968,956	2,089,078	(1,958,533)	130,545	248,568	37,146	416,259
2023	426,230	426,230	267,662	968,956	2,089,078	(1,961,844)	127,234	248,073	37,146	412,453
2024	426,230	426,230	267,662	968,956	2,089,078	(1,957,101)	131,977	250,457	37,146	419,579
2025	426,230	426,230	267,662	968,956	2,089,078	(1,957,952)	131,125	217,198	37,146	385,469
2026	426,230	426,230	267,662	968,956	2,089,078	(1,981,141)	107,936	218,622	37,146	363,704
2027	426,230	426,230	267,662	968,956	2,089,078	(1,969,278)	119,800	220,048	37,146	376,993
2028	426,230	426,230	267,662	968,956	2,089,078	(1,421,537)	667,541	216,654	37,146	921,341
2029	426,230	426,230	267,662	968,956	2,089,078	(1,468,612)	620,466	218,441	37,146	876,053
2030	426,230	426,230	267,662	968,956	2,089,078	(1,426,686)	662,392	220,228	37,146	919,766
2031	426,230	426,230	267,662	968,956	2,089,078	(1,461,609)	627,469	217,172	37,146	881,787
2032	426,230	426,230	267,662	968,956	2,089,078	(454,531)	1,634,546	219,272	37,146	1,890,965
2033	426,230	426,230	267,662	968,956	2,089,078	(465,188)	1,623,890	251,136	37,146	1,912,172
2034	426,230	426,230	267,662	968,956	2,089,078	0	2,089,078	246,744	37,146	2,372,967
2035	426,230	426,230	267,662	968,956	2,089,078	0	2,089,078	242,648	37,146	2,368,872
2036	426,230	426,230	267,662	968,956	2,089,078	0	2,089,078	246,234	37,146	2,372,458
2037	426,230	426,230	267,662	968,956	2,089,078	0	2,089,078	246,249	37,146	2,372,473
2038	426,230	426,230	267,662	968,956	2,089,078	0	2,089,078	249,043	37,146	2,375,267
2039	426,230	426,230	267,662	968,956	2,089,078	0	2,089,078	248,299	37,146	2,374,522
2040	426,230	426,230	267,662	968,956	2,089,078	0	2,089,078	0	0	2,089,078

NOTE: Figures based on assessments of SEEK 2018-2019 Tentative SEEK Data

* Board approved pledging additional funds for debt service equaling a nickel on 9/21/10
2016 SFCC Offer is adjusted

**HARLAN COUNTY SCHOOL DISTRICT
PROJECTED BONDING POTENTIAL -- PROJECTED ENERGY SERIES 2019**

FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	General Fund	Restricted Portion	Current Payments	Projected All Local Payments Outstanding	SFCC Funds Available	Local Funds Available	Funds Available For Future Projects
2020	50,000	1.900%	89,558	139,558	139,558	0	1,954,824	1,954,824	284,029	2,089,078	418,283
2021	60,000	2.000%	88,533	148,533	148,533	0	1,962,766	1,962,766	288,463	2,089,078	414,774
2022	65,000	2.150%	87,243	152,243	152,243	0	1,958,533	1,958,533	285,714	2,089,078	416,259
2023	70,000	2.300%	85,748	155,748	155,748	0	1,961,844	1,961,844	285,219	2,089,078	412,453
2024	75,000	2.500%	84,033	159,033	159,033	0	1,957,101	1,957,101	287,603	2,089,078	419,579
2025	80,000	2.700%	82,045	162,045	162,045	0	1,957,952	1,957,952	254,344	2,089,078	385,469
2026	90,000	2.900%	79,765	169,765	169,765	0	1,981,141	1,981,141	255,768	2,089,078	363,704
2027	95,000	3.000%	77,020	172,020	172,020	0	1,969,278	1,969,278	257,194	2,089,078	376,993
2028	105,000	3.050%	74,028	179,028	179,028	0	1,421,537	1,421,537	253,800	2,089,078	921,341
2029	115,000	3.200%	70,668	185,668	185,668	0	1,468,612	1,468,612	255,587	2,089,078	876,053
2030	125,000	3.350%	67,965	192,965	192,965	0	1,426,686	1,426,686	257,374	2,089,078	919,766
2031	135,000	3.550%	63,778	198,778	198,778	0	1,461,609	1,461,609	254,318	2,089,078	881,787
2032	145,000	3.550%	58,985	203,985	203,985	0	454,531	454,531	256,418	2,089,078	1,890,965
2033	155,000	3.700%	53,838	208,838	208,838	0	465,188	465,188	288,282	2,089,078	1,912,172
2034	170,000	3.750%	48,103	218,103	218,103	0	0	0	283,890	2,089,078	2,372,967
2035	185,000	3.800%	41,728	226,728	226,728	0	0	0	279,794	2,089,078	2,368,872
2036	195,000	3.850%	34,698	229,698	229,698	0	0	0	283,380	2,089,078	2,372,458
2037	210,000	3.900%	27,190	237,190	237,190	0	0	0	283,395	2,089,078	2,372,473
2038	230,000	4.000%	19,000	249,000	249,000	0	0	0	286,189	2,089,078	2,375,267
2039	245,000	4.000%	9,800	254,800	254,800	0	0	0	285,445	2,089,078	2,374,522
Totals	2,600,000		1,243,720	3,843,720	3,843,720	0	22,401,601	22,401,601			24,846,157

Notes:

Harlan County School District Summary of Pojected Energy Series 2019

❖ Local General Fund Portion of Bond Issue	\$2,600,000
❖ Local Restricted Portion of Bond Issue	<u>\$0</u>
❖ Total Bond Issue	\$2,600,000

Municipal Advisor Disclosure of Conflicts of Interest and Other Information

Ross, Sinclair and Associates, LLC (“RSA”)

Introduction

RSA is a registered municipal advisory firm registered with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”). In accordance with MSRB rules, this disclosure statement is provided by RSA to each client prior to the execution of its advisory agreement with written disclosures of any material conflicts of interest and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii).

RSA employs a number of resources, which we have outlined below to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest.

- Code of Ethics
- Policies and Procedures
- Supervisory Structure
- Disclosure

General Conflict of Interest Disclosures

As a registered municipal advisory firm registered with the “SEC” and the “MSRB”, our disciplinary events are required to be disclosed on our forms MA and MA-I filed with the SEC. To review the disclosures on these forms, you may access them electronically via the SEC’s Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) at: <https://www.sec.gov/cgi-bin/browse-edgar?company=ROSS%2C+SINCLAIRE+%26+ASSOCIATES%2C+LLC&owner=exclude&action=getcompany>

RSA is a registered Broker Dealer with the Financial Industry Regulatory Authority (“FINRA”) and a registered Investment Advisory Firm with the Securities and Exchange Commission (the “SEC”) that engages in other securities related activities to service its clients. Such securities related activities, which may include but are not limited to the buying and selling of new issue and secondary market securities, may include the securities offering of the client to which RSA is serving as Municipal Advisor.

Upon request, RSA may provide sponsorships and donations to various municipal organizations to which you may be a member.

To our knowledge, following reasonable inquiry, we are not aware of any actual or potential conflicts of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the client in accordance with the applicable standards of conduct of MSRB Rule G-42.