



Kenton County School District | It's about ALL kids.

THE KENTON COUNTY BOARD OF EDUCATION

1055 EATON DRIVE, FORT WRIGHT, KENTUCKY 41017

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Dr. Henry Webb, Superintendent of Schools

KCS D ISSUE PAPER

DATE:

7/24/2020

AGENDA ITEM (ACTION ITEM):

Consider/Approve A Resolution of the Board of Education of Kenton County School District, Fort Wright, Kentucky; Authorizing and approving the refunding of certain outstanding Kenton County School District Finance Corporation School Building Revenue Bonds, Series 2011; Approving the plan of refunding the Series 2011 Bonds; Authorizing the execution of a contract, lease and option with the Kenton County School District Finance Corporation; Approving the execution of continuing disclosure procedures, and any further necessary instruments.

APPLICABLE BOARD POLICY:

01.1 Legal Status of the Board; 04.31 Authority to Encumber and Expend Funds; 702 KAR 3:020 Bonds; KRS Chapter 162

HISTORY/BACKGROUND:

This is a resolution authorizing the issuance of Revenue Refunding Bonds as prepared by Ross, Sinclair, and Associates. These bonds were originally issued to finance Phase II improvements at Scott High School at an average interest rate of 4.39%. The new bonds would be sold as taxable bonds and generate a present value savings of approximately 9.12% of the refunded principal.

FISCAL/BUDGETARY IMPACT:

The total savings would be \$749,328.00.

RECOMMENDATION:

Approve the Resolution to authorize the issuance of Revenue Refunding Bonds as prepared by Ross, Sinclair, and Associates.

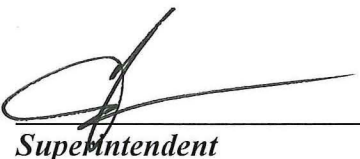
CONTACT PERSON:

Rob Haney

Principal



District Administrator



Superintendent

Use this form to submit your request to the Superintendent for items to be added to the Board Meeting Agenda.

Principal—complete, print, sign and send to your Director. Director—if approved, sign and put in the Superintendent's mailbox.

Kenton County Board of Education

Board Members: Carl Wicklund, Chairperson Karen L. Collins, Vice Chairperson Carla Egan Shannon Herold Jessica Jehn

"The Kenton County Board of Education provides Equal Education & Employment Opportunities."

Kenton County School District

Summary of Refinancing Opportunity

Bonds to be Refinanced

2011 Bonds - Originally Issued to finance Phase II improvements at Scott High School- Average Interest Rate 4.39%

New Refunding Bonds

If Approved by the Board, the new bonds would be sold as taxable bonds and generate a present value savings of approximately 9.12% of the refunded principal.

Kenton County School District Finance Corporation
School Building Refunding Revenue Taxable Bonds, Series 2020
Refunding of Prior Series 2011 Bonds - Dated Date of 10.01.20

	(A) Current Bond Payments			(B) New Bond Payments			(C) Savings
	-----Series 2011 Bonds-----			-----Series 2020 Bonds-----			
Fiscal Year	Principal Portion	Interest Portion	Total Payment	Principal Portion	Interest Portion	Payment Totals	Annual Savings
Closing							
2021	\$240,000	\$312,350	\$552,350	\$375,000	\$107,107	\$482,107	\$70,243
2022	\$235,000	\$302,750	\$537,750	\$305,000	\$164,050	\$469,050	\$68,700
2023	\$70,000	\$293,350	\$363,350	\$135,000	\$158,560	\$293,560	\$69,790
2024	\$80,000	\$290,550	\$370,550	\$145,000	\$156,063	\$301,063	\$69,488
2025	\$710,000	\$287,350	\$997,350	\$775,000	\$153,308	\$928,308	\$69,043
2026	\$875,000	\$258,950	\$1,133,950	\$930,000	\$138,195	\$1,068,195	\$65,755
2027	\$915,000	\$222,856	\$1,137,856	\$950,000	\$118,665	\$1,068,665	\$69,191
2028	\$965,000	\$183,969	\$1,148,969	\$985,000	\$97,765	\$1,082,765	\$66,204
2029	\$990,000	\$141,750	\$1,131,750	\$990,000	\$75,110	\$1,065,110	\$66,640
2030	\$1,045,000	\$97,200	\$1,142,200	\$1,025,000	\$51,350	\$1,076,350	\$65,850
2031	\$1,115,000	\$50,175	\$1,165,175	\$1,070,000	\$26,750	\$1,096,750	\$68,425
Totals:	\$7,240,000	\$2,441,250	\$9,681,250	\$7,685,000	\$1,246,922	\$8,931,922	\$749,328

Net Savings Summary

Gross Savings Amount:	\$749,328
Present Value Savings Amount:	\$658,662
NPV Savings % of Prior:	9.124%
Negative Arbitrage	(\$98,660)



Interest Rate Reduction Summary

Series 2011 Average Coupon:	4.379%
Series 2020 Total Interest Cost:	2.450%
Interest Rate Reduction:	1.929%