

ORDINANCE NO. 17-02

AN ORDINANCE OF THE COUNTY OF MADISON, KENTUCKY AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,975,000 (WHICH AMOUNT MAY BE DECREASED AS NECESSARY); APPROVING THE FORM OF BONDS; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE BONDS; PROVIDING FOR THE PAYMENT AND SECURITY OF THE BONDS; CREATING A BOND PAYMENT FUND; MAINTAINING THE HERETOFORE ESTABLISHED SINKING FUND; AUTHORIZING ACCEPTANCE OF THE BID OF THE BOND PURCHASER FOR THE PURCHASE OF THE BONDS; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, the County of Madison, Kentucky (the "County") has determined the necessity of financing the costs of acquiring a building for use by the County (the "Project"), a portion of which is expected to also be subsequently leased to another governmental unit; and

WHEREAS, pursuant to the Constitution and Laws of the Commonwealth of Kentucky, and particularly Sections 66.011 et. seq. of the Kentucky Revised Statutes, as amended (the "General Obligation Act") and Sections 58.010 et. seq. of the Kentucky Revised Statutes, as amended (the "Public Project Act"), a county may issue bonds, subject to the requirements of the General Obligation Act and/or Public Project Act, to pay all or any portion of the costs of financing any public project that such county is authorized to acquire, improve or construct; and

WHEREAS, the County has determined that it is in the best interests of the County that the Project should be financed through the issuance of County of Madison, Kentucky General Obligation Bonds, Series 2017 (the "Bonds") in an aggregate principal amount not to exceed \$6,975,000 (which amount may be decreased as necessary); and

WHEREAS, it is therefore necessary and desirable that the County proceed at this time to authorize the issuance of said Bonds; and

WHEREAS, such Bonds are to be sold and awarded to the successful bidder (the “Purchaser”) at an advertised, public, competitive sale held in accordance with the provisions of Chapter 424 of the Kentucky Revised Statutes, as amended.

NOW, THEREFORE, BE IT ORDAINED by the Fiscal Court, County of Madison, Kentucky, as follows:

Section 1 -- Necessity, Authorization and Purpose. The County hereby declares that it is necessary to issue and authorizes the issuance of its General Obligation Bonds, Series 2017 in an aggregate principal amount not to exceed \$6,975,000 (which amount may be decreased as necessary) for the purpose of (i) financing the costs of the Project; and (ii) paying the costs of issuance of the Bonds. The exact principal amount of Bonds to be issued shall be established in the Certificate of Award (as hereinafter defined).

Section 2 -- Forms. The Bonds shall be issued as fully registered Bonds, shall be designated “General Obligation Bonds, Series 2017”, shall express upon their face the purpose for which they are issued, that they are issued under the General Obligation Act and shall be substantially in the form set forth in Annex A.

The Bonds shall be in denominations as requested by the Purchaser, which shall be in integral multiples of five thousand dollars (\$5,000). The Bonds shall each be dated the first day of the month in which the Bonds are to be issued or such other date as is determined in the certificate of award to be executed by the Judge/Executive of the County (the “Certificate of Award”) awarding the Bonds to the Purchaser.

Interest on the Bonds shall be payable semi-annually on the dates determined in the Certificate of Award (an “Interest Payment Date”), commencing on the date set forth in the Certificate of Award, at the stated interest rate or rates on the principal amount thereof. The

Bonds shall be serial or term Bonds maturing, on the basis of substantially level debt service, annually on the dates in the amounts to be established in the Certificate of Award after advertised competitive sale of the Bonds based on the interest rates bid in the successful bid (the "Bid") and the provisions of this Section 2, provided that the final maturity date of the Bonds shall be as set forth in the Certificate of Award but shall be no later than June 1, 2037. The interest rate or rates on the Bonds shall be determined in the Certificate of Award based on the Bid; provided that the aggregate net interest cost of the Bonds shall not exceed six percent (6.00%).

Bonds issued as term Bonds shall be subject to mandatory sinking fund redemption on the dates, in the years and in the amounts as set forth in the Certificate of Award. The Bonds may be subject to optional redemption prior to maturity as set forth in the Certificate of Award

At least thirty (30) days before the redemption date of any Bonds subject to optional or mandatory redemption, the Paying Agent and Registrar (as hereinafter defined) shall cause a notice of such redemption either in whole or in part, signed by the Paying Agent and Registrar, to be mailed, first class, postage prepaid, to all registered owners of the Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books kept by the Paying Agent and Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds for which such notice has been sent. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds being payable by their terms on a single date then outstanding shall be called for redemption, the distinctive number or letters, if any, of such Bonds to be redeemed.

On the date so designated for redemption, notice having been mailed in the manner under the conditions hereinabove provided and moneys for payment of the redemption price being held in the Bond Payment Fund by the Paying Agent and Registrar for the registered owners of the

Bonds to be redeemed, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, interest on the Bonds so called for redemption shall cease to accrue, and the registered owners of such Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof.

The Bonds may be issued in book-entry-only form through the services of the Depository Trust Company (“DTC”). If the County determines to issue the Bonds in book-entry-only form the Designated Officers (hereinafter defined) are authorized to execute all documents necessary to accomplish such form of issuance.

Section 3 -- Execution and Delivery. The Bonds shall be executed by the manual or facsimile signature of the Judge/Executive and duly attested by the manual or facsimile signature of the Fiscal Court Clerk (which, together with any other person as may be authorized by resolution are referred to as “Designated Officers”), and shall bear the manual authenticating signature of an authorized representative of the paying agent designated in the Certificate of Award (the “Paying Agent and Registrar”). The Designated Officers are further authorized and directed to deliver the Bonds to the Purchaser, upon the terms and conditions provided herein, in the Certificate of Award and in the Bids, receive the proceeds therefor, execute and deliver such certificates and other closing documents and take such other action as may be necessary or appropriate in order to effectuate the proper issuance, sale and delivery of the Bonds.

The County authorizes and directs the Paying Agent and Registrar to authenticate the Bonds and to deliver the Bonds to the Purchaser upon execution of the Certificate of Award and payment of the purchase price thereof.

Section 4 -- Payment. Payment of or on account of the interest on and principal of the Bonds shall be made directly to the Paying Agent and Registrar for the account of the registered

owner. Interest on the Bonds shall be payable by check, mailed to the person whose name appears on the fifteenth day of the month preceding an Interest Payment Date on the bond registration records as the registered owner, on each Interest Payment Date or by other transfer of funds acceptable to such registered owner and the Paying Agent and Registrar. Principal shall be payable in such coin or currency of the United States of America as shall be legal tender for the payment of public and private debts at the time and place of payment upon delivery of the Bonds to the Paying Agent and Registrar or by other transfer of funds acceptable to the Paying Agent and Registrar and such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid.

Section 5 – Filing and Approvals. The Designated Officers are hereby authorized to undertake and cause all filings of notices or information, and to obtain such other approvals, which may be required by law to be filed or obtained by the County, including, but not limited to, securing the approval of the State Local Debt Officer for the issuance of the Bonds.

Section 6 -- Bond Payment Fund, Payment of Bonds. There is hereby established with the Paying Agent and Registrar a bond payment fund in the name of the County to be known as General Obligation Bonds, Series 2017 Bond Payment Fund (the “Bond Payment Fund”), into which the County covenants to deposit, and into which the Designated Officers are hereby authorized and directed to deposit from the Sinking Fund (hereinafter defined), on or before the twenty-fifth day of each month which precedes an Interest Payment Date, the amount required to pay principal of and interest due on the Bonds on such Interest Payment Date. The Paying Agent and Registrar shall, without further authorization from the County, withdraw from the Bond Payment Fund, on such Interest Payment Date, the amounts necessary to pay principal of, and interest on, the Bonds to the registered owner of the same.

The Paying Agent and Registrar is hereby appointed depository of the Bond Payment Fund with respect to the Bonds.

If the County shall fail or refuse to make any required deposit in the Bond Payment Fund from the Sinking Fund, the Paying Agent and Registrar shall (i) notify any agency of the Commonwealth of Kentucky or any political subdivision thereof which may collect and distribute taxes or revenues for the County to seek any available necessary or proper remedial action; and (ii) upon being indemnified against cost and expense, exercise any remedy provided in the Act or at law or in equity for the benefit of the owner of the Bonds or its assignee, and shall disburse all funds so collected to the owners of the Bonds as payment of the Bonds.

Section 7 -- General Obligation; Maintenance of Sinking Fund. The Bonds shall be full general obligations of the County and, for the payment of said Bonds and the interest thereon, the full faith, credit and revenue of the County are hereby pledged for the prompt payment thereof. During the period the Bonds are outstanding, there shall be and there hereby is levied on all the taxable property in the County, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount sufficient to pay the principal of and interest on the Bonds when and as due, it being hereby found and determined that current tax rates are within all applicable limitations. Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended and collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof provided, however, that in each year to the extent that the other lawfully available funds of the County are available for the payment of the Bonds and are appropriated for such purpose, the

books maintained by the Paying Agent and Registrar on the fifteenth day preceding an Interest Payment Date, or its assignees, for purposes of this Bond Ordinance, to the extent of its interest, shall be treated as the owner of the Bonds and shall be entitled to all rights and security of the owner of the Bonds hereunder.

Upon surrender for registration of transfer of the Bonds at the office of the Paying Agent and Registrar with a written instrument of transfer satisfactory to the Paying Agent and Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, the Paying Agent and Registrar shall execute and deliver, in the name of the designated transferee or transferees, one or more Bonds of the same series of any authorized denomination and of a like tenor and effect.

All Bonds, upon surrender thereof at the office of the Paying Agent and Registrar, may, at the option of the registered owner thereof be exchanged for an equal aggregate principal amount of Bonds of the same series of any authorized denomination.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Paying Agent and Registrar shall execute and deliver Bonds in accordance with the provisions of this Section. Every such exchange or transfer of Bonds, whether temporary or definitive, shall be without charge; provided that the Paying Agent and Registrar may impose a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

Section 10 -- Disposition of Proceeds. The proceeds of the sale of the Bonds shall be deposited, together with other available funds of the County, as follows: (a) accrued interest, if

any, shall be deposited to the Bond Payment Fund created in Section 6 hereof, (b) the amount necessary to pay the costs of the Project shall be deposited to a special acquisition fund (the "County of Madison 2017 Acquisition Fund") to be held by the financial institution or institutions established in the Certificate of Award (the "2017 Acquisition Fund Depository") and used for the acquisition and improvement of the Project, and (c) the remainder of the proceeds shall be deposited to a special cost of issuance fund hereby directed to be established and designated as the "County of Madison, Kentucky General Obligation Bonds – Series 2017 Cost of Issuance Fund" (the "Cost of Issuance Fund") and used to pay the cost of issuing the Bonds.

Section 11 -- Discharge of Bond Ordinance. If the County shall pay or cause to be paid, or there shall otherwise be paid, to the owners of the Bonds the total principal and interest due or to become due thereon through maturity, in the manner stipulated therein and in this Bond Ordinance, then the pledges made under this Bond Ordinance, and all covenants, agreements and other obligations of the County hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 12 -- Designation of Bonds. The County designates the Bonds as "qualified tax-exempt obligations" for the purposes set forth in § 265(b)(3) of the Internal Revenue Code of 1986, as amended. The County does not anticipate issuing more than \$10,000,000 of "qualified tax-exempt obligations" during calendar year 2017.

Section 13 -- Severability. If any one or more of the provisions of this Bond Ordinance should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall be deemed to be severable from all remaining provisions and shall not affect the validity of such other provisions.

Section 14 -- Inconsistent Actions. All prior ordinances, resolutions or parts thereof inconsistent herewith are hereby repealed.

Section 15 -- Open Meetings Compliance. All meetings of the Fiscal Court and of its committees and any other public bodies, at which the formal actions in connection with the issuance of the Bonds were taken, or at which deliberations that resulted in such formal actions were held, were open meetings, and such formal actions were taken and any such deliberations took place while such meetings, after proper notice, were open to the public, in compliance with all legal requirements including KRS Sections 61.810, 61.815, 61.820 and 61.823.


Section 16 -- Financial Advisor and Bond Counsel. The County hereby appoints Ross, Sinclaire & Associates, LLC, Lexington, Kentucky as financial advisor to the County for the Bonds and Dinsmore & Shohl LLP as bond counsel for the Bonds.

Section 17 -- Effective Date. This Ordinance shall become effective immediately upon adoption and publication of a summary thereof, as provided by law.

FIRST READING HELD on April 11, 2017.

DULY ADOPTED AFTER SECOND READING on April 25, 2017.

COUNTY OF MADISON, KENTUCKY

By: 
Judge/Executive

Attest: 
Fiscal Court Clerk

ANNEX A

COUNTY OF MADISON, KENTUCKY
GENERAL OBLIGATION BOND, SERIES 2017

No. R-1 \$ _____

	DATE OF		
<u>INTEREST RATE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>

REGISTERED HOLDER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL PERSONS BY THESE PRESENTS: That the County of Madison, Kentucky (the "County"), for value received, hereby acknowledges itself obligated to, and promises to pay to the registered holder identified above, or registered assigns, the principal sum identified above (or, if any part thereof has been paid, the balance thereof remaining unpaid), on the maturity date specified above, and to pay interest on said principal sum (or, if any part thereof has been paid, the balance thereof remaining unpaid) from the date hereof, payable each June 1 and December 1, commencing December 1, 2017, at the Interest Rate per annum identified above, calculated on the basis of a 360 day year with 30 day months, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto. The principal and interest of this bond are payable, without deduction for exchange, collection, or service charges, in lawful money of the United States of America. Principal is payable at the principal office of [Name of Paying Agent], [City of Paying Agent], Kentucky, or any successor (the "Paying Agent and Registrar") or by other transfer of funds acceptable to the Paying Agent and Registrar and such owner. All interest on this bond and principal payable prior to the final maturity date shall be payable by check or draft mailed to the record date registered owner hereof at the address shown on the registration records kept by the Paying Agent and Registrar or by other transfer of funds acceptable to the Paying Agent and Registrar and such owner. The record date shall be the fifteenth day of the month preceding each interest payment date.

This Bond is one of an issue of Bonds of like tenor and effect, except as to denomination and maturity, numbered from R-1 upward, inclusive, of the denomination of \$5,000 or any integral multiple thereof originally aggregating _____ dollars (\$ _____) in principal amount, issued for the purpose of (i) paying the costs of the of acquiring a building, and (ii) paying the costs of issuance of the Bonds, all pursuant to and in full compliance with the general laws of the Commonwealth of Kentucky and particularly Chapter 66 of the Kentucky Revised Statutes, and pursuant to an ordinance duly adopted by the Fiscal Court of the County on the 25th day of April, 2017 (the "Bond Ordinance") upon the affirmative vote of at least a majority of the members of its Fiscal Court at a public meeting duly and regularly held, and after approval of the issuance of the Bonds by the State Local Debt

Officer of the Commonwealth of Kentucky pursuant to Section 66.310 of the Kentucky Revised Statutes.

This Bond and the issue of which it forms a part is a general obligation of the County and the full faith, credit and revenue of the County are pledged to the payments due hereunder. THIS BOND IS CONTINUALLY SECURED BY THE FAITH, CREDIT AND REVENUE OF THE COUNTY.

The Bonds mature on the 1st day of June of the following years, in the respective principal amounts and bear interest at the following rates of interest:

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate Per Annum</u>
June 1, 2018		
June 1, 2019		
June 1, 2020		
June 1, 2021		
June 1, 2022		
June 1, 2023		
June 1, 2024		
June 1, 2025		
June 1, 2026		
June 1, 2027		
June 1, 2028		
June 1, 2029		
June 1, 2030		
June 1, 2031		
June 1, 2032		
June 1, 2033		
June 1, 2034		
June 1, 2035		
June 1, 2036		
June 1, 2037		

The Bonds maturing on and after June 1, 2028 shall be subject to optional redemption prior to their maturity on any date on or after June 1, 2027, in whole or in part, in such order of maturity as the County may select and by lot within a maturity, at the election of the County upon 45 days' written notice to the Paying Agent and Registrar at a redemption price equal to the par amount thereof, plus accrued interest to the date of redemption.

The Bonds maturing on June 1, ____ are subject to mandatory sinking fund redemption prior to maturity at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, on June 1, in the years and in the principal amounts as follows:

Year

Principal Amount

[TO BE COMPLETED]

*Maturity

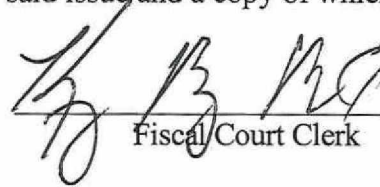
At least thirty (30) days before the redemption date of any Bonds the Paying Agent and Registrar shall cause a notice of such redemption either in whole or in part signed by the Paying Agent and Registrar, to be mailed, first class, postage prepaid, to all registered owners of the Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books kept by the Paying Agent and Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds for which such notice has been sent. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds being payable by their terms on a single date then outstanding shall be called for redemption, the distinctive number or letters, if any, of such Bonds to be redeemed.

No recourse shall be had for the payment of the principal of or the interest on this Bond, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the County, as such, either directly or through the County, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Bond.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Bond, or in the creation of the obligations of which this Bond is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law; that the faith, credit and revenue of the County are hereby irrevocably pledged for the prompt payment of the principal hereof and interest hereon; that the repayment obligation represented by this Bond is not in excess of any constitutional or statutory limitation; and that due provision has been made for the levy and collection of a tax sufficient in amount to pay the interest on this Bond as it falls due and to provide for the redemption of this Bond at maturity or upon earlier redemption.

CERTIFICATE

It is hereby certified that the following is a correct and complete copy of the text of the legal opinion of Dinsmore & Shohl LLP, Attorneys, Covington, Kentucky, regarding the issue of which the within bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for said issue, and a copy of which is on file with the undersigned.


Fiscal Court Clerk

[FORM OF APPROVING OPINION]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto: _____ (please print or typewrite social security number or other identifying number and name and address of transferee) the within Bond and does hereby irrevocably constitute and appoint [Name of Paying Agent] or its successor as Bond Paying Agent and Registrar to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Note: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.