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MARSHALL CO. JUDGE'S OFFICE



COMMONWEALTH OF KENTUCKY  
OFFICE OF THE GOVERNOR  
DEPARTMENT FOR LOCAL GOVERNMENT  
19-SLDO-19

IN THE MATTER OF:

MARSHALL COUNTY, KENTUCKY  
Marshall County General Obligation Bonds  
Series 2019  
(General obligation bond)

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**RECOMMENDED ORDER**

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The Fiscal Court of Marshall County, Kentucky (“County”) proposes to adopt and authorize a plan to provide funds to finance the improvements to water and sewer lines, improvements to emergency services, and improvements to industrial park infrastructure, including but not limited to roads, turn lanes and utilities with the issuance of Marshall County General Obligation Bonds, Series 2019. The various activities involved with the General obligation bond are hereinafter referred to as the “Project”. It is proposed that the County issue, sell and deliver an aggregate principal amount not to exceed \$7,300,000.00 of General Obligation Bonds, Series 2019, (“Bonds”).

The Marshall County Fiscal Court petitioned the State Local Debt Officer to approve the financing plan in accordance with KRS 66.310(2). Upon the filing of such petition with the State Local Debt Officer and pursuant to Notice published in accordance with Kentucky Revised Statutes, a hearing was scheduled for Tuesday, October 15, 2019 at 13:00 PM (Prevailing Eastern Time) in the third floor conference room, Department for Local Government (“DLG”), 100 Airport Road, 3<sup>rd</sup> Floor, Frankfort, Kentucky. At the time and place set for the hearing, there appeared the

following: Bryan Skinner, Financial Advisor for Marshall County; Wil Rhodes, Local Government Advisor, Department for Local Government; and M. Suzanne Molley, Hearing Officer

**FINDINGS OF FACT**

The Hearing Officer, having access to the records of the State Auditor’s Office, having in her possession various documents furnished by the County, Bond Counsel, Financial Advisor, and the Department for Local Government and having testimony presented at the hearing finds as follows:

1. *The financial condition and prospects of the County warrant a reasonable expectation that the payments required to meet the General Obligation Bonds can be met when due.*

The following table shows the estimated sources and uses of funds for the Project:

**Marshall County General Obligation Bonds  
Series 2019  
(General obligation bond)**

<b>SOURCES OF FUNDS</b>	
Par Amount of Bonds	\$7,300,000.00
<b>Total Sources</b>	<b>\$7,300,000.00</b>
<b>USES OF FUNDS</b>	
Total Underwriter’s Discount (2.00%)	\$146,000.00
Costs of Issuance	\$60,800.00
Deposit to Project Construction Fund	\$7,000,000.00
Rounding Amount	\$93,200.00
<b>Total Uses</b>	<b>\$7,300,000.00</b>

Marshall County proposes to issue General Obligation Bonds to be dated November 1, 2019. It is proposed that the principal and interest requirements of the Bonds be provided by revenue from the Marshall County’s General Fund. The County believes that the Bonds will be retired exclusively from these revenues. Nevertheless, the County covenants to levy, collect, and segregate tax to the extent general funds are insufficient to meet the annual debt service requirements of the Bonds and has or will designate the Bonds as full General Obligation Bonds of the County to the payment of which the full faith and credit of the County and Revenues of the County are pledged for the prompt payment thereof.

Based on the above findings and the fact that Marshall County has a reliable record of good budget management, it is therefore the opinion of the Hearing Officer that the County should be able to meet the terms of the proposed bond financing without adversely affecting other expenditures of the County.

**2. *The proposed financing plan for the issuance of the Bonds for the Project will serve the best interest of the County.***

The County has determined that the issuance of the Bonds will serve the best interest of the taxpayers, citizens, and inhabitants of the County; that said issuance of the Bonds is for public purposes; and that the Project is essential in the interest of the proper performance of governmental functions of the County for the protection, safety, benefit, and well-being of the citizens of the County.

The Hearing Officer concurs with the County that the proposed financing plan for the issuance of the Bonds is for the public good, is a public project for a public purpose, and appears to be in the best interest of the County.

**3. *The proposed financing plan for the issuance of the Bonds appears to be valid.***

The Fiscal Court will authorize, and take such additional steps as are necessary and required to authorize, in accordance with this Finding, the proposed plan of financing.

Based upon the evidence presented at the hearing, it appears that the County's annual debt service will not exceed available income and revenue for the Fiscal Year in which the obligation is incurred.

**4. *Approval of the bonds meets the constitutional requirement***

Section 158 of the Constitution of the Commonwealth of Kentucky states in part, "Cities, towns, counties, and taxing districts shall not incur indebtedness to an amount exceeding the following maximum percentages on the value to the taxable property therein, to be estimated by the last assessment previous to the incurring of the indebtedness; ...and counties and taxing districts, two percent (2%), unless in case of emergency, the public health or safety should so require."

Based on the assessment prior to the petition to incur the indebtedness mentioned in this decision, Marshall County's 2% debt capacity is listed at \$50,493,303.00. According to the county's October 15, 2019 Financial Statement, Marshall County has stated its indebtedness at

\$1,784,000.00 . As the amount of bond issuance requested keeps the county under its 2% capacity, the approval of these bonds meets the constitutional requirement.

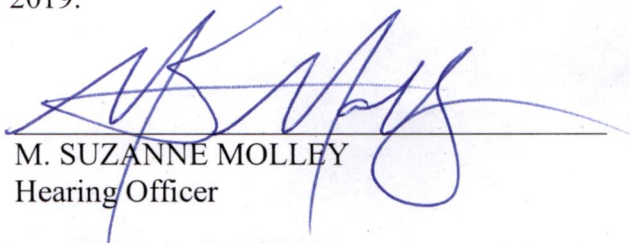
### **CONCLUSIONS OF LAW**

Upon review of the evidence presented at the time of the hearing, the Hearing Officer concludes that Marshall County Fiscal Court has met the three statutory requirements and the Kentucky Constitutional requirement that permits the county to issue the requested Bonds. It is clear that Marshall County has the statutory authority in accordance with KRS 66.310 to issue General Obligation Bonds. The Hearing Officer therefore finds that the proposed Bond issuance and plan for financing the Project appear to be legal and valid in all respects.

### **RECOMMENDED ORDER**

THEREFORE, the Hearing Officer, on the basis of the foregoing findings, hereby recommends the approval of the form of the proposed financial plan for the issuance of an aggregate principal amount not to exceed \$7,300,000.00 of Marshall General Obligation Bonds, Series 2019.

The Hearing Officer hereby notes the designation of U.S. Bank as Paying Agent. Dated at Frankfort, Kentucky, this 31 day of October 2019.

  
M. SUZANNE MOLLEY  
Hearing Officer

### **EXCEPTIONS and APPEAL RIGHTS**

Written exceptions to this Recommended Order must be filed with the State Local Debt Officer at 1024 Capital Center Drive, Suite 340, Frankfort, Kentucky 40601. **Written exceptions must be received by close of business Monday, November 18, 2019 to be considered a part of this record.**

Any decision of the State Local Debt Officer may be appealed in accordance with KRS Chapter 13B. Additionally, a decision by the State Local Debt Officer approving or disapproving a county's proposal to issue bonds may be appealed under KRS 66.310(6) or (7). KRS 66.310(6) states in pertinent part as follows: "Within thirty (30) days after the date of a decision by the state local debt officer approving a county's proposal to issue bonds, any interested party or taxpayer of the county may appeal to the Circuit Court of the county proposing to issue the bonds." KRS 66.310(7) states in pertinent part as follows: "A county proposing to issue bonds may appeal a decision of the state local debt officer disapproving the issuance of the bonds by filing a complaint with the Franklin Circuit Court within thirty (30) days after the date of the decision."

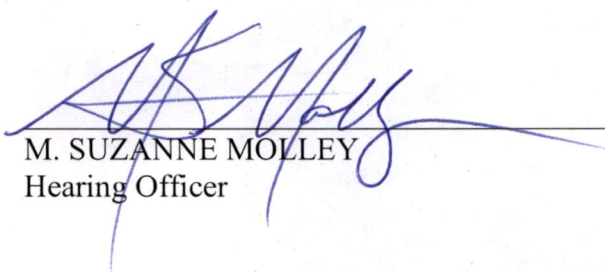
**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Recommended Order has been served upon the following by mailing same, postage prepaid, this the 1st day of November, 2019.

Mr. David Malone  
Steptoe & Johnson PLLC  
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Louisville, KY 40507

Mr. Bryan Skinner  
Financial Advisor  
Ross, Sinclaire & Associates, LLC  
325 W. Main Street, Suite 300  
Lexington, KY 40507

Honorable Kevin Neal  
Judge Executive  
1101 Main Street  
Benton, KY 42025



M. SUZANNE MOLLEY  
Hearing Officer