

# UMBAUGH

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November 8, 2018

Mr. Bob Swanay, Director  
Mr. Dan Kramer, Finance Manager  
Carmel Clay Public Library  
55 4th Avenue South East  
Carmel, IN 46032

Re: Carmel Clay Public Library (the "Library")  
\$1,425,000 General Obligation Bonds of 2018

Dear Bob and Dan:

The purpose of this letter is to provide financial information that will be useful to local officials, administrative personnel, board members, the bank serving as registrar and paying agent, attorneys, and others following the sale of the General Obligation Bonds of 2018 (the "Bonds"). This letter should serve as a resource regarding the closing of the Bonds, the distribution of the Bond proceeds and the repayment of the Bonds. We have provided Bernardi Securities, Inc. (the "Underwriter") with an electronic copy of the Final Official Statement in accordance with SEC Rule 15(c)2-12.

## Bond Sale Results and Rating

The Bonds were sold on October 18, 2018 through a competitive sale. The Underwriter offered a net interest rate of 2.886% (after adjusting annual payments). Other bids received were from Fifth Third Securities, Inc. (3.151%), Old National Bancorp (3.163%), Regions Bank (3.176%), Oppenheimer & Co., Inc. (3.198%) and J.J.B. Hilliard, W.L. Lyons, Inc. (3.290%).

The Bonds were sold non-rated and uninsured.

## Delivery of the Bonds

The Bond closing is to be held on November 13, 2018. The amount of Bond proceeds to be received is as follows:

Par Amount of the Bonds	\$1,425,000.00
Less: Good Faith Deposit	(14,250.00)
Plus: Net Bond Premium (1)	2,122.50
Net Bond proceeds to be received by wire transfer to PNC Bank, N.A.	<u>\$1,412,872.50</u>

(1) Represents original issue premium of \$11,741.25, less an Underwriter's discount of \$9,618.75.

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The above-described Bond proceeds in the amount of \$1,412,872.50 should be wire transferred at closing by the Underwriter as follows:

Name of Bank:	PNC Bank, N.A.
Account Name:	Carmel Clay Public Library
ABA Number :	071921891
Account Number :	4619925208
Contact:	Leslie Pitcavage, (317) 580-4110, <a href="mailto:leslie.pitcavage@pnc.com">leslie.pitcavage@pnc.com</a>

#### Distribution of Funds

Pursuant to the Bond Resolution, Bond proceeds in the amount of \$1,425,000.00 (including the good faith deposit of \$14,250.00 already received by the Library) shall be deposited into the newly established construction fund (the "Construction Fund") and used to pay expenses associated with the project and the issuance of the Bonds. Any proceeds remaining in the Construction Fund after project completion not required for unpaid obligations shall be used to pay debt service on the Bonds or otherwise used as permitted by law.

The remaining \$2,122.50 received as net Bond premium will be deposited into the Debt Service Fund and will be used to pay a portion of the interest due on July 15, 2019.

#### Bond Amortization Schedule

The attached amortization schedule shows the debt service requirements, both principal and interest, on a semiannual and budget year basis. The Bonds, dated November 13, 2018, mature over a period of approximately two years and two months with the final Bonds due January 15, 2021. Principal and interest will be payable semiannually on each January 15 and July 15, with both commencing on July 15, 2019.

#### Interest Earnings on Bond Proceeds

The Bond proceeds should be invested and reinvested to provide interest earnings. We suggest that arrangements be made before the delivery of the Bonds for the payment of initial and accrued costs, and then for the full investment of the balance for varying periods of time based upon when funds may be needed for disbursements. We will work with you to plan investments accordingly.

#### Book-Entry-Only System

The Bonds will be issued and held in book-entry form on the books of the central depository system, the Depository Trust Company ("DTC"), New York, New York. The Bonds will be registered in the name of Cede & Co. (DTC's partnership nominee). Principal and interest will be disbursed on behalf of the Library by The Bank of New York Mellon Trust Company, N.A., and paid directly to DTC so long as DTC or its nominee is the registered owner of the Bonds, as further described in the Bond Resolution.

#### Bond Repayment

The debt service tax rate should provide for the semiannual payments of the Bonds. Monies from the debt service levy are deposited in the Debt Service Fund to repay the Bonds. The debt service payable from tax draws received in 2019 and 2020 are as follows:

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<u>Budget Year 2019</u>		<u>Budget Year 2020</u>	
July 15, 2019	\$463,737.50 (1)	July 15, 2020	\$273,100.00
January 15, 2020	<u>464,850.00</u>	January 15, 2021	<u>279,125.00</u>
Total	<u>\$928,587.50</u>	Total	<u>\$552,225.00</u>

(1) A portion of the interest due on July 15, 2019 will be paid from the net Bond premium of \$2,122.50.

#### Redemption Provisions

The Bonds are not subject to optional redemption or mandatory sinking fund redemption prior to maturity.

#### Post Issuance Compliance – Continuing Disclosure

The Master Continuing Disclosure Undertaking requires that audited financial statements and unaudited financial statements be filed annually and notification of any “reportable events” relating to the Bonds be provided to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System. Pursuant to our agreement, we will continue to assist you in meeting these requirements.

#### Post Issuance Compliance – Arbitrage Compliance Services

The gross proceeds of the Bonds are subject to Internal Revenue Code Section 148 and related regulations covering yield restriction and reporting of arbitrage rebate.

We take satisfaction in having the opportunity to be part of this important endeavor and extend our appreciation to all those who were instrumental in bringing the project to this point.

Very truly yours,

UMBAUGH



Belvia B. Gray

BBG/mdm

Enclosures

cc: Board of Library Trustees, Carmel Clay Public Library  
Ms. Gineen DeStefano, Bernardi Securities, Inc.  
Ms. Karen Franklin, The Bank of New York Mellon Trust Company, N.A.  
Ms. Jane N. Herndon, Ice Miller LLP  
Mr. Lou Lamberti Jr., Bernardi Securities, Inc.  
Ms. Kristin McClellan, Ice Miller LLP  
Ms. Patricia N. Slagle, The Bank of New York Mellon Trust Company, N.A.

## CARMEL CLAY PUBLIC LIBRARY

\$1,425,000 GENERAL OBLIGATION BONDS OF 2018

Dated November 13, 2018

### Debt Service Schedule

Date	Bond Balance	Principal	Coupon	Interest	Total Debt Service	Fiscal Total
11/13/2018	\$1,425,000.00					
07/15/2019	1,425,000.00	\$435,000.00	3.000%	\$28,737.50	\$463,737.50	
01/15/2020	990,000.00	450,000.00	3.000%	14,850.00	464,850.00	\$928,587.50
07/15/2020	540,000.00	265,000.00	3.000%	8,100.00	273,100.00	
01/15/2021	275,000.00	275,000.00	3.000%	4,125.00	279,125.00	552,225.00
<b>Total</b>		<b>\$1,425,000.00</b>		<b>\$55,812.50</b>	<b>\$1,480,812.50</b>	<b>\$1,480,812.50</b>

#### Yield Statistics

Bond Year Dollars	\$1,860.42
Average Life	1.306 Years
Average Coupon	3.0000000%
Net Interest Cost (NIC)	2.8859127%
True Interest Cost (TIC)	2.8787065%
Bond Yield for Arbitrage Purposes	2.3506180%
All Inclusive Cost (AIC)	7.1967273%

#### IRS Form 8038

Net Interest Cost	2.3476617%
Weighted Average Maturity	1.307 Years

## CARMEL CLAY PUBLIC LIBRARY

\$1,425,000 GENERAL OBLIGATION BONDS OF 2018

Dated November 13, 2018

### Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
07/15/2019	Serial Coupon	3.000%	2.150%	\$435,000.00	100.562%	\$437,444.70
01/15/2020	Serial Coupon	3.000%	2.300%	450,000.00	100.803%	453,613.50
07/15/2020	Serial Coupon	3.000%	2.350%	265,000.00	101.057%	267,801.05
01/15/2021	Serial Coupon	3.000%	2.500%	275,000.00	101.048%	277,882.00
<b>Total</b>				<b>\$1,425,000.00</b>		<b>\$1,436,741.25</b>

#### Bid Information

Par Amount of Bonds	\$1,425,000.00
Reoffering Premium or (Discount)	11,741.25
Gross Production	\$1,436,741.25
Total Underwriter's Discount (0.675%)	\$(9,618.75)
Bid (100.149%)	1,427,122.50
Total Purchase Price	\$1,427,122.50
Bond Year Dollars	\$1,860.42
Average Life	1.306 Years
Average Coupon	3.0000000%
Net Interest Cost (NIC)	2.8859127%
True Interest Cost (TIC)	2.8787065%

**CARMEL CLAY PUBLIC LIBRARY**

\$1,425,000 GENERAL OBLIGATION BONDS OF 2018

Dated November 13, 2018

**Proof Of Bond Yield @ 2.3506180%**

<b>Date</b>	<b>Cashflow</b>	<b>PV Factor</b>	<b>Present Value</b>	<b>Cumulative Present Value</b>
11/13/2018		1.0000000x		
07/15/2019	\$463,737.50	0.9844135x	\$456,509.46	\$456,509.46
01/15/2020	464,850.00	0.9729780x	452,288.83	908,798.29
07/15/2020	273,100.00	0.9616754x	262,633.54	1,171,431.82
01/15/2021	279,125.00	0.9505040x	265,309.43	1,436,741.25
<b>Total</b>	<b>\$1,480,812.50</b>		<b>\$1,436,741.25</b>	

**Derivation Of Target Amount**

Par Amount of Bonds	\$1,425,000.00
Reoffering Premium or (Discount)	11,741.25
Original Issue Proceeds	\$1,436,741.25

## CARMEL CLAY PUBLIC LIBRARY

\$1,425,000 GENERAL OBLIGATION BONDS OF 2018

Dated November 13, 2018

### Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Coupon	Price	Issuance Price	Exponent	Bond Years
11/13/2018						
07/15/2019	\$435,000.00	3.000%	100.562%	\$437,444.70	0.6722222x	\$294,060.05
01/15/2020	450,000.00	3.000%	100.803%	453,613.50	1.1722222x	531,735.83
07/15/2020	265,000.00	3.000%	101.057%	267,801.05	1.6722222x	447,822.87
01/15/2021	275,000.00	3.000%	101.048%	277,882.00	2.1722222x	603,621.46
<b>Total</b>	<b>\$1,425,000.00</b>			<b>\$1,436,741.25</b>		<b>\$1,877,240.20</b>

#### Description of Bonds

Final Maturity Date	1/15/2021
Issue price of entire issue	1,436,741.25
Stated Redemption at Maturity	1,425,000.00
Weighted Average Maturity = Bond Years/Issue Price	1.307 Years
Bond Yield for Arbitrage Purposes	2.3506180%

#### Uses of Proceeds of Issue

Proceeds used for accrued interest	
Proceeds used for bond issuance costs (including underwriters' discount)	84,618.75
Proceeds used for credit enhancement	
Proceeds allocated to reasonably required reserve or replacement fund	