Investment Banking Presentation

PNC Public Finance
Erie County Technical School Bond Financing

September 25, 2014

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PNC Public Finance Team

PNC PUBLIC FINANCE – ERIE COUNTY TECHNICAL SCHOOL			
PNC Capital Markets LLC **Public Finance** **Investment Banking**	**PNC Bank, N.A.** **Public Finance** **Credit Origination**	**PNC Capital Markets LLC** **Sales and Trading**	**PNC Bank, N.A.** **Derivative Products**
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PNC is dedicated to offering the Erie County Technical School a full array of capital markets, credit and financial products.

Proposed Series 2016 Sources and Uses

	10 Year Level DS	*15 Year Level DS*	*20 Year Level DS*
Par Amount	10,000,000.00	10,000,000.00	10,000,000.00
Net Premium / (Discount)	39,379.15	(27,839.00)	(74,945.15)
Total Sources	**10,039,379.15**	**9,972,161.00**	**9,925,054.85**
Project Fund	9,939,379.15	9,872,161.00	9,825,054.85
Cost of Issuance	100,000.00	100,000.00	100,000.00
Total Uses	**10,039,379.15**	**9,972,161.00**	**9,925,054.85**
Bond Statistics			
Arbitrage Yield	2.321%	2.883%	3.333%
All-In TIC	2.516%	3.023%	3.444%
Weighted Average Maturity (years)	5.545	8.300	11.236
Total Interest	1,343,894.37	2,395,387.07	3,718,807.52
Total Debt Service	11,343,894.37	12,395,387.07	13,718,807.52
Maximum Annual Debt Service	1,136,768.76	828,556.26	688,346.26
Average Annual Debt Service	1,143,922.12	830,975.67	688,810.42

Proposed Series 2016 Financing Comparison

Bond Assumptions

- July 1, 2016 delivery date
- Indicative rates as of September 19, 2014 (subject to market conditions)
- Assumed "A" underlying bond rating
- bank qualified & insured rates
- 5 year call
- 10, 15, 20 Year level debt service

	10 Year Level DS	15 Year Level DS	20 Year Level DS
6/1/2015	1,131,725.53	823,568.23	685,092.40
6/1/2016	1,132,018.76	828,556.26	686,346.26
6/1/2017	1,133,518.76	826,956.26	688,346.26
6/1/2018	1,134,618.76	825,156.26	685,146.26
6/1/2019	1,135,318.76	828,156.26	686,846.26
6/1/2020	1,135,618.76	825,856.26	688,346.26
6/1/2021	1,135,518.76	828,356.26	684,646.26
6/1/2022	1,132,456.26	823,956.26	684,746.26
6/1/2023	1,136,331.26	827,706.26	683,496.26
6/1/2024	1,136,768.76	824,281.26	685,846.26
6/1/2025		824,587.50	687,190.00
6/1/2026		828,437.50	687,490.00
6/1/2027		825,625.00	686,708.76
6/1/2028		827,187.50	685,458.76
6/1/2029		827,000.00	688,071.26
6/1/2030			684,340.00
6/1/2031			683,820.00
6/1/2032			687,580.00
6/1/2033			684,210.00
6/1/2034			685,080.00
Total	**11,343,894.37**	**12,395,387.07**	**13,718,807.52**

Proposed Series 2016 District's Debt Service Share

District	Percent Share	10 Year Level DS Share of DS Cost ($)	15 Year Level DS Share of DS Cost ($)	20 Year Level DS Share of DS Cost ($)
FAIRVIEW	8.02%	909,780.33	994,110.04	1,100,248.36
FT LEBOEUF	13.49%	1,530,291.35	1,672,137.72	1,850,667.13
GEN MCLANE	9.14%	1,036,831.95	1,132,938.38	1,253,899.01
GIRARD	4.63%	525,222.31	573,906.42	635,180.79
HARBOR CREEK	8.48%	961,962.24	1,051,128.82	1,163,354.88
IROQUOIS	2.30%	260,909.57	285,093.90	315,532.57
MILLCREEK	36.19%	4,105,355.37	4,485,890.58	4,964,836.44
NORTH EAST	5.54%	628,451.75	686,704.44	760,021.94
NORTHWESTERN	4.13%	468,502.84	511,929.49	566,586.75
UNION CITY	2.54%	288,134.92	314,842.83	348,457.71
WATTSBURG	5.54%	628,451.75	686,704.44	760,021.94
TOTAL	**100.00%**	**11,343,894.37**	**12,395,387.07**	**13,718,807.52**

Proposed Series 2016 District's Annual Debt Service Share

District	*Percent Share*	*10 Year Level DS Share of Max Annual DS Cost ($)*	*15 Year Level DS Share of Max Annual DS Cost ($)*	*20 Year Level DS Share of Max Annual DS Cost ($)*
FAIRVIEW	8.02%	91,168.85	66,450.21	55,205.37
FT LEBOEUF	13.49%	153,350.11	111,772.24	92,857.91
GEN MCLANE	9.14%	103,900.66	75,730.04	62,914.85
GIRARD	4.63%	52,632.39	38,362.15	31,870.43
HARBOR CREEK	8.48%	96,397.99	70,261.57	58,371.76
IROQUOIS	2.30%	26,145.68	19,056.79	15,831.96
MILLCREEK	36.19%	411,396.61	299,854.51	249,112.51
NORTH EAST	5.54%	62,976.99	45,902.02	38,134.38
NORTHWESTERN	4.13%	46,948.55	34,219.37	28,428.70
UNION CITY	2.54%	28,873.93	21,045.33	17,484.00
WATTSBURG	5.54%	62,976.99	45,902.02	38,134.38
TOTAL	**100.00%**	**1,136,768.76**	**828,556.26**	**688,346.26**

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Proposed Series 2019 Sources and Uses

	10 Year Level DS	*15 Year Level DS*	*20 Year Level DS*
Par Amount	17,000,000.00	17,000,000.00	17,000,000.00
Net Premium / (Discount)	1,059,506.95	545,052.95	975,947.15
Total Sources	**18,059,506.95**	**17,545,052.95**	**17,975,947.15**
Project Fund	17,889,506.95	17,375,052.95	17,805,947.15
Cost of Issuance	170,000.00	170,000.00	170,000.00
Total Uses	**18,059,506.95**	**17,545,052.95**	**17,975,947.15**
Bond Statistics			
Arbitrage Yield	2.492%	3.065%	3.309%
All-In TIC	2.678%	3.200%	3.681%
Weighted Average Maturity (years)	5.701	8.422	11.669
Total Interest	3,577,479.17	5,089,997.92	8,387,664.17
Total Debt Service	20,577,479.17	22,089,997.92	25,387,664.17
Maximum Annual Debt Service	2,060,000.00	1,474,875.00	1,271,356.26
Average Annual Debt Service	2,075,039.92	1,480,893.72	1,274,694.44

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Proposed Series 2019 Financing Comparison

Bond Assumptions

- July 1, 2019 delivery date
- Indicative rates as of September 12, 2014 (subject to market conditions)
- Assumed "A" underlying bond rating
- Non-bank qualified & insured rates
- 10 year call
- 10, 15, 20 Year level debt service

	10 Year Level DS	*15 Year Level DS*	*20 Year Level DS*
6/1/2015	2,054,679.17	1,469,022.92	1,266,326.57
6/1/2016	2,059,550.00	1,474,425.00	1,269,356.26
6/1/2017	2,059,850.00	1,472,275.00	1,271,056.26
6/1/2018	2,058,800.00	1,474,375.00	1,267,156.26
6/1/2019	2,055,600.00	1,470,975.00	1,271,356.26
6/1/2020	2,060,000.00	1,471,175.00	1,269,356.26
6/1/2021	2,056,600.00	1,474,775.00	1,271,356.26
6/1/2022	2,055,600.00	1,471,575.00	1,267,156.26
6/1/2023	2,056,800.00	1,471,775.00	1,266,956.26
6/1/2024	2,060,000.00	1,470,175.00	1,270,556.26
6/1/2025		1,473,875.00	1,270,956.26
6/1/2026		1,474,812.50	1,269,550.00
6/1/2027		1,472,887.50	1,271,275.00
6/1/2028		1,473,000.00	1,270,900.00
6/1/2029		1,474,875.00	1,268,350.00
6/1/2030			1,269,750.00
6/1/2031			1,270,000.00
6/1/2032			1,267,750.00
6/1/2033			1,268,000.00
6/1/2034			1,270,500.00
Total	**20,577,479.17**	**22,089,997.92**	**25,387,664.17**

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Proposed Series 2019 District's Debt Service Share

District	Percent Share	10 Year Level DS Share of DS Cost ($)	15 Year Level DS Share of DS Cost ($)	20 Year Level DS Share of DS Cost ($)
FAIRVIEW	8.02%	1,650,313.83	1,771,617.83	2,036,090.67
FT LEBOEUF	13.49%	2,775,901.94	2,979,940.72	3,424,795.90
GEN MCLANE	9.14%	1,880,781.60	2,019,025.81	2,320,432.51
GIRARD	4.63%	952,737.29	1,022,766.90	1,175,448.85
HARBOR CREEK	8.48%	1,744,970.23	1,873,231.82	2,152,873.92
IROQUOIS	2.30%	473,282.02	508,069.95	583,916.28
MILLCREEK	36.19%	7,446,989.71	7,994,370.25	9,187,795.66
NORTH EAST	5.54%	1,139,992.35	1,223,785.88	1,406,476.60
NORTHWESTERN	4.13%	849,849.89	912,316.91	1,048,510.53
UNION CITY	2.54%	522,667.97	561,085.95	644,846.67
WATTSBURG	5.54%	1,139,992.35	1,223,785.88	1,406,476.60
TOTAL	**100.00%**	**20,577,479.17**	**22,089,997.92**	**25,387,664.17**

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Proposed Series 2019 District's Annual Debt Service Share

District	Percent Share	10 Year Level DS Share of Max Annual DS Cost ($)	15 Year Level DS Share of Max Annual DS Cost ($)	20 Year Level DS Share of Max Annual DS Cost ($)
FAIRVIEW	8.02%	165,212.00	118,284.98	101,962.77
FT LEBOEUF	13.49%	277,894.00	198,960.64	171,505.96
GEN MCLANE	9.14%	188,284.00	134,803.58	116,201.96
GIRARD	4.63%	95,378.00	68,286.71	58,863.79
HARBOR CREEK	8.48%	174,688.00	125,069.40	107,811.01
IROQUOIS	2.30%	47,380.00	33,922.13	29,241.19
MILLCREEK	36.19%	745,514.00	533,757.26	460,103.83
NORTH EAST	5.54%	114,124.00	81,708.08	70,433.14
NORTHWESTERN	4.13%	85,078.00	60,912.34	52,507.01
UNION CITY	2.54%	52,324.00	37,461.83	32,292.45
WATTSBURG	5.54%	114,124.00	81,708.08	70,433.14
TOTAL	**100.00%**	**2,060,000.00**	**1,474,875.00**	**1,271,356.26**

Aldo Jackson

From: Christopher Coughlin <ccoughlin@hrlcarchitects.com>
Sent: Tuesday, September 23, 2014 2:22 PM
To: Aldo Jackson
Cc: Jim Bucksbee; Terri Birchard
Subject: RE: PlanCon on a Cash Project

Good afternoon Aldo,

I just spoke with PDE and if you are pursuing a non-reimbursable project that is funded by cash or bonds we would need to follow the requirements below:

a. Specification Requirements shown in attachment B of PlanCON F and on Sheet F-17 of the PlanCON documents.
    a. These are the typical "front end" requirements on any project in regards to advertising, bonds, insurance discrimination, prevailing wages, U.S. Steel, no cash allowances, required clearances, etc. (very typical of all State projects).

FYI - While talking with PDE today the following was mentioned:

1. The moratorium on PlanCON projects ceased July 1, 2014. There is no mention of whether it will be continued or ended.
2. PDE can receive PlanCON A documents at this time for reimbursable projects.
    a. It is unknown when PlanCON H would be processed for PlanCON A Projects submitted at this time but it could be a couple of years.
3. PDE is starting to process PlanCON H applications in the order they were received.

If you have any questions or comments please give us a call. Thank you.

Regards,
Chris

Christopher D. Coughlin RA
Principal

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From: Aldo Jackson [mailto:ajackson@ects.org]
Sent: Friday, September 19, 2014 3:57 PM
To: Christopher Coughlin
Cc: Jim Bucksbee; Terri Birchard
Subject: PlanCon on a Cash Project

Chris,

Are there any PlanCon requirements for a district if they do a cash project or don’t seek PDE reimbursement?

Thanks,

Aldo

Aldo R. Jackson, Ph.D.
Director
814.464.8661

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