Capital Financing

August 23, 2021
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This presentation is for information only. No action is needed at this meeting.



Long Term Capital Plan Considerations

- Capital Focus - Where do we need/want to be in 5 years – 10 years?
- Renovate/Repurpose/Construction
- Evaluate Property Owned
- Target Mill Value – remove fluctuation
- Maximize 8% Constitutional Debt Limit – short term capital financing for identified projects based to the long term plan

What does 8% Constitutional Debt Limit mean?

- According to Article X of the SC Constitution, Section 15(6), school districts are **limited** to issuing 8% of the total taxable assessed value of the district without a Bond Referendum.
- The District has an opportunity to set a "target mill value" to minimize fluctuation in taxes and meet the capital needs of the District without a Bond Referendum.

Financial Advisor Duties

- Assist the District in planning and structuring bond issues, obtaining required authorizations, and work with the District's bond counsel in preparing the bond resolutions
- Provide advice on methods of bond sales and recommend timing
- Manage the bond sale process (pre-marketing, distributing offering documents, evaluating bids, recommending award, closing arrangements, and arbitrage regulation advice)
- Assist the District's bond counsel with documents including official statements, disclosure statements, and other relevant financing documents
- Advise the District in the development of debt limits, debt service coverage ratios, reserve funds, and other debt policies as needed
- Advise the District on debt financing including budget, tax, cash management and other issues as requested by the District

Financial Advisor Duties SUMMARY

Assist the District with Financial Advisory Services to determine, analyze, and recommend options regarding a capital needs financing plan which is both

financially sound

AND

mindful of the impact on the District's taxpayers

PRESENTATIONS BY FINANCIAL ADVISORS

Compass Municipal Advisors, LLC

Mike Gallagher

First Tryon Securities, LLC
First Tryon Advisors

Walter Goldsmith

2012 Callable Bond Refunding

- Bonds are callable (refundable) March 2022
- Issue Refunding Bonds as early as November - December 2021
- Substantial savings over the life of the bonds due to low interest rates (similar to house refinancing)
- This provides an opportunity for the District to greater maximize the use of the 8% Constitutional Debt Limit

Capital Financing Workshop

Questions?

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District Five
OF LEXINGTON & RICHLAND COUNTIES