



COMPASS  
MUNICIPAL ADVISORS

# DISTRICT FIVE OF LEXINGTON & RICHLAND COUNTIES

AUGUST 23, 2021

## Why Choose Compass?



### STATE & LOCAL EXPERIENCE

- Represent 90% of school districts in SC (63 of 73)
- Over 360 issues advised, totaling over \$11 Billion in the last 10 years by CMA's Team of Advisors
- Longstanding buy side relationships
- Diverse experience for diverse needs



### MODELING & CAPITAL PLANNING

- Strong background in quantitative modeling and technical analysis
- Capital Planning included in transactional fee
- We take the planning burden off your shoulders



### CONTINUITY

- Provide assistance with new staff members
- Smooth transition
- Better understanding of the District's debt obligations
- Attend board meetings

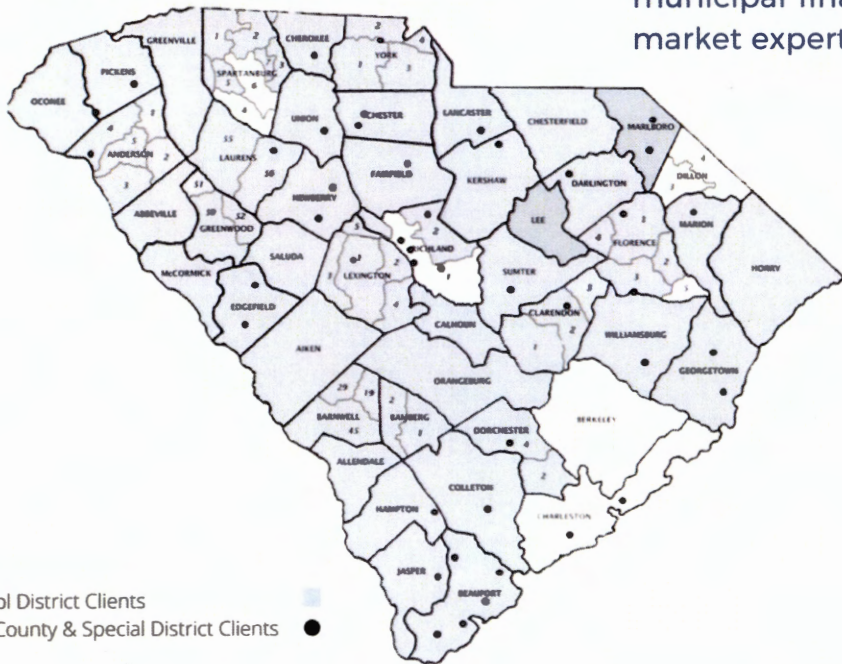


### SERVICE

- The right "transaction quarterback" translates to staying on schedule or not
- Established track record of large volume of complex transactions
- Easy accessibility
- High level of responsiveness

# FIRM BACKGROUND

Compass Municipal Advisors, LLC ("Compass") is an independent municipal advisory firm headquartered in **Columbia, South Carolina** with an office in Lexington, Kentucky. Our team of advisors has been a leader in South Carolina and Kentucky municipal finance for over 2 decades and bring a wealth of industry knowledge and market expertise to every transaction.



School District Clients ■  
 City, County & Special District Clients ●

## Local Knowledge

- Compass has worked with Richland 2 and all districts in Lexington County as well as a handful of local governments.
  - ICRC
  - Irmo Fire District

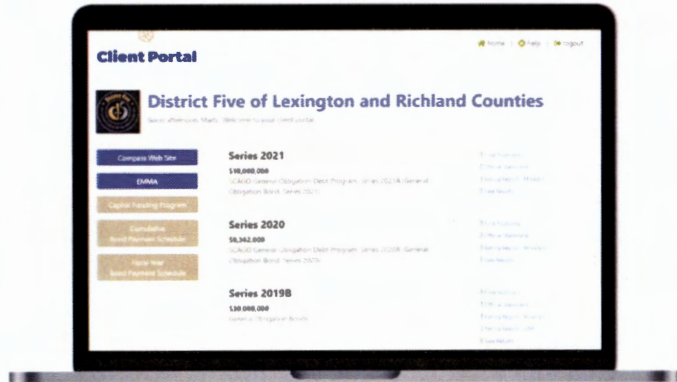
## Focus on K-12 Schools

- 90% market share of SC public schools (63 of 73 districts)

## Robust Team of Advisors

- 8 licensed advisors on staff
- 6 staff members dedicated to serving South Carolina Schools

# SERVICES PROVIDED BY COMPASS

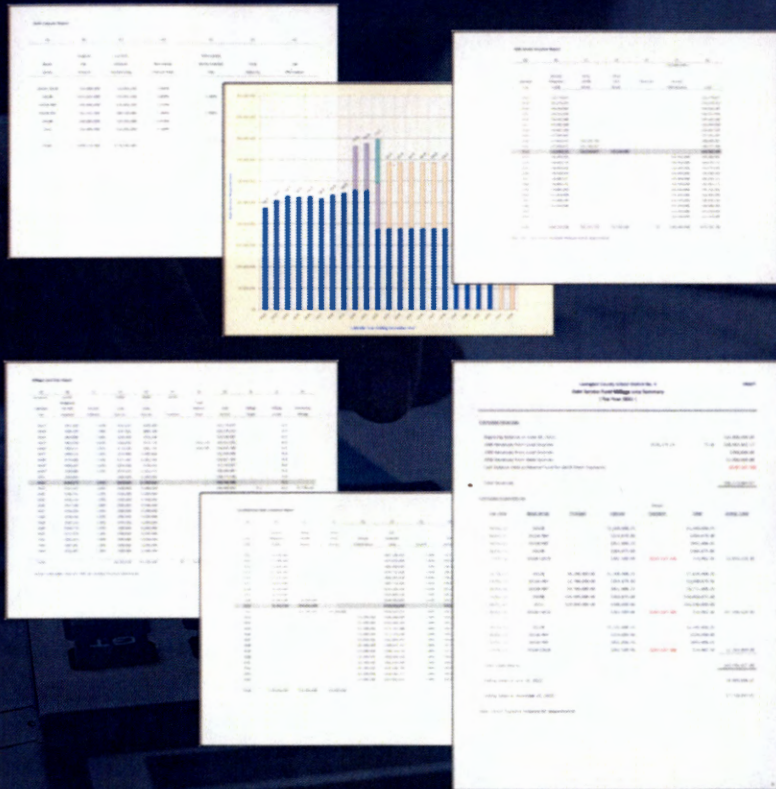


As an independent municipal advisory firm, Compass offers a variety of financial advisory services to ensure the short and long-term objectives of our clients are achieved.

These services include, but are not limited to:

- Capital Planning;
  - Debt Modeling and Debt Issuance.
- Annual Building Program Funding Report Update.
- Debt Service Millage Management.
- Monitoring of Refinancing Opportunities;
  - Team has advised on 14 refundings for South Carolina School Districts in the past 24 months with combined savings over \$57,000,000.
  - **Pricing \$17,000,000 for Beaufort CSD tomorrow.**
- Monitor and Assist in Managing Bond Ratings.
- Online client portal to house bond documents and related data.

# CAPITAL PLANNING SERVICES



Compass believes the most critical component to a School District's sustainability and growth is the development and maintenance of a comprehensive long-term capital plan. As such, the **development and maintenance of your capital funding program is included in our transactional fee and is updated as needed with no additional charge.**

- Compass provides this service so District Officials can better focus on operating a school system.
- Our hands-on process is utilized in the planning and issuance for our clients.
- We do not market a software program; we free up your administration's time.
- Diverse experience to meet individual needs.

# SCAGO

Utilization of the SCAGO GO program to achieve economies of scale by bundling with other school districts

**Compass is the Program Administrator for SCAGO**



Borrowed \$10,000,000 in May 2021 at total interest cost of 0.14%

- **As an example of the economies of scale, the District's portion of the bond rating was \$2,372.70 as opposed to \$12,000.00 if sold as a standalone transaction, a savings of \$9,627.30.**

Cost of Capital Analysis			
Details	Lexington 5 SCAGO	Open Market Standalone	Bank Loan Standalone
Sale Date	4/22/2021	5/13/2021	4/21/2021
Par Amount	\$10,000,000	\$12,400,000	\$4,500,000
Cost of Issuance*	\$57,473	\$115,646	\$39,250
TIC %	0.14%	0.17%	0.74%
AIC %	0.81%	1.34%	1.84%
Duration	0.800 Years	0.761 Years	0.800 Years

Moody's Short-Term Rating Pricing	
Less than \$1 mil.	\$4,500.00
\$1 mil. to \$4,999,999	\$7,500.00
\$5 mil. to \$9,999,999	\$8,500.00
<b>\$10 mil. to \$24,999,999</b>	<b>\$12,000.00</b>
\$25 mil. to \$49,999,999	\$17,000.00
\$50 mil. to \$64,999,999	\$19,000.00
\$65 mil. to \$74,999,999	\$20,000.00
\$75 mil. to \$99,999,999	\$23,000.00

\*Includes Underwriter's Discount



## **SERIES 2012B REFUNDING OPPORTUNITY**

### **The District has a refunding opportunity on the Series 2012B Bonds.**

Compass has been monitoring the opportunity and providing cost free refunding analysis and options for the last two years.

- Provided both taxable and tax-exempt options.
- The Bonds have a March 1, 2022, call date.

Net savings are currently estimated at \$9,803,343 over the life of the refunding based on 1.1754% TIC.

- Assumes a tax-exempt refunding in November 2021 at current market rates.
- Net Present Value Savings of 13.045% (refunded principal); industry recommendation is 5.00%.
- Amortization can be structured to better compliment future capital needs as the Board directs.



**Commitment to public education in South Carolina with 90% market share.**



**Our seasoned staff maintains relationships with a network of underwriters and bankers along with credit agencies. This positions us to achieve unmatched outcomes for our clients.**



**Accessibility and responsiveness.  
Diverse experience for diverse needs.**



**Deliver the value of cost savings with SCAGO for short-term borrowings.**



## Our South Carolina Team



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