

Update on School Capital Funding Plan & Bond Sale

County Commissioner Work Session

April 24, 2024

Don Warn

Chief Financial Officer



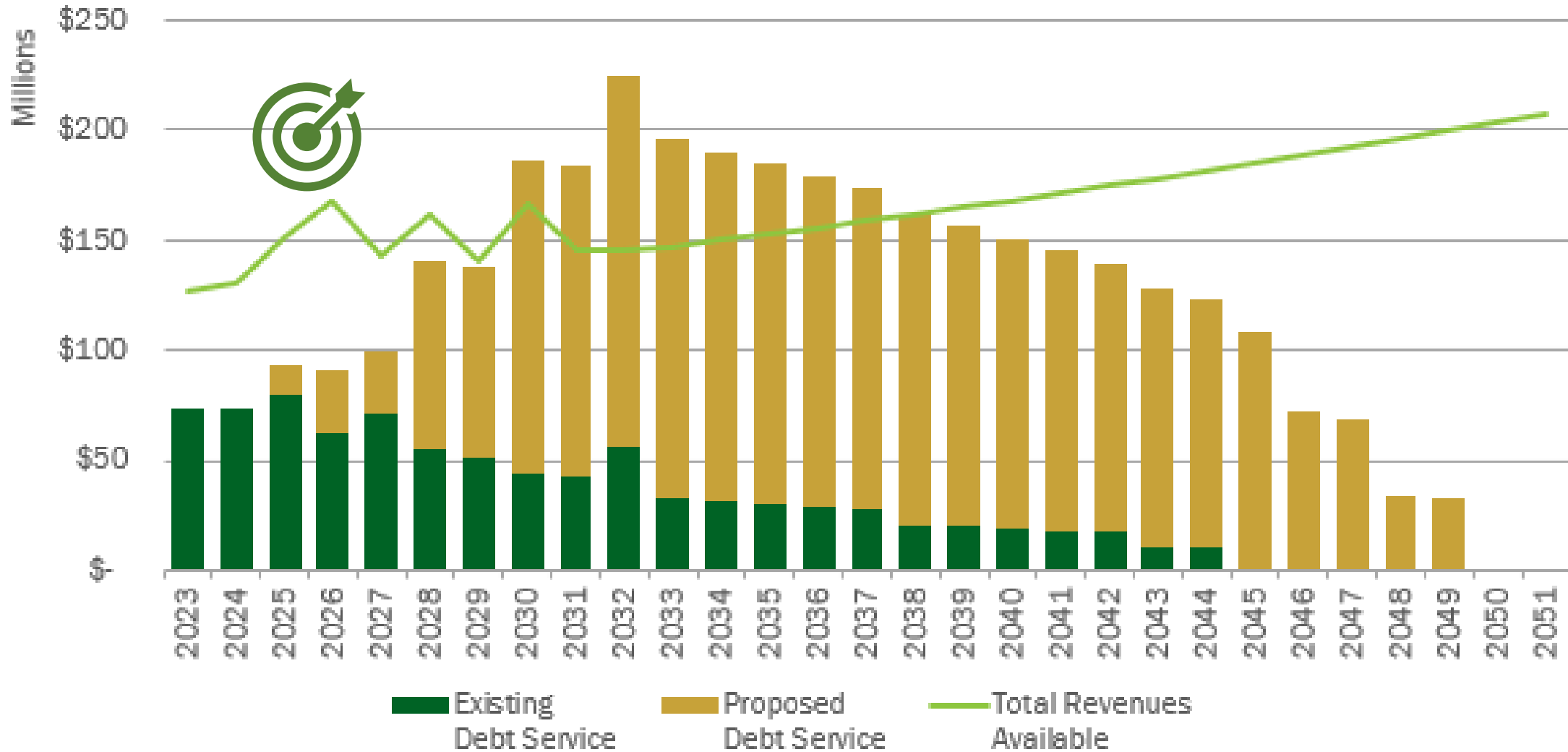
Guiding Principles

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1. Address County **current and future capital needs and deferred major maintenance** in a timely manner to provide adequate public facilities and services.
2. Protect County's ability to **provide and enhance other services** for our residents.
3. Design a **stable funding model that fits existing revenue sources** as much as possible.
4. **Reduce overall cost of infrastructure** for our residents by incorporating a more **fiscally conservative "Pay-as-You-Go" model** for construction, renovation, and maintenance.
5. **Limit change in property tax rate** to provide **predictability and stability** for our residents and businesses.



Working the Plan - \$2.0 billion



Working the Plan - \$2.0 billion

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Revenue inputs include:

- Dedicated property tax (7.6 cents) as approved by Board of Commissioners (2% annual growth) **\$51 million**
- Prior dedicated property tax (5.56 cents) to fund existing debt service (2% annual growth) **\$39 million**
- Restricted sales tax committed to school capital **\$29 million**
- Lottery proceeds and Federal Subsidy **\$6.0 million**
- Bond Premium **Varies based on issuance**



When we plan to issue debt

- Completed the \$180 million issuance in February 2024
- County was reimbursed \$43 million for use of County cash
- Evaluating a possible fall 2024/spring 2025 for some amount totaling up to \$570 million based on actual cash flow
- After updating the model with the recent debt issue and based on current assumptions there is no longer a deficit in year 2037
- We are \$23 million ahead of revised funding plan that was part of the FY24 budget.




Plan as of April 2024



- \$120 million in FY2022
- \$180 million in FY2024
- \$570 million in FY2025
- \$565 million in FY2027
- \$565 million in FY2029

- 2024 True Interest Cost (TIC) was 3.27% (previous issue TIC 2.61%)

Considerations for issuing debt related to the Local Government Commission (LGC):

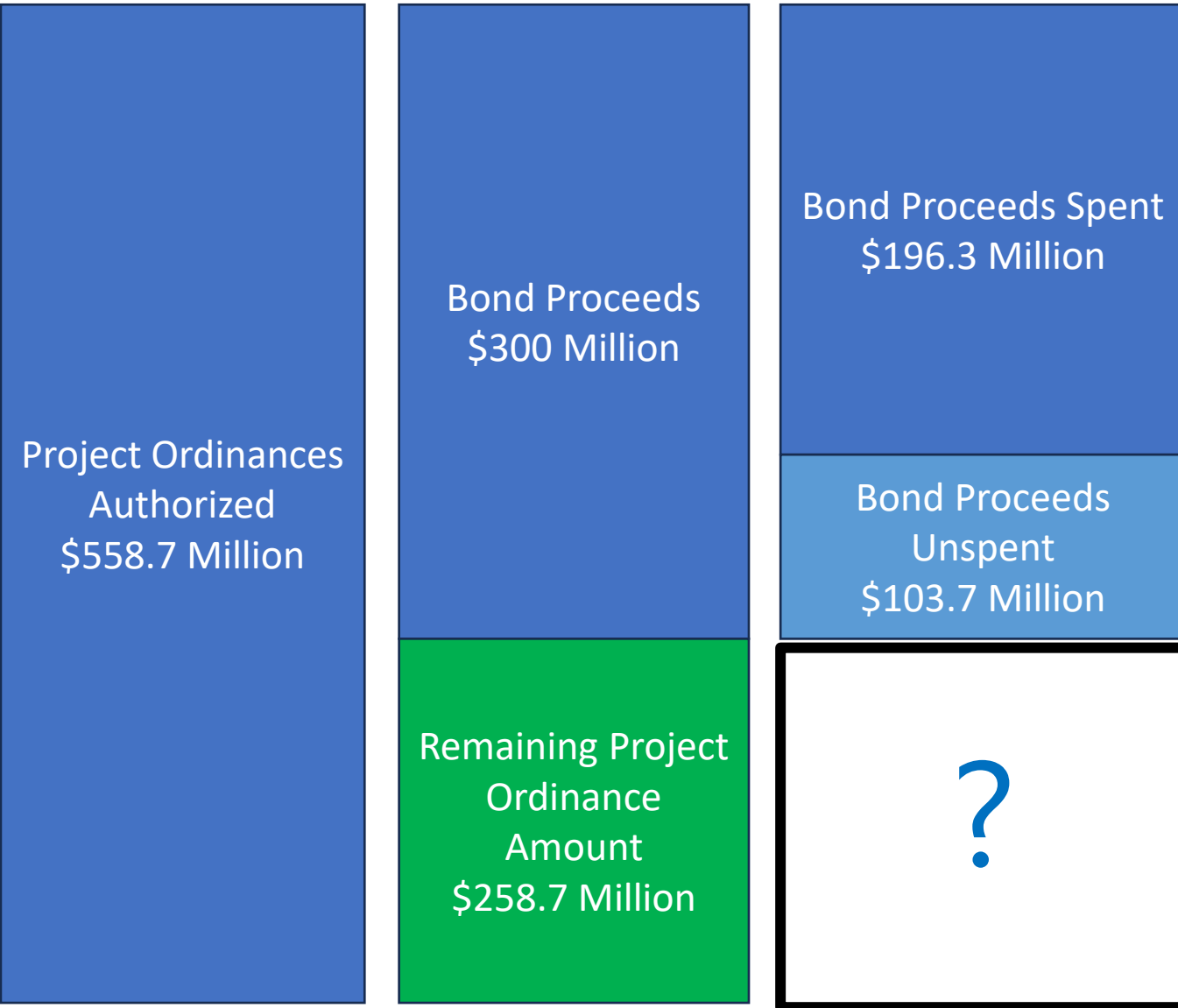
-  Is there authorization to issue debt?
-  Are there enough projects under contract to satisfy the LGC requirements?
-  Can we afford the debt service associated with issuing the debt?

When we plan to issue debt

- **By July 2024:**

- Determine the timing and size of the next debt issue
 - Project Ordinances authorized \$558.7 million
 - Project spending reimbursed to date \$196.3 million
 - Amount left to be reimbursed \$376.1 million
 - Debt issued to date \$300.0 million
 - Project Ordinances we have not issued debt on \$258.7 million
 - Remaining bond proceeds to date \$103.7 million
 - FY24 Actual average monthly spend \$ 15.6 million

When we plan to issue debt



When do we issue?

How much do we issue?

What is the impact on County cash?

Questions?