Cherokee County School District

Agenda Request Form

Meeting Date	Agenda Item Number
January 16, 2025	Action Item 3

Title

Sale of 2025 General Obligation Bonds to Refund Series 2015 Bonds

Requested Action

School Board Consideration of Superintendent's Recommendation for Approval of Staff, General Counsel, Financial Advisor, Bond Counsel and Disclosure Counsel to Proceed with a Public Offering of General Obligation Bonds via Competitive Sale to Refund the Series 2015 Bonds

Summary Explanation and Background

The Superintendent recommends approval and authorization for staff, General Counsel, Financial Advisor, Bond Counsel and Disclosure Counsel to proceed with a public offering of competitive sale for up to $85,000,000 par value in General Obligation Bonds, for the purpose of refunding the Series 2015 General Obligation Bonds. The issuance of the 2015 Bonds were authorized by the Ed-SPLOST referendum passed by voters on November 8, 2011 and Georgia law does not require additional authorization when debt service savings are anticipated upon refunding.

School Board Policy DFF - Debt Fund Management stipulates the School District consider refunding outstanding debt when the net present value of savings (net of issuance costs and any other cash contribution), as a percentage of the refunded bonds is at least 3%. In this case, the projected net present value savings is $4,378,646 or 5.21%, well above the 3% threshold established in Board Policy DFF.

At the February 13, 2025 School Board Meeting, Davenport & Company will present to the Board the pricing results of these bonds and request that the Board adopt the Series 2025 Bond Resolution for the purpose of funding the Board-approved projects and refunding the Series 2015 General Obligation Bonds.

Financial Impact

$84,030,000 in Bond Par Value to Refund Series 2015 Bond

Exhibits: (List)

Resolution Authorizing Staff and Professionals to Proceed

Source of Additional Information

Mary Elizabeth Davis, PhD	770.479.1871
Kenneth Owen, Chief Financial Officer	770.479.1871

A RESOLUTION AUTHORIZING THE STAFF AND PROFESSIONALS TO PROCEED WITH THE ISSUANCE OF GENERAL OBLIGATION BONDS AND REFUNDING BONDS; AND FOR OTHER PURPOSES.

WHEREAS, the Cherokee County School System, a political subdivision of the State of Georgia (the "School System"), embraces all of Cherokee County, Georgia; and

WHEREAS, at an election duly called and held in the School System on November 2, 2021, the qualified voters of the School System approved the issuance of up to $290,000,000 of the School System's general obligation debt (the "Bonds"); and

WHEREAS, the Cherokee County Board of Education (the "Board of Education") is the body charged with contracting debts and managing the affairs of the School System; and

WHEREAS, the Board of Education, pursuant to a Resolution dated December 12, 2024, has determined that it is in the best interest of the School System to issue up to $120,000,000 in aggregate principal amount of the Bonds and to use the proceeds of the Bonds to finance all or a portion of (a) any of the projects listed in the referendum materials (the "Projects"), (b) capitalized interest on the Bonds (if needed) and (c) the costs of issuing the Bonds; and

WHEREAS, the Board of Education has been advised by Staff and the School System's Financial Advisor, Davenport & Company LLC ("DC") that due to market conditions, the refunding of all or a portion of the School System's General Obligation Bonds, Series 2015 (the "Series 2015 Bonds") may be desirable if it generates net present value savings of 3% of the principal amount of the Series 2015 Bonds, and the Board of Education desires that Staff and DC continue to monitor market conditions, and, in conjunction with the financing of the Projects, pursue the refunding of those Series 2015 Bonds that are economically feasible and desirable (the "Refunding Bonds"); and

WHEREAS, Board of Education desires to authorize (a) its staff members (the "Staff"), (b) the School System's General Counsel, Roach, Caudill & Frost, LLP ("RCF"), (c) DC, and (d) the School System's Bond and Disclosure Counsel, Murray Barnes Finister LLP ("MBF") to proceed with a public offering of the Bonds and the Refunding Bonds, if economically feasible and desirable, via competitive sale; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Education, and it is HEREBY RESOLVED by the same, as follows**:**

Section 1. Authorization to Proceed. The Staff, DC, RCF, and MBF are hereby authorized to proceed with a public offering of (i) the Bonds and (ii) the Refunding Bonds if the refunding generates net present value savings of 3% of the principal amount of the Series 2015 Bonds, each via competitive sale and are hereby empowered and directed to do all such acts and things that are necessary or desirable in connection with a public offering of the Bonds and the Refunding Bonds.

Section 2. Authorization to Execute Necessary Documents. The Chairman and the Vice-Chairman of the Board of Education are hereby authorized to execute all documents and certificates needed to carry out the intent of this resolution.

Section 3. Actions Ratified, Approved and Confirmed. All acts and doings of the members, officers, employees and agents of the Board of Education which are in conformity with the purpose and intent of this resolution are in all respects ratified, approved and confirmed.

Section 4. Repealing Clause. All resolutions or parts thereof in conflict with the provisions contained in this resolution are, to the extent of such conflict, hereby superseded and repealed.

Section 5. Effective Date. This resolution shall take effect immediately upon its adoption.

ADOPTED this 16th day of January, 2025.

CHEROKEE COUNTY SCHOOL SYSTEM

(SEAL)

By:_____
Chairman, Cherokee County Board of Education

Attest:

_____
Secretary, Cherokee County Board of Education

SECRETARY'S CERTIFICATE

The undersigned Secretary of the Cherokee County Board of Education (the "Board of Education") DOES HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution adopted by the Board of Education on January 16, 2025, in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of the resolution appears of record in the Minute Book of the Board of Education, which is in the undersigned's custody and control.

WITNESS my hand and the official seal of the Board of Education, this 16th day of January, 2025.

(SEAL)

_____

Secretary