

# **Request to Authorize the Issuance of General Obligation Bonds in the Amount of \$225 Million.**

**Policy Reference:** *Board Governance*, OE-6, “Financial Administration,” pp. 32, *Board Governance*, OE-7, “Asset Protection,” pp. 34, and *Board Governance*, OE-13, “Facilities.” pp. 43.

## **Background Information:**

On March 20, 2023, the Board conducted a workshop to review the efforts of the District over the past year in regard to various assessments, evaluations and analysis related to our facilities and other capital needs. During the workshop staff presented potential one-time capital improvement projects as well as recommendations for annual funding allocations for facilities, technology, and security. The Board prioritized the various one-time capital improvement projects and discussed the proposed annual funding allocations for the 2024-2029 Capital Improvement Plan.

On May 1, 2023, the Board approved the following Capital Improvement Projects and Annual Funding Allocations for the 2024-2029 Capital Improvement Plan:

### Capital Improvement Projects Approved:

- Two New Elementary Schools in the Carolina Forest area: \$128,000,000
- Replacement School for St. James Elementary: \$66,000,000
- Renovations to Aynor High: \$14,000,000
- Renovations to Carolina Forest High: \$33,000,000
- Renovations to Daisy Elementary: \$15,000,000
- Renovations to Myrtle Beach High: \$24,000,000
- Tennis Court Replacements: \$5,000,000

### Annual Funding Allocations Approved:

- Emergency Maintenance Repair: \$9,000,000 (\$1.8 million annually)
- Miscellaneous Equipment: \$11,000,000 (\$2.2 million annually)
- Security Upgrades: \$20,250,000 (\$4,050,000 annually)
- Technology: \$79,750,000 (\$15,950,000 annually)

Further discussion was requested on three of the Annual Funding Allocations originally recommended.

At the May 8, 2023, Joint Facilities and Finance Committee Meeting, additional information was provided. The committee recommended approval of the following additional annual funding allocations and requested that this recommendation be added as a business item for consideration by the full Board:

Additional Annual Funding Allocations Recommended:

- Athletic Improvements: \$25,000,000 (\$5 million annually)
- Capital Administration: \$10,000,000 (\$2 million annually)
- Capital Improvement Projects: \$125,000,000 (\$25 million annually)

On May 15, 2023, the Board amended the 2024-2029 Capital Improvement Plan by adding the three additional annual funding allocations for Capital Improvement Projects, Athletic Improvements and Capital Administration.

Funding for the approved 2024-2029 Capital Improvement Plan will be provided from the issuance of General Obligation Bonds and the proceeds from the Education Capital Improvements Sales Tax.

At the April 15, 2024, Joint Finance/Human Resources committee meeting, a motion was approved to place a resolution to authorize the issuance of General Obligation Bonds in amount not to exceed \$225 million on the next Board agenda as a business item.

**Purpose:**

Burr & Forman LLP has prepared the enclosed Resolution for the Issuance of General Obligation Bonds in an amount not to exceed \$225 million for the review and approval of the Board of Education. Frannie Heizer from Burr & Foreman LLP will be at the April 29, 2024, meeting to provide further explanation.

**For Further Information:** Please contact John Gardner at 843-488-6896 or by e-mail at [jgardner@horrycountyschools.net](mailto:jgardner@horrycountyschools.net)

**Recommendation:** It is recommended that the Board approves the resolution for the issuance of General Obligation Bonds in one or more series, in one or more years, in an amount not to exceed \$225 million.