

Horry County Schools

Capital Planning Assumptions/Parameters

The administration will prepare a recommended capital funding plan based upon the following ASSUMPTIONS:

1. The District will employ the services of a Financial Advisor and Bond Attorney in the formulation and modification of the capital funding plan.
2. The capital funding plan will seek the lowest cost of capital available.
3. 8% Debt will be structured for the shortest period possible. Debt shall not be issued for a term that exceeds the useful life of the debt-financed asset.
4. The District desires to obtain and maintain the highest possible credit ratings. The District will seek credit ratings from at least one of the three major ratings agencies on all debt, as appropriate.

The administration will prepare a recommended capital plan that is in compliance with the Board of Education's governance policies and the following PARAMETERS:

1. The District will comply with all applicable State and/or Federal laws and regulations.
2. The District will develop a short and long term facilities plan based upon an ongoing annual needs assessment and establish priorities for new facilities, additions, renovations, and sustainment projects.
3. A clear estimate of all major components required to implement a project should be outlined including land acquisition, design, construction, contingency, and post-construction costs.
4. For projects programmed beyond the first year of the plan, cost projections should be adjusted based on anticipated inflation.
5. The facilities plan should provide information regarding the potential impact of the capital project(s) on the annual operating budget.
6. The annual budget for capital improvements will be based on the projected expenditures for that fiscal year. As some projects may span multiple years, it is understood that multiyear projects may exceed the annual appropriation but may not exceed the total project budget.
7. A stable and sufficient funding plan, which is both multiyear and reliable, must be established as a precursor to the final approval of the short and long term facilities plan or any modification to the plans.