From: Brian Nurick
To: John Gardner
Cc: "Frannie Heizer, Esquire"
Subject: Horry CSD Finance Committee Meeting
Date: Wednesday, January 11, 2017 2:31:14 PM
Attachments: Horry CSD.pdf
Horry CSD - 12 Mills.pdf
Horry CSD - 14 Mills.pdf

John,

Per our conversation, I am attaching three capital program funding documents for review. The options are intended to show the amount available for Pay As You Go (PAYGO) over the next 8 ½ years at certain mill rates. The funds available for future capital projects which can be found on Page 2 are as follows:

10 Mills = $57,000,000
12 Mills = $94,300,000
14 Mills = $131,800000

The District currently has 8% debt limit capacity of $46,000,000 after the March 1, 2017 payments are made. This amount grows to $50,000,000 after the March 1, 2018 payments and to $79,000,000 after the March 1, 2019 payments (assuming no additional debt is issued). So in other words, you have some funds to work with outside PAYGO today; and you recycle a more significant amount of issued 8% debt beginning with the March 1, 2019 payment.

If the amounts above or not sufficient to carry the District's capital needs over the next 8 ½ years, you could look to a bond referendum where you would issue debt for 20 to 25 years versus more short term with 8% debt. You would still need a millage increase to carry the bonds debt service in the earlier years of the loan(s), but you would be able to generate significantly more funding in the near term.

The last point I wanted to mention is the sale tax referendum renewal scheduled for 2022. You might consider having any potential changes in the mill rate in place and the 'new normal' if you feel it could impact the result.

Please let me know if you need additional information and look forward to seeing everyone on January 19th.

Thanks! BN

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