



Capital Planning Work Session
AGENDA
March 8, 2023 – 3:30 PM
Council Chambers
2020 Hampton Street, Columbia, SC 29204

1. **Call to Order**
2. **Introduction of Scope**
3. **Presentation**
 - a. **First Tryon Advisors**
4. **Adjournment**

Leonardo Brown,
County Administrator



Richland County, SC

March 8, 2023



Discussion Materials

First Tryon Advisors

Page 2 of 8

SIMPLIFYING PUBLIC FINANCE

Outstanding Debt

- As of June 30, 2022, the County had approximately \$295.4 million in debt outstanding, consisting of General Obligation Bonds, Hospitality Tax Revenue Bonds, Installment Purchase Revenue Bonds, Assessment Revenue Bonds, and Utility Revenue Bonds.

General Obligation Bonds (Governmental)						
Series	Description	Par Outstanding	Final Maturity	Call Provision	Avg. Coupon	Purpose
Series 2010A	General Obligation Bonds (Taxable BABs)	1,210,000	3/1/2025	Current @ 100%	4.200%	Library / Midlands Tech / Vehicles
Series 2013B	General Obligation Bonds	5,865,000	3/1/2023	Non-Callable	5.000%	Projects and Vehicles
Series 2014A	General Obligation Bonds	24,330,000	3/1/2034	3/1/2024	3.681%	Richland Library
Series 2016A	General Obligation Bonds	5,775,000	3/1/2026	Non-Callable	5.000%	Building / Equipment and Vehicles
Series 2016B	General Obligation Bonds	14,285,000	3/1/2034	3/1/2026	3.676%	Richland Library
Series 2018A	General Obligation Bonds	3,280,000	3/1/2024	Non-Callable	5.000%	Sheriff's Department
Series 2020A	General Obligation Bonds	20,935,000	3/1/2040	3/1/2030	2.604%	Facilities / Vehicles / Equipment
Series 2020B	General Obligation Bonds (Fire District)	5,560,000	3/1/2034	3/1/2030	2.673%	Fire Stations / Ladder Truck
Series 2021	General Obligation Bonds (Transportation Sales and Use Tax)	73,265,000	3/1/2028	Non-callable	5.000%	Pay off 2020 BAN
Series 2022	General Obligation Bonds (Public Safety Complex)	40,000,000	3/1/2042	3/1/2032	4.126%	Public Safety Complex
Subtotal		194,505,000			4.229%	
General Obligation Bonds (Sewer System)						
Series	Description	Par Outstanding	Final Maturity	Call Provision	Avg. Coupon	Purpose
Series 2016C	General Obligation Refunding Bonds (BRSS)	13,250,000	3/1/2037	3/1/2026	3.219%	Refund Series 2007B
Series 2021	Sewer System General Obligation Refunding Bonds	9,790,000	3/1/2033	3/1/2031	4.347%	Refund Series 2011A
Subtotal		23,040,000			3.698%	
Hospitality Tax Revenue Bonds						
Series	Description	Par Outstanding	Final Maturity	Call Provision	Avg. Coupon	Purpose
Series 2013A	Hospitality Tax Refunding Revenue Bonds	5,450,000	4/1/2026	4/1/2023	3.956%	Refund 2007 Loan Agreement
Subtotal		5,450,000			3.956%	
Installment Purchase Revenue Bond						
Series	Description	Par Outstanding	Final Maturity	Call Provision	Avg. Coupon	Purpose
Series 2019	Taxable Installment Purchase Revenue Bond	25,135,000	3/1/2045	3/1/2027	3.179%	Economic Development
Subtotal		25,135,000			3.179%	
Assessment Revenue Bonds*						
Series	Description	Par Outstanding	Final Maturity	Call Provision	Avg. Coupon	Purpose
Series 2021	Refunding Assessment Revenue Bonds	16,165,000	11/1/2036	11/1/2026 @ 100%	3.499%	Refunding Series 2004
Subtotal		16,165,000			3.499%	
Utility Revenue Bonds						
Series	Description	Par Outstanding	Final Maturity	Call Provision	Avg. Coupon	Purpose
Series 2020	Utility System Revenue Bonds	31,075,000	3/1/2050	3/1/2030	3.636%	System Improvements; Refund USDA Loan
Subtotal		31,075,000			3.636%	
Total		295,370,000			3.991%	

Note: Excludes capital leases

* The County is not responsible for debt service with respect to the 2021 Assessment Revenue Bonds

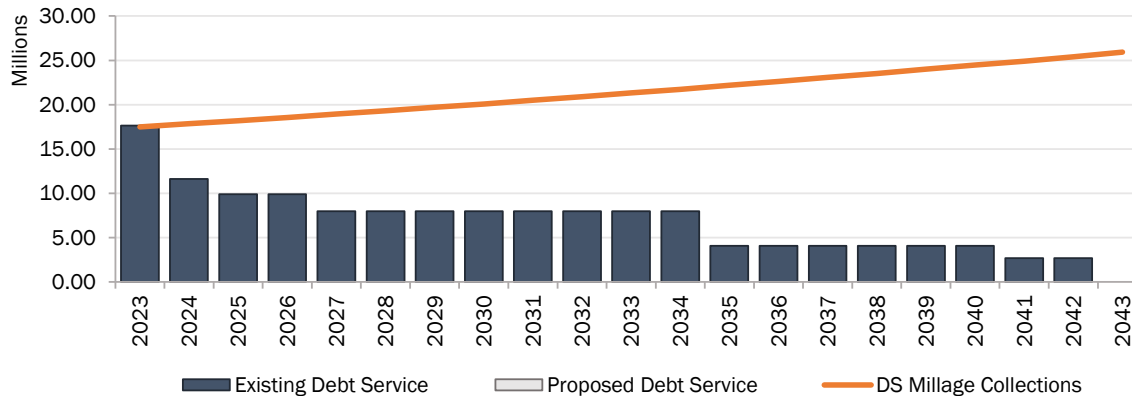


Debt Service Millage

- ▶ The County currently levies 10 debt service mills to cover debt service on its Governmental General Obligation Bond debt which consists of the following debt:

General Obligation Bonds (Governmental)							
Series	Description	Par Outstanding	Final Maturity	Call Provision	Avg. Coupon	Purpose	
Series 2010A	General Obligation Bonds (Taxable BABs)	1,210,000	3/1/2025	Current @ 100%	4.200%	Library / Midlands Tech / Vehicles	
Series 2013B	General Obligation Bonds	5,865,000	3/1/2023	Non-Callable	5.000%	Projects and Vehicles	
Series 2014A	General Obligation Bonds	24,330,000	3/1/2034	3/1/2024	3.681%	Richland Library	
Series 2016A	General Obligation Bonds	5,775,000	3/1/2026	Non-Callable	5.000%	Building / Equipment and Vehicles	
Series 2016B	General Obligation Bonds	14,285,000	3/1/2034	3/1/2026	3.676%	Richland Library	
Series 2018A	General Obligation Bonds	3,280,000	3/1/2024	Non-Callable	5.000%	Sheriff's Department	
Series 2020A	General Obligation Bonds	20,935,000	3/1/2040	3/1/2030	2.604%	Facilities / Vehicles / Equipment	
Series 2022	General Obligation Bonds (Public Safety Complex)	40,000,000	3/1/2042	3/1/2032	4.126%	Public Safety Complex	
Subtotal		115,680,000			3.815%		

- ▶ Based on an estimated current value of a mill of \$1.78 million and an assumed 98% collection rate, the County's debt service millage levy generates approximately \$17.4 million in revenues.
- ▶ As highlighted in the chart below, assuming the County continues to levy 10 debt service mills and the value of a mill grows at an average annual rate of 2.00%, the County has significant capacity to issue additional debt.



- ▶ In addition, the County had accumulated funds in its Debt Service Fund that it can apply to pay debt service on General Obligation Bonds in the future.



8% Debt Limit

- ▶ Pursuant to the South Carolina Constitution, Counties are empowered to incur general obligation debt in an amount not exceeding 8% of the assessed value of all taxable property of the County.
 - ▶ General obligation debt that is incurred by way of a referendum or is issued within a special district is not factored into the County’s 8% constitutional debt limit calculation.
- ▶ The County’s Assessed Valuation continues to see significant growth which provides for additional capacity under the constitutional debt limit.
- ▶ Based on the County’s FY2022 Assessed Valuation of \$1,820,832,806, the County’s constitutional debt limit is \$145,666,624.
- ▶ As of March 1, 2023, the County had \$63.61 million of outstanding general obligation bond debt that counts against its constitutional debt limit.
- ▶ As a result, the County has the capacity to issue up to \$82,056,624 of additional general obligation bond debt against its constitutional debt limit without holding a referendum.

8% Assessed Value Capacity (2023)	
Assessed Value	1,820,832,806
x 8%	8.00%
<i>Debt Limit</i>	145,666,624
Less: Existing 8% GO Debt	(63,610,000)
Remaining 8% Debt Limit	82,056,624



Debt Service Fund Model

- First Tryon and County Staff have developed and refined a debt service millage model to help the County assess its ability to fund capital projects within its existing millage rate, fund balance, and 8% capacity, as well as quantify the potential millage impacts if existing revenues are insufficient.

Tax Levy	Debt Service Paid	Millage Rate	Value of a Mill	Assumed Growth Rate	Collection Percentage	Millage Collections	Solid Waste Revenues	Existing Debt Service ¹	Proposed Debt Service	Total Debt Service	Surplus (Deficit)	Use of Fund Balance	Fund Balance ²
Total													
2022	2023	10.00	1,780,000	5.01%	98.00%	17,444,000	52,592	17,659,323	-	17,659,323	(162,731)	(162,731)	6,244,446
2023	2024	10.00	1,815,600	2.00%	98.00%	17,792,880	52,565	11,615,551	-	11,615,551	6,229,894	-	12,474,340
2024	2025	10.00	1,851,912	2.00%	98.00%	18,148,730	52,670	9,909,071	-	9,909,071	8,292,329	-	20,766,669
2025	2026	10.00	1,888,950	2.00%	98.00%	18,511,710	52,715	9,902,281	-	9,902,281	8,662,144	-	29,428,813
2026	2027	10.00	1,926,729	2.00%	98.00%	18,881,940	52,700	7,985,481	-	7,985,481	10,949,159	-	40,377,972
2027	2028	10.00	1,965,264	2.00%	98.00%	19,259,580	52,625	7,985,206	-	7,985,206	11,326,999	-	51,704,971
2028	2029	10.00	2,004,569	2.00%	98.00%	19,644,770	52,674	7,988,344	-	7,988,344	11,709,100	-	63,414,072
2029	2030	10.00	2,044,660	2.00%	98.00%	20,037,670	52,655	7,988,400	-	7,988,400	12,101,925	-	75,515,997
2030	2031	10.00	2,085,554	2.00%	98.00%	20,438,420	52,631	7,988,850	-	7,988,850	12,502,201	-	88,018,198
2031	2032	10.00	2,127,265	2.00%	98.00%	20,847,190	52,576	7,985,138	-	7,985,138	12,914,629	-	100,932,827
2032	2033	10.00	2,169,810	2.00%	98.00%	21,264,130	52,614	7,989,366	-	7,989,366	13,327,378	-	114,260,205
2033	2034	10.00	2,213,206	2.00%	98.00%	21,689,420	52,611	7,983,791	-	7,983,791	13,758,241	-	128,018,446
2034	2035	10.00	2,257,470	2.00%	98.00%	22,123,200	52,753	4,085,806	-	4,085,806	18,090,147	-	146,108,593
2035	2036	10.00	2,302,620	2.00%	98.00%	22,565,670	52,663	4,083,606	-	4,083,606	18,534,727	-	164,643,319
2036	2037	10.00	2,348,672	2.00%	98.00%	23,016,980	52,715	4,087,134	-	4,087,134	18,982,560	-	183,625,880
2037	2038	10.00	2,395,646	2.00%	98.00%	23,477,320	52,719	4,085,838	-	4,085,838	19,444,201	-	203,070,081
2038	2039	10.00	2,443,559	2.00%	98.00%	23,946,870	52,705	4,086,806	-	4,086,806	19,912,769	-	222,982,850
2039	2040	10.00	2,492,430	2.00%	98.00%	24,425,810	52,642	4,082,550	-	4,082,550	20,395,902	-	243,378,752
2040	2041	10.00	2,542,278	2.00%	98.00%	24,914,320	-	2,677,075	-	2,677,075	22,237,245	-	265,615,997
2041	2042	10.00	2,593,124	2.00%	98.00%	25,412,610	-	2,677,819	-	2,677,819	22,734,791	-	288,350,788

¹ 2021-2023 Debt Service is shown net of the net premium deposited to the Debt Service Fund and used to make a portion of the principal and interest payment due on 3/1/2021.

² 2022 ending fund balance is calculated based on a 6/30/2022 fund balance of \$10,850,547 less \$1,455,654 of debt service due on 9/1/2022 less \$2,987,716 of DS Fund premium from 2022 GO issuance.



Capital Projects

- It is our understanding that the County is considering a number of large, capital projects over the next several years that would require debt funding, including the following:

Project	Timing	Amount
Detention Center	2023	15,000,000
DSS Offices	2023	35,000,000
Emergency Operations Center	2025	40,000,000
Courthouse	2025	200,000,000
Total		290,000,000

- We can turn to the debt service fund model to help analyze the millage impact of funding some or all of these projects with General Obligation Bonds or Installment Purchase Revenue Bonds.



First Tryon Advisors

SIMPLIFYING PUBLIC FINANCE

FIRSTTRYON.COM

MSRB Registrant

DISCLAIMER: This communication was prepared by First Tryon Advisors, LLC (“First Tryon Advisors”) and is for informational purposes only and should not be construed as an offer or solicitation to sell or buy any securities. This material does not provide tax, regulatory, accounting, or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory, and accounting characteristics and consequences, of the proposed transaction.

Any proposal included in this communication is confidential information of First Tryon Advisors and is solely for the benefit of the recipient(s), and the recipient(s) is (are) not authorized to sell, redistribute, forward or deliver this communication to any other person without the prior written consent of First Tryon Advisors.

The statements within this material constitute the views, perspective and judgment of First Tryon Advisors at the time of distribution and are subject to change without notice. First Tryon Advisors gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this communication. The material presented reflects information known to First Tryon Advisors at the time this communication was prepared, and this information is subject to change without notice. First Tryon Advisors makes no warranties regarding the accuracy of this material.

Any forecasts, projections, or predictions of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue, and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or performance. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes only to simplify the presentation and/or calculation of any projections or estimates, and First Tryon Advisors does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated projections will be realized or that actual performance results will not materially differ from those estimated herein.

First Tryon Advisors is registered as a municipal advisor with the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). Neither the SEC, MSRB, nor any other regulatory organization endorses, indemnifies, or guarantees First Tryon Advisors' business practices or selling methods.