

FLORENCE SCHOOL DISTRICT 3

A PREMIER DISTRICT OF CHOICE



*Ensuring Our Students Are College and/or Career Ready and
Are Productive and Responsible Members of Society*

Equipment Financing Overview

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Director
Compass Municipal Advisors, LLC

October 16, 2025

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Overview

School districts have many options to fund equipment, technology and related capital needs. Today we are going to focus on options to fund the following:

- HVAC
- Electrical equipment and components
- Computers, smart boards and related technology
- Furniture
- Cafeteria equipment
- Playground and athletic equipment
- Modular classrooms or structures
- Vehicles
- Projects related to energy efficiency measures

Funding Considerations

Funding for equipment needs can come from many sources. The decision on how to fund these projects is based on many factors including:

- Timing
- Useful life of the equipment
- General fund cash position
- Longer-term capital needs
- Grant fund options - specifically grants with spending deadlines
- Debt limitation
- Interest rates



Equipment Acquisition Agreements

Equipment acquisition agreements are commonly utilized instruments to fund equipment needs.

- Schools purchase a portion of the project back with each payment.
 - Agreement is secured with an appropriation pledge and the equipment as collateral.
- Payment amounts can be funded with general fund cash or with annual general obligation bonds.
- **The annual payment amount is the only portion subject to the eight percent constitutional debt limit. *Great way to fund the project without limiting bonding ability.***
- *Not a traditional “lease”*
 - *Assets pass on to the district at the end of lease term*

Equipment Acquisition Agreements

These agreements are not subject to competitive bidding requirements but are commonly bid out to procure the optimal result. Considerations for determining method of sale include but are not limited to:

- Underlying asset
- Project scope
- Term
- Structure



Equipment Acquisition Agreements

Equipment Lenders

- Large and diverse base of lenders
 - National, regional and local (SC based) banks participate in these agreements.
- Repayment term are based on useful life of equipment
- Some banks are willing to lend out 12 to 15 years with a fixed rate if collateral and structure are acceptable.
 - Detailed equipment list is key

Special Obligation Bonds

Equipment and related capital expenses can also be funded in the capital markets through the use of a Special Obligation Bond (“SOB”).

Special Obligation Bonds function like an acquisition agreement but are a publicly traded debt instrument.

- Only payment amounts are subject to 8% debt limitations.
- Schools can issue GO bonds to fund the payments.
- Can be negotiated or competitively bid.

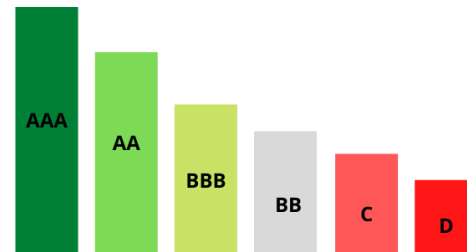


Special Obligation Bonds

SOBs are a common and acceptable capital market structure.

- Essentiality is important
- Bond rating is notched downward from the issuer's GO rating
- Usually a one-notch adjustment from GO rating
- Size, rating, term and structure are determining factors in method of sale

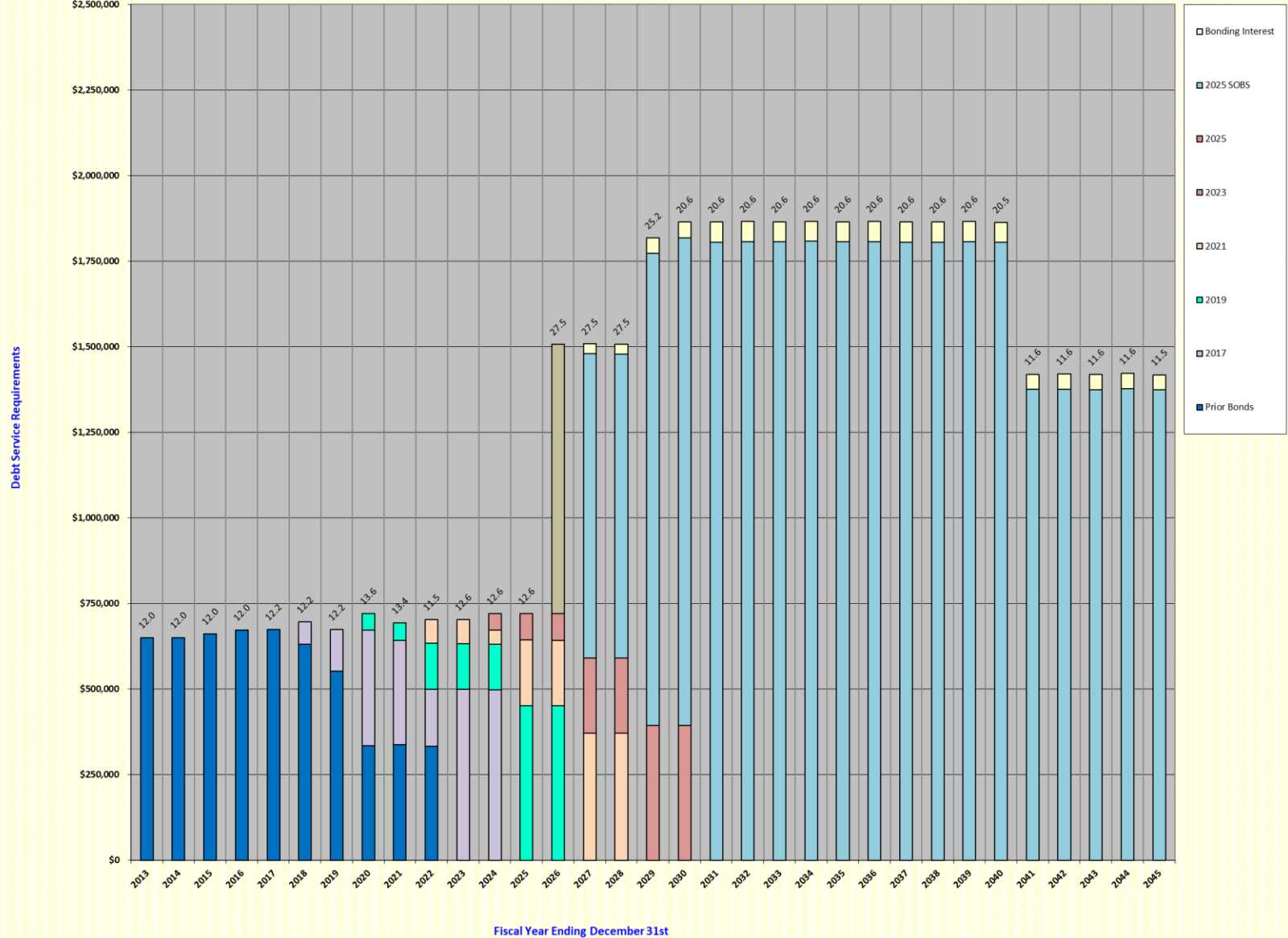
Credit Ratings and Credit Scores



Debt Capsule Report

(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Original			Refundable		
Bond	Par	Amount	Borrowing	Bonds Interest	Final	Call
Series	Amount	Outstanding	Rate	Rate	Maturity	Information
2019	\$1,200,000	\$439,000	2.938%	2.960%	2026	Anytime @ 100%
2021	\$1,200,000	\$900,000	1.660%	1.660%	2028	Anytime @ 100%
2023	\$1,200,000	\$1,155,000	3.500%	---	2030	Non-Callable
2025 SOB	\$21,370,000	\$21,370,000	4.213%	4.242%	2044	Dec. 2034 @ 100%
2025	\$768,000	\$768,000	2.438%	---	2026	Non-Callable
Totals:	\$25,738,000	\$24,632,000	---	---	---	---

Debt Structure Graph



Debt Structure Report

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Fiscal Year	Prior Bonds	Series 2017 Bonds	Series 2019 Bonds	Series 2021 Bonds	Series 2023 Bonds	Series 2025 Bonds	Series 2025 SOBS	Bonding Interest	Total Payments
2013	\$650,563								\$650,563
2014	\$650,918								\$650,918
2015	\$661,540								\$661,540
2016	\$673,093								\$673,093
2017	\$674,104								\$674,104
2018	\$630,788	\$65,175							\$695,963
2019	\$552,421	\$121,175							\$673,596
2020	\$334,268	\$338,963	\$47,856						\$721,087
2021	\$338,613	\$304,061	\$50,076						\$692,750
2022	\$332,871	\$166,107	\$134,632	\$69,315					\$702,925
2023		\$500,209	\$131,672	\$71,073					\$702,954
2024		\$497,921	\$133,712	\$41,210	\$47,850				\$720,693
2025			\$451,604	\$191,828	\$77,685				\$721,117
2026			\$451,994	\$190,940	\$78,425	\$785,493			\$1,506,853
2027				\$371,018	\$220,095		\$888,092	\$28,863	\$1,508,068
2028				\$371,059	\$219,760		\$888,092	\$28,863	\$1,507,774
2029					\$394,215		\$1,378,092	\$44,788	\$1,817,095
2030					\$394,335		\$1,423,592	\$46,267	\$1,864,193
2031							\$1,805,592	\$58,682	\$1,864,273
2032							\$1,807,092	\$58,730	\$1,865,822
2033							\$1,806,092	\$58,698	\$1,864,790
2034							\$1,807,592	\$58,747	\$1,866,338
2035							\$1,806,342	\$58,706	\$1,865,048
2036							\$1,807,342	\$58,739	\$1,866,080
2037							\$1,805,342	\$58,674	\$1,864,015
2038							\$1,805,342	\$58,674	\$1,864,015
2039							\$1,807,092	\$58,730	\$1,865,822
2040							\$1,804,692	\$58,652	\$1,863,344
2041							\$1,375,092	\$44,690	\$1,419,782
2042							\$1,375,292	\$44,697	\$1,419,989
2043							\$1,373,692	\$44,645	\$1,418,337
2044							\$1,377,267	\$44,761	\$1,422,028
2045							\$1,373,417	\$44,636	\$1,418,053
Totals:	\$5,499,178	\$1,993,611	\$1,401,546	\$1,306,445	\$1,432,365	\$785,493	\$29,515,140	\$959,242	\$42,893,020

Millage Cash Flow Report

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Fiscal Year	Millage Valuation	Annual Growth	Fund Transfers	AESC FILOT	State Sources	Debt Service Requirements	D/S Millage Target	D/S Millage Levy	Remaining Millage	D/S Millage Levy W/O AESC FILOT
2013*	\$46,041	10.83%			\$110,423	\$650,563		12.0		
2014*	\$47,313	2.76%			\$111,018	\$650,918		12.0		
2015*	\$43,837	-7.35%	\$30,181		\$105,313	\$661,540		12.0		
2016*	\$46,318	5.66%	\$7,979		\$109,294	\$673,093		12.0		
2017*	\$46,786	1.01%			\$109,659	\$674,104		12.2		
2018*	\$47,043	0.55%	\$10,605		\$111,433	\$695,963		12.2		
2019*	\$46,515	-1.12%			\$111,725	\$673,596		12.2		
2020*	\$44,886	-3.50%	\$39,969		\$70,662	\$721,087		13.6		
2021*	\$47,359	5.51%			\$122,795	\$692,750		13.4		
2022*	\$48,530	2.47%	\$31,796		\$113,032	\$702,925		11.5		
2023*	\$50,396	3.84%			\$120,529	\$702,954		12.6		
2024*	\$49,482	-1.81%			\$146,673	\$720,693		12.6		
2025	\$49,482				\$146,673	\$721,117		12.6		
2026	\$49,482	0.00%			\$146,673	\$1,506,853	27.6	27.5	\$5,525	
2027	\$49,482	0.00%			\$146,673	\$1,508,068	27.6	27.5	\$4,310	
2028	\$49,482	0.00%			\$146,673	\$1,507,774	27.6	27.5	\$4,604	
2029	\$49,482	0.00%		\$425,000	\$146,673	\$1,817,095	27.6	25.2	\$120,283	33.8
2030	\$49,482	0.00%		\$700,000	\$146,673	\$1,864,193	27.6	20.6	\$348,185	34.7
2031	\$49,482	0.00%		\$700,000	\$146,673	\$1,864,273	27.6	20.6	\$348,105	34.7
2032	\$49,482	0.00%		\$700,000	\$146,673	\$1,865,822	27.6	20.6	\$346,556	34.7
2033	\$49,482	0.00%		\$700,000	\$146,673	\$1,864,790	27.6	20.6	\$347,588	34.7
2034	\$49,482	0.00%		\$700,000	\$146,673	\$1,866,338	27.6	20.6	\$346,040	34.8
2035	\$49,482	0.00%		\$700,000	\$146,673	\$1,865,048	27.6	20.6	\$347,330	34.7
2036	\$49,482	0.00%		\$700,000	\$146,673	\$1,866,080	27.6	20.6	\$346,298	34.7
2037	\$49,482	0.00%		\$700,000	\$146,673	\$1,864,015	27.6	20.6	\$348,363	34.7
2038	\$49,482	0.00%		\$700,000	\$146,673	\$1,864,015	27.6	20.6	\$348,363	34.7
2039	\$49,482	0.00%		\$700,000	\$146,673	\$1,865,822	27.6	20.6	\$346,556	34.7
2040	\$49,482	0.00%		\$700,000	\$146,673	\$1,863,344	27.6	20.5	\$349,034	34.7
2041	\$49,482	0.00%		\$700,000	\$146,673	\$1,419,782	27.6	11.6	\$792,596	25.7
2042	\$49,482	0.00%		\$700,000	\$146,673	\$1,419,989	27.6	11.6	\$792,389	25.7
2043	\$49,482	0.00%		\$700,000	\$146,673	\$1,418,337	27.6	11.6	\$794,041	25.7
2044	\$49,482	0.00%		\$700,000	\$146,673	\$1,422,028	27.6	11.6	\$790,350	25.8
2045	\$49,482	0.00%		\$700,000	\$146,673	\$1,418,053	27.6	11.5	\$794,325	25.7

Constitutional Debt Limit Report

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
June 30th	Prior Bonds	Series 2019 Bonds	Series 2021 Bonds	Series 2023 Bonds	Series 2025 Bonds	Annual Bonding	Assessed Valuation	Annual Growth	Maximum Capacity	Available Capacity
2013	\$573,000						\$43,064,042	0.00%	\$3,445,123	
2014	\$593,000						\$42,588,856	-1.10%	\$3,407,108	
2015	\$612,000						\$42,588,856	0.00%	\$3,407,108	
2016	\$624,000						\$49,984,813	17.37%	\$3,998,785	
2017	\$638,000						\$49,984,813	0.00%	\$3,998,785	
2018	\$603,000						\$47,331,947	-5.31%	\$3,786,556	
2019	\$588,000						\$47,538,613	0.44%	\$3,803,089	
2020	\$596,000	\$15,000					\$50,549,841	6.33%	\$4,043,987	
2021	\$582,000	\$15,000					\$53,249,675	5.34%	\$4,259,974	
2022	\$454,000	\$100,000	\$51,000				\$53,249,675	0.00%	\$4,259,974	
2023	\$463,000	\$100,000	\$52,000				\$53,249,675	0.00%	\$4,259,974	
2024	\$479,000	\$105,000	\$23,000	\$9,000			\$53,249,675	0.00%	\$4,259,974	
2025		\$426,000	\$174,000	\$36,000			\$53,249,675	0.00%	\$4,259,974	\$997,974
2026		\$439,000	\$176,000	\$38,000	\$768,000		\$53,249,675	0.00%	\$4,259,974	\$1,528,974
2027			\$359,000	\$181,000		\$890,000	\$53,249,675	0.00%	\$4,259,974	\$2,068,974
2028			\$365,000	\$187,000		\$890,000	\$53,249,675	0.00%	\$4,259,974	\$2,130,974
2029				\$368,000		\$1,380,000	\$53,249,675	0.00%	\$4,259,974	\$2,448,974
2030				\$381,000		\$1,430,000	\$53,249,675	0.00%	\$4,259,974	\$2,449,974
2031						\$1,810,000	\$53,249,675	0.00%	\$4,259,974	\$2,449,974
2032						\$1,810,000	\$53,249,675	0.00%	\$4,259,974	\$2,449,974
2033						\$1,810,000	\$53,249,675	0.00%	\$4,259,974	\$2,449,974
2034						\$1,810,000	\$53,249,675	0.00%	\$4,259,974	\$2,449,974
2035						\$1,810,000	\$53,249,675	0.00%	\$4,259,974	\$2,449,974
2036						\$1,810,000	\$53,249,675	0.00%	\$4,259,974	\$2,449,974
2037						\$1,810,000	\$53,249,675	0.00%	\$4,259,974	\$2,449,974
2038						\$1,810,000	\$53,249,675	0.00%	\$4,259,974	\$2,449,974
2039						\$1,810,000	\$53,249,675	0.00%	\$4,259,974	\$2,449,974
2040						\$1,810,000	\$53,249,675	0.00%	\$4,259,974	\$2,879,974
2041						\$1,380,000	\$53,249,675	0.00%	\$4,259,974	\$2,879,974
2042						\$1,380,000	\$53,249,675	0.00%	\$4,259,974	\$2,879,974
2043						\$1,380,000	\$53,249,675	0.00%	\$4,259,974	\$2,879,974
2044						\$1,380,000	\$53,249,675	0.00%	\$4,259,974	\$2,879,974
2045						\$1,380,000	\$53,249,675	0.00%	\$4,259,974	\$4,259,974
Totals:	\$6,805,000	\$1,200,000	\$1,200,000	\$1,200,000		\$29,590,000	---	---	---	---



Questions?



SOB

THE PROJECT

The Board of Trustees of the School District, its governing body (the “Board”), has determined by resolution adopted December 19, 2024 (the “Resolution”), that a need exists for and that it is in the interests of the efficiency, convenience, and safety of the School District and its students to acquire and install comprehensive mechanical system and other equipment upgrades at the Lake City Early Childhood Center of the Arts and a new stadium complex for Lake City High School Stadium, all to consist solely of items of equipment that do not constitute “real property and permanent improvements thereon including structures, buildings, and fixtures” (such items, the “Equipment”). The Board further determined pursuant to the Resolution to finance the costs of the purchase and installation of the Equipment (such undertaking, the “Project”).

The components of the Project, the Equipment contained in each component, and the cost of each component is as follows:

<u>Project Component</u>	<u>Equipment</u>	<u>Cost of Equipment⁽¹⁾</u>
Lake City Early Childhood Center	Lighting, HVAC, Electrical, Automation	\$5,828,470
Lake City High School Stadium	Modular Field House and Concessions, Turf, Bleachers, Lighting, and PA System	4,179,680
School District Auditorium	HVAC, Lighting, and Sound System	456,590
All School District Schools	HVAC, Lighting	<u>9,248,390</u>
Total		\$19,713,100

⁽¹⁾ Project Components include a total of \$1,086,985 in permanent improvements that will be funded from other sources.

*Preliminary, subject to change.

J PAUL TRULUCK MAGNET SCHOOL CHOIR

- Dates: April 16-19, 2026
- Atlanta, Ga
- Performing at Southern Star Music Festival
- JPTMS will be doing fundraisers to help with student cost.



Enrollment Update 2025

Schools	Enrollment
LCECC	364
MSE	254
JCLES	379
SES	384
OMS	166
REMJB	244
JPT	338
LCHS	494
District Total	2623

2024-2025 135th day report = 2747



New Policy – Policy JHE

Excused Absences for Career and Technical Organization Experiences

- The board recognizes the educational value of Career and Technical Student Organizations. Participation in these organizations fosters the development of essential, critical thinking, communication, technology, and interpersonal skills through service-learning projects, competitive events, and leadership development, collectively referred to as “experiences.”
- To support student involvement in these valuable organizations, students may be granted up to 10 days of excused absences per school year to participate in approved Career and Technical Student Organization (CTSO) experiences. Absences associated with participation in approved CTSO experiences will be considered lawful.
- Student absences in excess of 10 school days may be considered as unlawful under policy JH, Student Absences and Excuses.



New Policy – Policy JHE

Excused Absences for Career and Technical Organization Experiences

Eligible Experiences

- Excused absences may be granted for participation in CTSO experiences associated with, but not limited to:
 - National and state-level Future Farmers of America events
 - 4-H programs
 - Business Professionals of America (BPA)
 - DECA
 - Future Business Leaders of America (FBLA)
 - Family, Career and Community Leaders of America (FCCLA)
 - HOSA - Future Health Professionals
 - SkillsUSA
 - Technology Student Association (TSA)
- The CTSO experience must be supervised by a certified teacher and must include an assessment of competencies. The teacher is responsible for verifying student participation in the CTSO experience.

Make-up work

- A student who misses work due to participation in an eligible CTSO experience will be allowed to make up the work missed during the absence as long as the student or their parent/legal guardian makes appropriate arrangements with the teacher(s) within five school days of the student's return to school. The student should complete the make-up work within 10 days after their return to school; however, the teacher may provide additional time to complete the work, to the extent that it is appropriate and reasonable.

New Policy – Policy BEA

Livestreaming of Board Meetings

- The board is committed to conducting its business in an open and accessible manner in accordance with state law. Therefore, all regular meetings, work sessions, budget workshops, budget hearings, committee meetings, subcommittee meetings, special called meetings, and public hearing meetings of the board, except for lawfully convened executive sessions, will be live-streamed and recorded for public access. The meeting will be held in a location with sufficient access to quality audio and video equipment.
- The meeting will be livestreamed on *YouTube*, and made available for public viewing. Visible links to the livestreams will be posted on the district's webpage at the same time as the meeting notice and agenda are posted.
- All portions of livestreamed meetings will be visible and audible in real-time, and be of sufficient video and audio quality to allow viewers to hear the comments and identify speakers.
- Within two business days of the meeting, the district will publicize the availability of the livestreamed meeting on the district's website.

New Policy – Policy BEA

Livestreaming of Board Meetings

Technical Disruptions

- In the event of an interruption of the livestream during a meeting, the board will make reasonable efforts to restore livestream access. If livestream access cannot be restored, the board will make a clear audio and video recording accessible on the district's website within seven days after the meeting, except for executive sessions held in accordance with state law.

Access to Broadband

- The district will make every effort to collaborate with technology partners to develop, enhance, or expand their existing livestreaming capabilities.
- In the event that the district has limited or no broadband access, it may request a 12-month extension to comply with the livestream requirements. The request must be submitted to the South Carolina Board of Education's Policy & Legislative Committee, along with proof that reasonable efforts were made to meet the requirements.

Special Accommodations

- The board will make reasonable accommodations to ensure accessibility in accordance with the Americans with Disabilities Act (ADA).

Purchased Services

Action Required

- Requesting \$1.2 million for purchased services for this school year
 - Classroom teachers & other direct student services providers = \$956,842 - \$432,875 = \$523,967
 - International teacher/agency fees = \$250,050 - \$63,800 = \$186,250
 - Kelley's Services subs = \$334,000 - \$133,565 = \$200,435
 - Maintenance/Facilities = \$1,944,014 - \$1,617,680 = \$272,333
 - Total from above = \$1,182,985



FSD3 Facilities Update

Board of Trustees Meeting
October 16, 2025

State Capital Improvement Funds Update

We have received approval from the SDE's Division of District Operations and Support to use State Capital Improvement Funds for the following projects:

- Roof Renovation – Main Street Elementary School
\$313,065
- Interior Painting – Main Street Elementary School Gymnasium
\$28,166
- Roof Repair – Lake City High School Gym
\$49,776
- Flooring Replacement – Main Street Elementary School and Dr. Ronald E. McNair Junior High School *(Completed)*
\$18,416.09
- Sheetrock Repair and Painting – Lake City Early Childhood Center
(Completed)
\$146,270

State Capital Improvement Funds available: \$545,266.08

Lake City Early Childhood

- During intercession, both DOAS (Dedicated Outdoor Air Systems) units and the interior transformers were installed during intercession.
- Installation of cassettes and condensers are continuing.
- Installation of new mechanical equipment is continuing.
- Air ducts in the office area have been replaced and other existing air ducts have been cleaned.

J. C. Lynch Elementary

One of three rooftop HVAC units failed two weeks ago. This 20-year-old unit serves the media center and is not included in Phase 2. The quote for a replacement was over \$19,000. Since this was not included in the budget, the decision was made to use Maintenance Department staff to replace the compressor for \$2,000 plus \$400 in refrigerant. The unit is operational now.

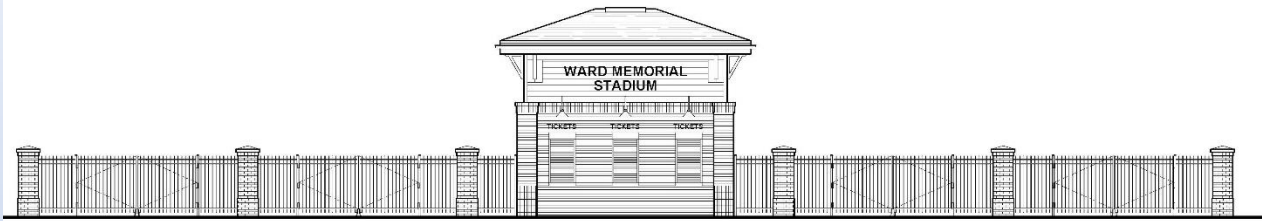


Ward Memorial Stadium

Architectural plans for the fieldhouse, concessions/restrooms and ticket booths are being reviewed.



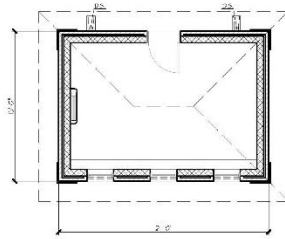
Ward Memorial Stadium



FRONT ELEVATION
SCALE: 3/16" = 1'-0"



LEFT ELEVATION
SCALE: 3/16" = 1'-0"



FLOOR PLAN
SCALE: 3/16" = 1'-0"



RIGHT ELEVATION
SCALE: 3/16" = 1'-0"



REAR ELEVATION
SCALE: 3/16" = 1'-0"

HOME SIDE TICKET BOOTH / STADIUM ENTRANCE



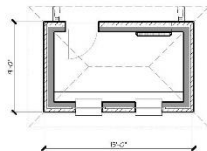
FRONT ELEVATION
SCALE: 3/16" = 1'-0"



REAR ELEVATION
SCALE: 3/16" = 1'-0"



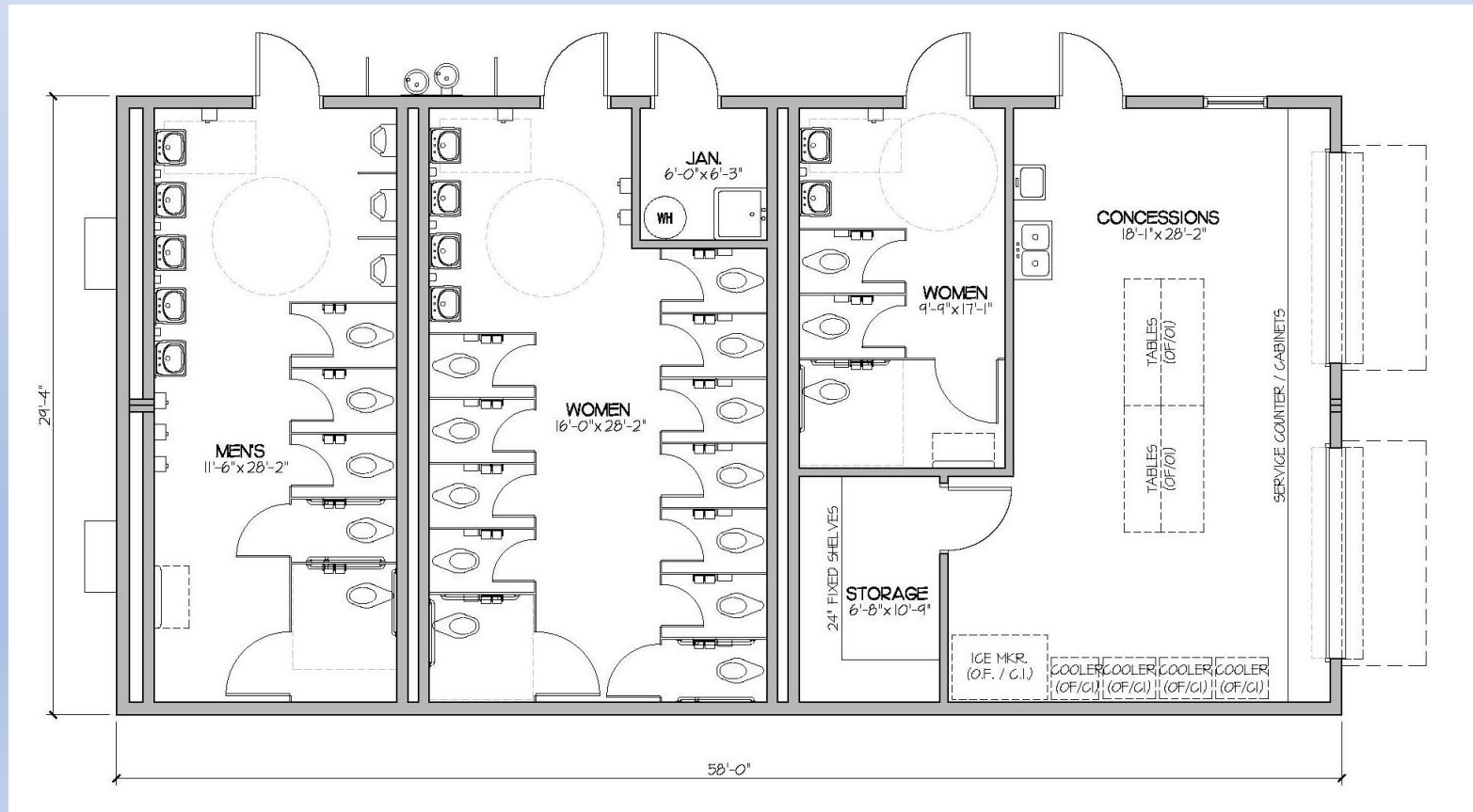
SIDE ELEVATION
SCALE: 3/16" = 1'-0"



VISITOR SIDE TICKET BOOTH / STADIUM ENTRANCE

Ward Memorial Stadium

One bid was received for the modular concessions/restrooms building. The bid price was \$354,498, which is more than the \$300,000 that was originally estimated. A couple of things that increased the price was that the aluminum price increase and the additional plumbing fixtures and material added to the women's restrooms.



Scranton Elementary Auditorium Seating

Upholstered Seats:

Cloth upholstered seats and backs, arm rests, row letters, seat numbers, solid end panels (similar to seats in Blanding Street Auditorium). Includes demo and disposal of existing seating - \$199,800.00



Plastic Seats:

Plastic seats and backs, arm rests, row letters, seat numbers, solid end panels. Includes demo and disposal of existing seating - \$118,800.00



Floor Refinishing:

Sanding and refinishing existing floor. When finished, the floor will look similar to DREM's gym floor - \$12,420.00

Board of Trustees

Priority Options

Action Needed

- Auditorium (Option A or B)
- Schneider Phase 2 (Option 1 or 2)
- PA System Upgrades
- JCL LED Marquee
- Security Camera Upgrades
- Scoreboards
- LCHS Driveway & Drainage Renovations
- Track Renovation

ANY
QUESTIONS

