

A RESOLUTION OF THE HOUSTON COUNTY BOARD OF EDUCATION CONTINUING THE ONE PERCENT (1%) SALES AND USE TAX FOR EDUCATION CURRENTLY IN EFFECT AS AUTHORIZED BY GA. CONST. ART. VIII, § VI, ¶ IV AND GA. CODE ANN. §§ 48-8-140 TO 144; SPECIFYING THE MAXIMUM PERIOD OF TIME FOR WHICH SUCH TAX MAY BE IMPOSED; SPECIFYING THE MAXIMUM COST OF THE CAPITAL OUTLAY PROJECTS TO BE FUNDED FROM THE PROCEEDS OF THE TAX; AUTHORIZING THE ISSUANCE OF CERTAIN GENERAL OBLIGATION DEBT SECURED BY THE PROCEEDS OF SUCH TAX; SPECIFYING THE PRINCIPAL AMOUNT OF SUCH GENERAL OBLIGATION DEBT TO BE ISSUED; SPECIFYING THE PURPOSE FOR WHICH SUCH GENERAL OBLIGATION DEBT IS TO BE ISSUED; SPECIFYING THE MAXIMUM INTEREST RATE OR RATES OF INTEREST THAT SUCH GENERAL OBLIGATION DEBT MAY BEAR; SPECIFYING THE PRINCIPAL AMOUNT TO BE PAID IN EACH YEAR DURING THE LIFE OF SUCH GENERAL OBLIGATION DEBT; REQUESTING THE HOUSTON COUNTY BOARD OF ELECTIONS AND REGISTRATION, AS ELECTION SUPERINTENDENT, CALL AN ELECTION OF THE VOTERS OF HOUSTON COUNTY TO APPROVE THE IMPOSITION OF THE TAX AND THE ISSUANCE OF SUCH GENERAL OBLIGATION DEBT; APPROVING THE FORM OF BALLOT TO BE USED IN SUCH ELECTION; AND FOR OTHER PURPOSES.

WHEREAS, Ga. Const. Art. VIII, § VI, ¶ IV and Ga. Code Ann. §§ 48-8-140 to 144, as amended (the “**Act**”), authorize the imposition of a one percent (1%) sales and use tax for education for the purposes, inter alia, of financing certain school capital outlay projects and retiring general obligation debt; and

WHEREAS, the one percent (1%) sales and use tax for education currently being collected in Houston County (the “**County**”) began on April 1, 2017, which tax the Houston County Board of Education (the “**Board of Education**”) anticipates will cease to be collected on March 31, 2022; and

WHEREAS, the Board of Education, the managing and controlling body of the Houston County School District (the “**School District**”), has determined that it is in the best interest of the citizens of the School District that the one percent (1%) sales and use tax for educational purposes currently in effect in the County (the “**Special 1% Tax**”) continue to be imposed, the boundaries of which comprise the School District, for the purposes described in this resolution beginning upon the expiration of the Special 1% Tax presently in effect; and

WHEREAS, the Board of Education recognizes that in order to acquire, construct, and equip the capital outlay projects described in this resolution as soon as possible, it may be necessary for the School District to issue general obligation debt in a maximum aggregate principal amount not to exceed \$40,000,000 (the “**Debt**”); and

WHEREAS, the Board of Education has determined and does hereby declare that during each year in which any payment of principal or interest on the Debt will come due, the School District will receive from the Special 1% Tax proceeds or from capitalized interest on the general obligation indebtedness authorized by this resolution, net proceeds sufficient to fully satisfy the School District’s obligation with respect to payment of such principal and interest on a current basis, as indicated on **Exhibit A** attached hereto and made a part hereof; and

WHEREAS, the School District intends to use any available state and/or federal funds to which it may be entitled, together with any designated local funds in combination with proceeds of the Debt and the Special 1% Tax to fund the Projects as defined herein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education, and it is hereby resolved by authority of the same as follows:

Section 1. Authorization of Sales and Use Tax. In order to finance the acquisition, construction, and equipping of capital outlay projects of the School District, subject to the assent of a majority of the qualified voters of the County voting in an election for such purpose, the Special 1% Tax now in effect is hereby authorized to be continued. The following provisions are made pursuant to the Act:

(a) collection of the Special 1% Tax shall commence on April 1, 2022 or the first day of the calendar quarter immediately following the quarter in which the Special 1% Tax now in effect expires. The maximum period of time for which the Special 1% Tax shall continue to be imposed shall be twenty consecutive calendar quarters (5 years); and

(b) the proceeds of the Special 1% Tax shall be used for the payment of principal and interest on the Debt and financing capital outlay projects for educational purposes in the School District (the “**Projects**”) at a maximum cost of \$190,000,000, as described in the Notice of Election (the “**Notice**”), which is attached hereto, marked **Exhibit B**, and is incorporated herein and made a part hereof by this reference, and the costs of the Election and the expenses associated with the foregoing.

Special 1% Tax proceeds received in any year pursuant to the imposition of such taxes shall first be used for paying debt service requirements (including the Debt) for any such year before such proceeds are applied to the Projects. Proceeds of the sales and use tax not required to be deposited in the separate fund in any year for the payment of principal and interest on general obligation indebtedness coming due in the current year shall be deposited in a separate account to be maintained by the School District and applied toward funding the Projects to the extent such Projects have not been funded with proceeds of general obligation debt.

Section 2. Provisions Relative to General Obligation Debt. If the continuation of the Special 1% Tax is approved by the voters of the County in the election hereinafter referred to, the issuance by the School District of general obligation debt in an amount not to exceed \$40,000,000 is hereby authorized, secured by the proceeds of the Special 1% Tax. The Debt shall bear interest from the first day of the month of delivery or from such other date as may be designated by the School District prior to the issuance of the Debt, at a rate or rates to be determined in a supplemental resolution to be adopted by the School District prior to the issuance of the Debt, which rates shall not exceed five percent (5%) per annum, payable in each year until paid, and the amount of principal shall mature (by scheduled maturity or by mandatory redemption, as the School District shall direct) on the dates and in the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2023	\$7,770,000
2024	7,880,000
2025	7,995,000
2026	8,115,000
2027	8,240,000

The Debt shall be repayable from the proceeds of the Special 1% Tax. The Debt may be issued in one or more series, and on one or more dates of issuance as the School District may approve; provided, however, that the aggregate principal amount of such Debt shall not exceed \$40,000,000. The Debt may be made subject to redemption prior to maturity, to the extent permitted by law, upon terms and conditions to be determined by the School District.

The proceeds of the Debt shall be deposited by the School District in a separate account or fund (i) for the purpose of funding such portions of the Projects as may be acquired, constructed and equipped from the proceeds of general obligation debt issued under the Constitution and laws of Georgia, and (ii) for paying expenses incident to accomplishing the foregoing. Any interest earnings on such proceeds shall be similarly applied by the School District.

Notwithstanding the foregoing, if the School District shall receive an allocation under the Qualified School Construction Bond (QSCB) or the Qualified Zone Academy Bond (QZAB) program (or any similar program as may exist at the time of issuing the Debt), all or a portion of the Debt equal to the amount of the allocation may be issued as QSCB or QZAB Bonds, which shall carry such interest rate, or rates, and maturity length as may be legally available under such QZAB or QSCB program. The installment payments to provide for the payment of the principal of the QSCB or QZAB Bonds at maturity may be paid annually from the proceeds of the Special 1% Tax. The principal amount of the debt maturing each year as set forth above shall be reduced in amounts that correspond to the annual installment payments of principal on the QSCB or QZAB Bonds so that the amount of general obligation debt and the QSCB or QZAB Bonds shall not exceed \$40,000,000. It is the intention of the School District through this paragraph to provide the most flexibility to the School District to take advantage of such QSCB or QZAB program (or similar program as may exist at the time of issuing the Debt).

Section 3. Call for Election. There is hereby called an election (the “**Election**”) to be held in all the voting precincts in the County on the 16th day of March, 2021 (the “**Election Date**”) for the purpose of submitting to the qualified voters of the County the question set forth in the Notice.

Section 4. Approval. All qualified voters desiring to vote in favor of continuing the Special 1% Tax shall vote “Yes” and all qualified voters opposed to levying the Special 1% Tax shall vote “No.” If more than one-half of the votes cast are in favor of continuing the Special 1% Tax, then the Special 1% Tax shall be continued as provided by Georgia law. If more than one-half of the votes cast are in favor of continuing the Special 1% Tax, then the authority to issue the Debt in accordance with Ga. Const. Art. IX, § V, ¶ I is given to the School District; otherwise, the

Debt shall not be issued. If the authority to issue the Debt is so approved by the voters, then the Debt may be issued without further approval by the voters.

Section 5. Manner of Election. The polls of each election district of the County shall be opened at 7:00 a.m. and close at 7:00 p.m. on the Election Date, and the Election shall be held by the same persons and under and in accordance with the election laws of the State of Georgia. The returns of the Election shall be made to the Houston County Board of Elections and Registration, as Election Superintendent (the “**Election Superintendent**”), which shall count the votes, consolidate the returns and declare the result of the Election in the manner required by law.

Section 6. Notice to Election Superintendent; Call; Publication. The Secretary of the Board of Education is hereby authorized and directed to deliver a copy of this resolution to the Election Superintendent, with a request that the Election Superintendent join in the call for the Election. Such call shall be issued in conformity with the provisions of the election laws of the State of Georgia, specifically including Ga. Code Ann. § 21-2-540.

Section 7. Publication of Notice of Election. The Election Superintendent is hereby authorized and requested to publish the Notice as required by law in substantially the form attached hereto as **Exhibit B**. Prior to the Election Date, there shall be appointed proper Election Managers and Clerks to supervise and hold the Election.

Section 8. Property Tax Levy. Should the Debt be authorized by the requisite number of qualified voters, the Board of County Commissioners of Houston County shall be directed to levy a tax upon all property subject to taxation for education purposes within Houston County sufficient in amount to pay the principal of and interest on the Debt to the extent of any deficiency in the Special 1% Tax proceeds.

Section 9. Use of Other Funds. Any available state and/or federal funds to which the School District may be entitled, together with any designated local funds, shall be used in combination with the Debt and Special 1% Tax proceeds to fund the Projects.

Section 10. Further Authority. The proper officers and agents of the School District are hereby authorized to retain the services of Raymond James, Atlanta, Georgia, to provide placement agent or underwriting services and the law firm of Butler Snow LLP, Macon, Georgia, as bond counsel with regard to the proper issuance of the Bonds authorized hereby and as disclosure counsel with regard to a public offering, if any, with regard to the Bonds. Such officers and agents of the School District are hereby further authorized to take any and all further actions as may be required in connection with the reimposition of the Special 1% Tax, the acquisition, construction and equipping of the Projects and the issuance of the Debt as herein provided.

Section 11. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, and ADOPTED at Perry, Georgia this 8th day of December, 2020.

HOUSTON COUNTY BOARD OF EDUCATION

[OFFICIAL SEAL]

By: _____
Chairman

ATTEST:

Superintendent of Schools
and Ex-Officio Secretary

EXHIBIT A

SUFFICIENCY DETERMINATION

Year Ending December 31	Estimated Proceeds of Sales Tax¹	Principal and Interest Requirements for the Bonds²
2022	\$18,786,301	\$153,013
2023	28,179,452	8,382,052
2024	28,179,452	8,381,718
2025	28,179,452	8,383,246
2026	28,179,452	8,384,920
2027	<u>9,393,151</u>	<u>8,380,080</u>
Total	\$140,897,260	\$42,065,029

¹ Based on estimated growth of 0% per year, 8 months of collections during calendar year 2022, and 4 months of collections during calendar year 2027 (the Special 1% Tax is estimated to commence 4/1/2022 and expire on 3/31/2027).

² Based on estimated interest rate data as of November 25, 2020.

EXHIBIT B

NOTICE OF SPECIAL ELECTION TO THE QUALIFIED VOTERS OF HOUSTON COUNTY:

NOTICE IS HEREBY GIVEN that on the 16th day of March, 2021 an election will be held at the regular polling places in all the election districts of Houston County, at which time there will be submitted to the qualified voters of Houston County for their determination the following question:

- Shall the special 1 percent sales and use tax for education currently in effect in Houston County be continued for a period of time not to exceed 20 calendar quarters and for the raising of not more than \$190,000,000 for the purposes of acquiring, constructing, repairing, improving, renovating, adding to, extending, upgrading, furnishing, and equipping school buildings and support facilities in the Houston County School District useful or desirable in connection therewith, including acquiring any necessary property therefore, both real and personal, specifically including the following: (1) acquiring instructional and administrative technology equipment and materials; (2) acquiring safety, security, and fire protection equipment; (3) acquiring, adding to, renovating, repairing, improving, furnishing, and equipping existing school buildings, and other buildings and facilities, including any necessary demolition; (4) renovations, additions, and improvements to parking and traffic access facilities, including any necessary site work; (5) acquiring, constructing, furnishing, and equipping one new middle school and two new elementary schools; (6) acquiring, constructing, furnishing, and equipping a performing arts center; (7) acquiring buses, vehicles, and transportation equipment; and (8) paying expenses incident to accomplishing the foregoing?
- () YES
- () NO

If continuation of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of the Houston County School District in the principal amount of up to \$40,000,000, repayable from the proceeds of the aforesaid sales and use tax, for the purpose of funding such portions of the above projects as may be acquired, constructed and equipped with the proceeds of general obligation debt.

All qualified voters desiring to vote in favor of continuing the special 1% sales and use tax for education (the “**Special 1% Tax**”) shall vote “Yes” and all qualified voters opposed to levying the Special 1% Tax shall vote “No”. If more than one-half of the votes cast are in favor of continuing the Special 1% Tax then the Special 1% Tax shall be continued beginning April 1, 2022 or the first day of the calendar quarter immediately following the quarter in which the Special 1% Tax now in effect is terminated. The maximum period of time for which the Special 1% Tax shall be continued shall be twenty consecutive calendar quarters.

The maximum cost of the capital outlay projects for educational purposes described in the above ballot question to be funded with Special 1% Tax proceeds, and the general obligation debt

to be retired in the maximum amount of \$40,000,000, which includes interest, capitalized interest, principal, and costs of issuance, shall be \$190,000,000. To the extent available, the Houston County School District may combine available funds from any state or federal governmental source to which the Houston County School District may be entitled to pay the costs of its capital outlay projects, and it may choose which capital outlay projects to undertake or not undertake or to delay until additional funding is available to the extent that the proceeds of the Special 1% Tax and general obligation debt are insufficient to complete any of the capital outlay projects.

Plans and specifications for the capital outlay projects described in the above ballot question have not been initiated and bids have not been received. Depending upon acquisition and construction costs and available funds, the Houston County Board of Education may add to, modify, or delete specific projects.

If the Special 1% Tax is to be continued, the Houston County School District may issue general obligation debt in an aggregate principal amount not to exceed \$40,000,000. The proceeds from such general obligation debt, if issued, shall be used to fund all or a portion of the above described capital outlay projects. The maximum rate or rates of interest on such debt shall not exceed five percent (5%) per annum and the maximum amount of principal to be paid in each year during the life of the debt shall be as follows:

<u>Year</u>	<u>Principal Amount</u>
2023	\$7,770,000
2024	7,880,000
2025	7,995,000
2026	8,115,000
2027	8,240,000

The School District may issue general obligation debt in an aggregate amount that is less than \$40,000,000 and reduce the principal amounts maturing that are shown above. In the event the School District obtains an allocation authorizing the issuance of general obligation debt in the form of Qualified School Construction Bonds (or any similar program), a principal amount of the above described general obligation debt may be designated to mature in a year or years subsequent to those set forth above, but in no event shall such debt mature later than the maximum term specified by the U.S. Department of the Treasury, Bureau of Public Debt.

The principal and interest on the Debt shall be secured by the proceeds of the Special 1% Tax and shall be payable in lawful money of the United States of America at a paying agent bank that will be designated by the Houston County School District prior to the issuance of the debt.

Any brochures, listings or other advertisements issued by the Houston County School District or by any other person, firm, corporation or association with the knowledge and consent of the Houston County School District shall be deemed to be a statement of intention of the Houston County School District concerning the use of the proceeds of the debt.

The several places for holding said election shall be at the regular and established voting precincts of the election districts of Houston County, Georgia, and the polls will be open from 7:00 a.m. to 7:00 p.m. on the date fixed for the election.

The last day to register to vote in this election shall be February 15, 2021 through 5:00 p.m.

Those residents of Houston County qualified to vote at such election shall be determined in all respects in accordance with the election laws of the State of Georgia.

This notice is given pursuant to a resolution of the Houston County Board of Education and a resolution of the Houston County Board of Elections and Registration.

/s/ Fred Wilson

Chairman, Houston County Board of
Education

/s/ Katherine Shelton

Chairman, Houston County Board of
Elections and Registration

SECRETARY'S CERTIFICATE

I, Dr. Mark Scott, Superintendent of Schools and Ex-Officio Secretary of the Houston County Board of Education, DO HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of a RESOLUTION adopted by the Houston County Board of Education on December 8, 2020 at a meeting that was duly called and assembled, and open to the public; and at which a quorum was present and acting throughout, which RESOLUTION has not been modified, repealed, revoked or rescinded as of the date hereof.

Witness my hand and the official seal of the Houston County School District, this 8th day of December, 2020.

[OFFICIAL SEAL]

Superintendent of Schools and Ex-Officio
Secretary, Houston County Board of Education