BIBB COUNTY SCHOOL DISTRICT

Dr. Dan A. Sims, Superintendent

ACTION MEMORANDUM

TO: Board of Public Education for Bibb County ("Board")
Dr. Dan A. Sims, Superintendent

FROM: Eric Bush, Chief Financial Officer

SUBJECT: Request for Authority to Proceed with Tax Anticipation Note (TAN)

Summary

The Bibb County School District ("District") requests that the Board adopts a preliminary Resolution, in the form attached, granting the District authority to proceed with a Tax Anticipation Note ("TAN") in the maximum principal amount not to exceed $35,000,000, and at a maximum interest rate not to exceed 7%. If authority to proceed is granted, the Superintendent, Chief Financial Officer and the District's financial advisor PFM Financial Advisors, LLC ("PFM") will solicit competitive proposals from financial institutions for the placement and purchase of the TAN, with the final terms of the TAN to be presented to and approved by the Bibb County Board of Education at the August 20, 2026 Board meeting in the form of a Supplemental or Final TAN Resolution.

Background

Staff anticipates a cash flow timing mismatch during calendar year 2026 arising from the difference between (a) ongoing operating expenditures of the District, including payroll, employee benefits, and other operating costs payable during the summer and early fall months, and (b) the receipt of ad valorem tax revenues and program reimbursements for costs advanced by the District.

The TAN will provide interim financing to ensure uninterrupted operations until tax collections and program reimbursements are received. The TAN is a temporary, short-term debt instrument that may be issued on a tax-exempt basis, a taxable basis, or a combination thereof that is paid in full from property tax receipts on or before December 31st. The TAN funds are used to pay the District's operating expenses as needed prior to the date the District receives its property tax revenue.

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Recommendation

It is recommended that the Bibb County Board of Education adopts a preliminary Resolution, in the form attached, granting the District authority to proceed with a Tax Anticipation Note ("TAN") in the maximum principal amount not to exceed $35,000,000, and at a maximum interest rate not to exceed 7%, including without limitation the authority to solicit competitive proposals from financial institutions for the placement and purchase of the TAN with the final terms of the TAN to be presented to and approved by the Board of Education at the August 20, 2026 Board meeting in the form of a Supplemental or Final TAN Resolution.

Superintendent's Comments and Approval

Superintendent's Signature	Approved / Not Approved
Dr. Dan A. Sims	Approved