

# PIKE COUNTY (GEORGIA) SPECIAL PURPOSE LOCAL OPTION SALES TAX UPDATE

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# SALES TAX COLLECTIONS HISTORY

YEAR	PIKE County-Wide LOST	MONTHLY AVERAGE	HIST. GROWTH RATE
2008	1,111,991	92,666	---
2009	1,015,690	84,641	-8.66%
2010	1,007,392	83,949	-0.82%
2011	1,073,338	89,445	6.55%
2012	1,114,897	92,908	3.87%
2013	958,160	79,847	-14.06%
2014	946,693	78,891	-1.20%
2015	984,266	82,022	3.97%
2016	1,029,231	85,769	4.57%
2017	1,120,449	93,371	8.86%
2018	1,238,217	103,185	10.51%
2019	1,415,769	117,981	14.34%
2020	1,660,037	138,336	17.25%
2021	2,163,435	180,286	30.32%
2022	1,796,004	199,556	12.15%

(\* First 9 months of 2022 vs. the first 9 of 2021.)

**6-Year Avg. Growth Rate for LOST: 15.57%**

9 months

SPLOST V Levy dates: 7/16 through 6/22  
 SPLOST V Cash Flow dates: 8/16 through 7/22

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**ALONG WITH THE SIX YEAR SPLOST VI  
UP TO \$14 MILLION OF GENERAL OBLIGATION BONDS APPROVED**

SPLOST VI Levy dates: 10/22 through 9/28

SPLOST VI Cash Flow dates: 11/22 through 10/28

2023	1,840,000.00	-
2024	2,170,000.00	-
2025	2,300,000.00	-
2026	2,420,000.00	-
2027	2,560,000.00	-
2028	2,710,000.00	-
		<b>\$14,000,000.00</b>

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# SPLOST VI PROJECTIONS

12 Months ended 9/30/22 actual

LOST used as Base:

2,357,959

196,497

SPLOST VII Levy dates: 10/22 through 9/28

SPLOST V ICash Flow dates: 11/22 through 10/28

COLLECTIONS AT A 0.00% GROWTH RATE:

COUNTY-WIDE #'S	PROJECTED 6-YEAR SPLOST COLLECTIONS	PROJECTED GROWTH 0.00%
YEAR		

2022	(1)	392,993
2023		2,357,959
2024		2,357,959
2025		2,357,959
2026		2,357,959
2027		2,357,959
2028	(2)	1,964,966
<b>TOTAL</b>		<b>14,147,756</b>

(1) SPLOST VII Levy starts on 10/1/22 - Reflects 2 months of collections (cash flows) from the State during 2022.

(2) SPLOST VII Levy ends on 9/30/28 - Reflects 10 months of collections (cash flows) from the State during 2028.

Assumed Growth Rate	Estimated Total Collections
-5.0%	11,994,894
0.0%	14,147,756
5.0%	16,669,557
10.0%	19,616,525

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**EXAMPLE \$11.5M BOND PROJECTIONS (10-25-22 "AAA" SCALE +0.50%)**

Date	Principal	Coupon	Interest	Semi-Annual P & I	Annual P & I
06/01/2023	-	-	179,486.99	179,486.99	
12/01/2023	1,775,000.00	3.650%	213,958.00	1,988,958.00	2,168,444.99
06/01/2024	-	-	181,564.25	181,564.25	
12/01/2024	1,805,000.00	3.680%	181,564.25	1,986,564.25	2,168,128.50
06/01/2025	-	-	148,352.25	148,352.25	
12/01/2025	1,875,000.00	3.700%	148,352.25	2,023,352.25	2,171,704.50
06/01/2026	-	-	113,664.75	113,664.75	
12/01/2026	1,940,000.00	3.740%	113,664.75	2,053,664.75	2,167,329.50
06/01/2027	-	-	77,386.75	77,386.75	
12/01/2027	2,015,000.00	3.750%	77,386.75	2,092,386.75	2,169,773.50
06/01/2028	-	-	39,605.50	39,605.50	
12/01/2028	2,090,000.00	3.790%	39,605.50	2,129,605.50	2,169,211.00
<b>Total</b>	<b>\$11,500,000.00</b>	<b>-</b>	<b>\$1,514,591.99</b>	<b>\$13,014,591.99</b>	<b>\$13,014,591.99</b>

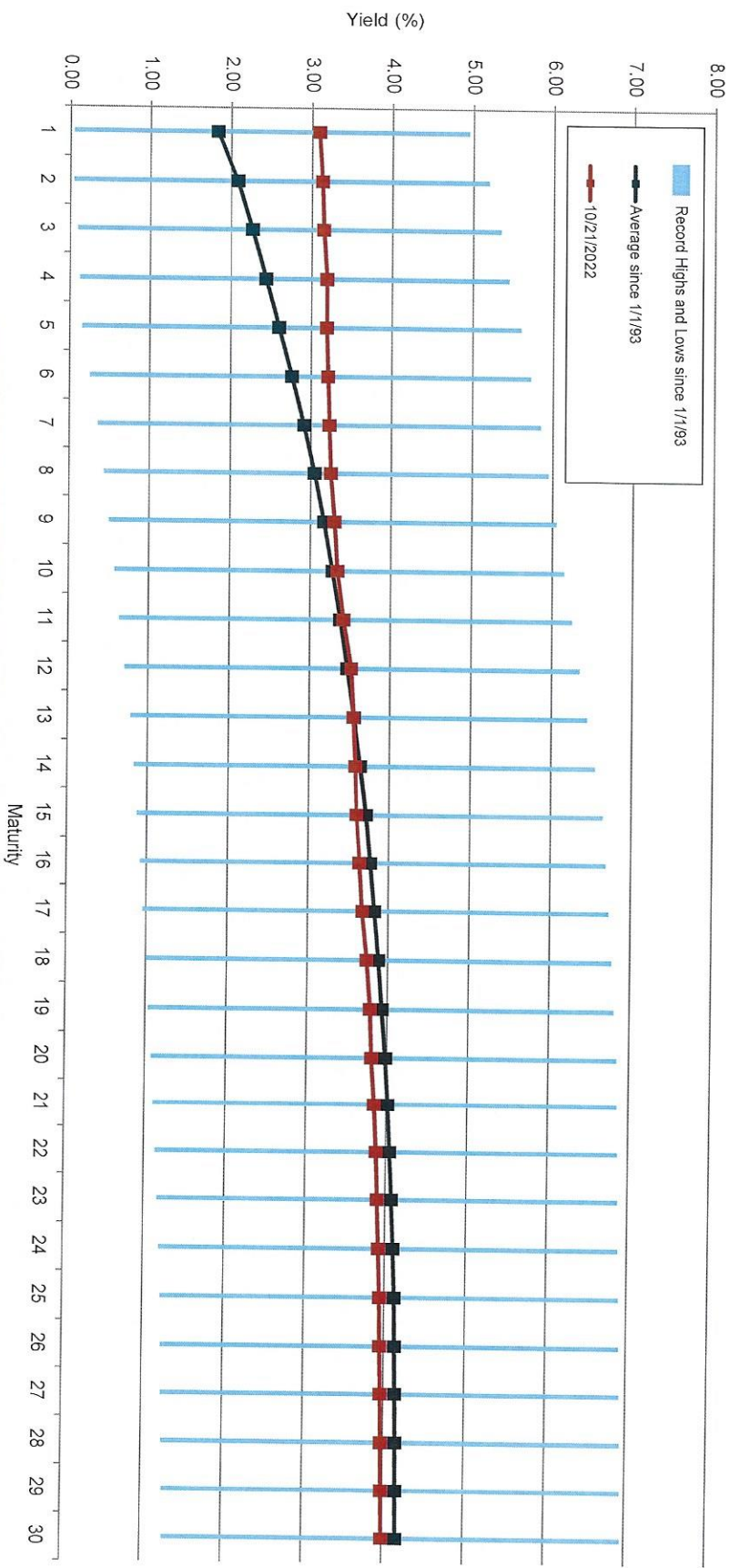
Bond Yield for Arbitrage Purposes 3.74%  
 Weighted Average Maturity 3.518 Years

\$11.5M of the \$14M authorized is shown above. The Bond proceeds would be for projects of the County and the Cities.

If no other bonds are issued:  
 Approximately \$190,000 per year of "pay-as-you-go" would be available for additional SPLOST Projects (assuming no change in SPLOST collections).

# HISTORICAL VS. CURRENT AAA TAX-EXEMPT MMD RATES

- The graph below shows the range between the record highs and lows of AAA Municipal Market Data at each maturity since 1993, along with average rates over this time frame and the current rates.



	1	5	10	15	20	25	30
Record Low since 1/1/93	0.05	0.16	0.58	0.88	1.08	1.22	1.27
Record High since 1/1/93	4.95	5.60	6.15	6.65	6.85	6.90	6.95
Average since 1/1/93	1.83	2.60	3.28	3.72	3.98	4.12	4.17
Current (10/21/22)	3.09	3.19	3.34	3.60	3.81	3.94	3.99

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**CURRENT SHORT TERM U.S. TREASURY RATES (AS OF 10-24-2022)**

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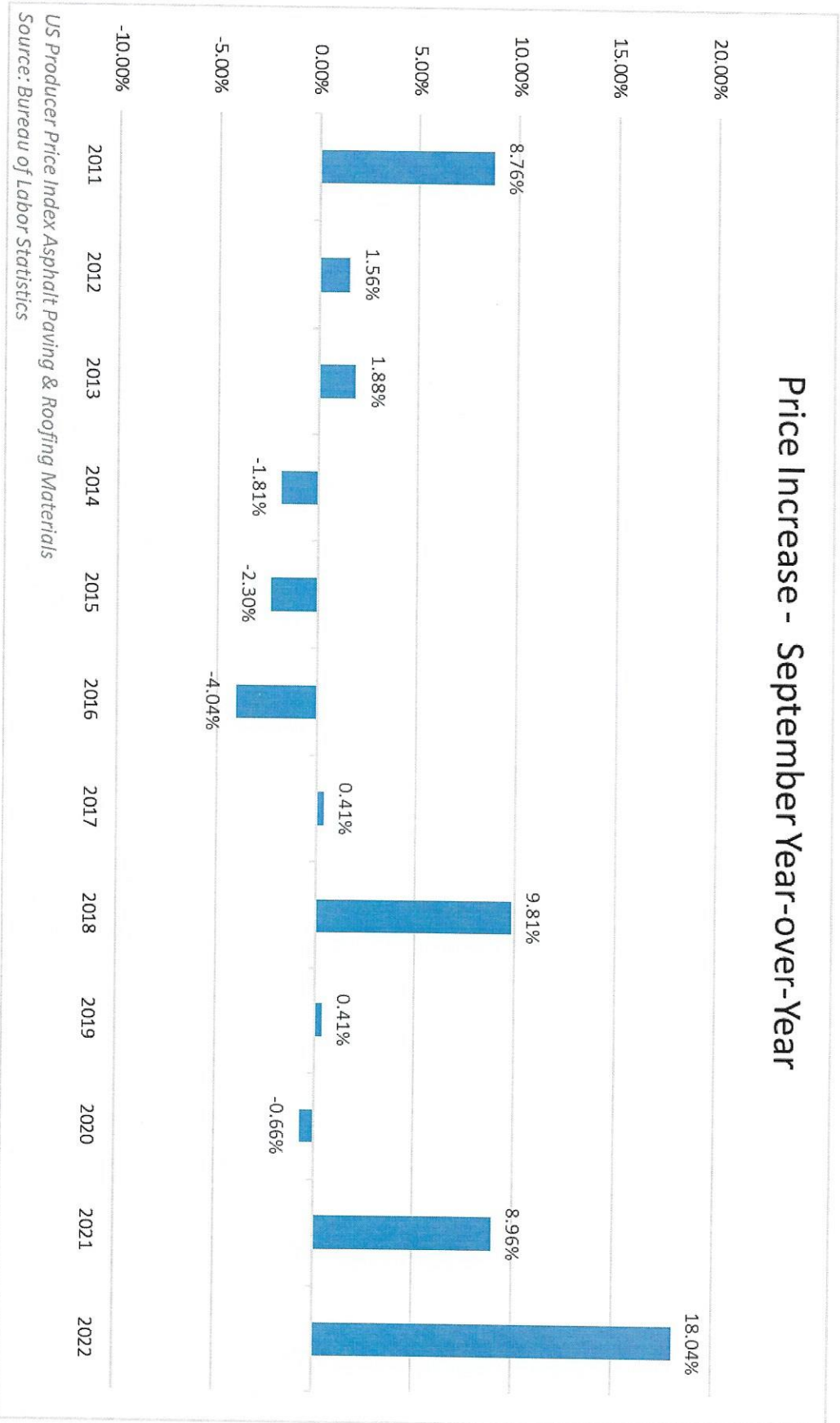
<u>2 months</u>	<u>3 months</u>	<u>6 months</u>	<u>1 year</u>	<u>2 years</u>
3.83%	4.16%	4.52%	4.61%	4.50%

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# INFLATION (PAVING & ROOFING MATERIALS)

## Price Increase - September Year-over-Year





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## **THE PROJECTS HELP DRIVE WHEN TO ISSUE BONDS**

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- The County's G.O. Bonds will be used for both County projects and City projects.
- The expected project spending schedules are important to know upfront for:
  - \* tax-exempt borrowing expectations; and
  - \* likely arbitrage profit, and potential rebate, from the construction fund earnings.

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## **WHY DID YOU INCLUDE BONDS ON YOUR BALLOT?**

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- ✓ To complete priority projects immediately.
- ✓ Lock out construction inflation:  
18% cost inflation last year vs. approximately 3.75% interest on tax-exempt bonds.
- ✓ Bond proceeds, like SPLOST \$, is invested and earns interest.
- ✓ Pike County has issued Bonds for SPLOST projects before.

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