

BOARD AGENDA ITEM
November 25, 2014

SUBJECT:

Approval of Continuing Disclosure Resolution

BACKGROUND:

The McNair Law Firm – Bond Counsel for the Consolidated School District of Aiken County – has recommended the adoption of a Continuing Disclosure Resolution as the District’s part in a program by the United States Securities and Exchange Commission (the”SEC”) to ensure that underwriters (purchasers of bonds) are diligent about checking compliance by bond issuers with regard to continuing disclosure. This initiative allows underwriters to self-report transactions where they believe there may have been a material omission in an issuer’s continuing disclosure obligations. The second aspect of this initiative allows issuers (i.e. the District in our case) to self-report potential omissions in continuing disclosure, and omissions describing compliance with continuing disclosure in official statements. Self-reporting does not involve an admission but identifies transactions where there might have been a material omission. The bond counsel sees this self-reporting as a form of “safe harbor” in that it may obviate financial penalties, even if the SEC investigates and determines there was some material omission.

ADMINISTRATIVE CONSIDERATION:

Bond Counsel indicates that beginning in the 2010-2012 era, underwriters for our bonds have become much more sensitive to compliance with continuing disclosure requirements. As a result for those changed expectations, bond counsel has been working with us to make sure that all of our continuing disclosure requirements have been met in a timely manner since the filings for the fiscal year June 30, 2012. This resolution will allow compliance with continuing disclosure back as far as 2004 and forward through 2014.

RECOMMENDATION:

Approve the resolution recommended by bond counsel and formulated by District counsel for the School District and attached to this agenda item.

ATTACHMENT:

Continuing Disclosure Resolution

PREPARED BY:

William H. Burkhalter, Jr.
M. O. (Tray) Traxler, III

A RESOLUTION

ADOPTING WRITTEN PROCEDURES RELATING TO CONTINUING DISCLOSURE IN CONNECTION WITH PUBLICLY TRADED DEBT

WHEREAS, The Consolidated School District of Aiken County (the "School District") has occasion to issue publicly traded debt; and

WHEREAS, as part of the requirements of issuing debt which is publicly traded, the School District is required to provide certain information for the purpose of continuing disclosure on an annual basis pursuant to a continuing disclosure undertaking which the School District executes at closing; and

WHEREAS, it has been recommended by the School District's Bond Counsel and Financial Advisor that the School District adopt a policy in order to insure compliance with the requirements set forth above; and

WHEREAS, the Aiken County Board of Education (Ex Officio: Trustees of the Consolidated School District of Aiken County) has been informed by the School District's administration that it would be in the best interest of the School District to adopt the following written procedures:

1. The Comptroller of the School District shall be responsible for compliance with this policy and for compliance with any continuing disclosure obligations undertaken by the School District or imposed upon the School District by state or federal law or regulations. The Comptroller is permitted to obtain the assistance of his or her staff to cause this information to be compiled and provided, but the ultimate responsibility for the dissemination of the information will remain with the Comptroller.

2. The Comptroller shall acquire a clear understanding regarding the School District's continuing disclosure obligations. Through participation in professional groups such as the South Carolina Government Finance Officers Association, the Comptroller shall participate in continuing education programs regarding continuing disclosure.

3. For each issuance of bonds that involves a continuing disclosure obligation, the Comptroller shall review such continuing disclosure undertaking and discuss with the School District's bond counsel, financial advisor and underwriter, if any, prior to the execution of such continuing disclosure undertaking.

NOW, THEREFORE, BE IT RESOLVED by the Aiken County Board of Education, (Ex Officio: Trustees of the Consolidated School District of Aiken County) as follows:

1. The Continuing Disclosure Written Procedures described above are hereby approved.
2. The Comptroller and/or Superintendent of the School District are/is authorized to make any additional filings recommended by the School District's Bond Counsel or Financial Advisor related to any past continuing disclosure obligations.
3. This Resolution shall be in full force and effect from and upon its adoption.

B-4
Attachment

DULY ADOPTED THIS ____ DAY OF _____, 2014.

The Consolidated School District of Aiken County

(SEAL)

By: _____
Rosemary English, Chair,
Aiken County Board of Education

ATTEST:

M. Elizabeth Everitt, Superintendent
Ex Officio: Secretary,
Aiken County Board of Education