

HORRY COUNTY BOARD OF EDUCATION
MINUTES – Board Meeting
District Office
October 20, 2014

The following persons were present:

Board of Education

Joe DeFeo, Chairman	Janet Graham	John Poston
Harvey Eisner	Karen McIlrath	Jimmy Washington
Jeffrey Garland	Janice Morreale	

Horry County Schools Staff

Edward Boyd	Leann Hill
Teal Britton	Charles Hucks
Carolyn Chestnut	Rick Maxey
Matt Dean	Lucas Richardson
John Gardner	Addie Swinney
Kenny Generette	

Chairman DeFeo called the meeting to order at 6:00 pm.

Invocation, Pledge of Allegiance

Mr. Washington gave the invocation and led the Pledge of Allegiance.

Approval of Agenda

Chairman DeFeo suggested the following changes to the agenda: the word Business (#2) should be changed to Discussion; Ken Childs of Childs and Halligan will address the Board; and remove item F which will be presented at a future meeting. Moved by Jeffrey Garland, seconded by Janice Morreale, the Board unanimously approved the agenda as modified.

As required by SC Law 30-4-80, local news media were informed of the date, time, place, and agenda of this meeting. Copies of the agenda were posted at the district office and distributed to schools for posting.

Business

Capital Plan

Chairman DeFeo introduced Mr. Robbie Ferris of First Floor K12 Solutions noting that Mr. Ferris had provided a copy of the presentation at each member’s seat.

Mr. Ferris thanked the Board for allowing him to come talk about energy efficient schools and present a proposal to deliver new schools through a design-build methodology. Mr. Ferris demonstrated the benefits of an Energy Positive school and showed some recently completed projects. He detailed the design features, such as solar panels, that lend themselves to generating energy for use at the school or can be sold back to the utility company. In addition, the design features include various spots in the building that contain curriculum-based instruction in the form of a weather station or other green-environment-encouraging tools. Mr. Ferris showed a video which highlighted the features of the Sandy Grove Middle School, a recent project of First Floor K12 Solutions.

Mrs. McIlrath inquired about solar energy storage and days that lack significant sunshine. Mr. Ferris stated that there is new technology that allows solar energy to be stored. He further explained that recent legislation mandates that energy used and sold must be tracked. Stored energy can be used to run a back-up generator. Ms. McIlrath asked if there would be a need to purchase energy or would the school become self-sufficient. Mr. Ferris answered that some schools choose to buy all incoming energy and sell all created energy. For example, North Carolina law prohibits selling of generated power.

Chairman DeFeo asked if the \$1.25 energy cost per square foot used in his presentation was representative of HCS schools. Mr. Ferris explained that the figure was calculated based on information from HCS Facilities Department as an average of HCS Schools. Mr. DeFeo asked if by going with this plan the District would save \$800,000 a year. Mr. Ferris clarified that the savings seen in the first year should increase in subsequent years.

Mr. Eisner asked for clarification on the developmental risk. Mr. Ferris explained that the ways that the risk is limited by eliminating or reducing variables such as production costs and electricity costs for the life of the building.

Mr. Garland asked if the initial costs to build were higher than standard buildings. Mr. Ferris stated that construction features used, such as hollow-core duct work to reduce the volume of the building, help to negate any premium; however, if there was a premium it would be 5%.

Ms. Graham asked if tax credits would be beneficial to the tax payer. Mr. Ferris answered that tax credits are not an option due to the funding option the District will use and the wealth of the district.

Mr. DeFeo asked if the back-up generator was used to reduce peak power consumption times at the recent First Floor building project. Mr. Ferris said no, it was not used to reduce peak usage; it is strictly a back-up should the power go out.

Mr. Poston asked if the systems used or technology used in the building is proprietary to First Floor K12. Mr. Ferris answered that they are not using any proprietary systems, but putting it together in a cost savings way is innovative. Mr. Poston clarified that another company may replicate this proposal. Mr. Ferris replied that yes, that was an accurate statement. He explained that while, yes it can be duplicated and they know it will be, his company has experience with this delivery model that other companies do not have. Mr. Poston stated that while agreeing that the ideas are innovative, the design-build delivery

model has been used in South Carolina and the County and that the Board needs to be cognizant of procurement regulations.

Chairman DeFeo noted that Mr. James would bring research information from Santee Cooper to a future meeting. Mr. Ferris was asked to be available at a future meeting if needed.

Chairman DeFeo suggested to the Board that the topic be placed on the next agenda under Committee of the Whole to solicit thoughts from the Board. Mr. Poston requested an opinion from the procurement department to help the Board understand the requirements.

Chairman DeFeo invited Ken Childs to address the Board. Mr. Childs informed the Board that 2015 is the 60th Anniversary of the Brown vs. Board of Education case. In recognition of the role South Carolina played in the landmark case, artist Jonathan Green depicted the scene outside the Federal Courthouse in Charleston. A copy of this painting will be donated to every high school in South Carolina.

Financing

John Gardner gave a brief overview of the progress the Board has made in the short-term facility plan. Mr. Gardner asked Brian Nuerick of Southwest Securities to inform the Board of financing options for the \$451.6 million capital facility plan without a tax increase or referendum.

Mr. Nuerick explained to the Board various ways that the Capital Facilities Plan could be funded, without the need for a tax increase. At the conclusion of his analysis, Mr. Nuerick recommended that the Board seek a bond to fund the Capital Facilities Plan.

Mr. Garland asked the cost to the District. Mr. Nuerick answered that the fee would be 1% to 1.5% net.

Chairman DeFeo clarified that the District could build all 5 schools on the Facilities Plan over the next two and a half years without the need to raise taxes. Mr. Nuerick confirmed Chairman DeFeo's statement.

Mr. Eisner asked for clarification that the figures presented did not include the refinancing of the Bonds. Mr. Nuerick answered yes; there would be additional cost savings when the bond is refinanced.

Chairman DeFeo suggested that the resolution be presented at a future Board meeting. Mr. Nuerick agreed to work with his colleague to have the resolution available.

Delivery Models Pros and Cons

Matt Dean presented the Board with a handout regarding facility delivery models from the long-term facility plan. Mr. Poston stated that the Board needs to review historical data regarding various delivery models to make educated decisions. Mr. Dean stated that staff members would gather data for the

Board to review. Mr. Poston recalled a teleconference the Board participated in about 4 years ago that addressed procurement. He noted the importance of establishing a competitive platform with concise ideas.

Mr. Eisner agreed with Mr. Poston that the process must be within regulations, but expressed his concern with the length of time it has taken to actually build the needed facilities. Mr. Dean updated the Board that the Request for Proposals (RFP) has been initiated for the approved design-bid-build delivery model. He reminded the Board to consider factors such as delivery date when deciding which option is best for Horry County Schools. Mr. Eisner agreed and also suggested that the Board consider moving quickly on replacement projects, not just new buildings.

Chairman DeFeo commended the design created by the Steering Committee, but use of an existing plan would have been a good option. He reiterated the need to expedite the building process. Mr. Poston noted that while he understands the urgency, he also feels that the quality of the building should not be compromised. Mr. Dean stated that the District is currently on-track to deliver the schools in the 2.5 year goal.

Chairman DeFeo pointed out that several issues should be addressed: design-bid-build, design-build, energy efficient factors, and an urgency to complete the plan within 2.5 years.

Personalized Digital Learning (PDL) Update

Mr. Boyd updated the Board on the Personalized Digital Learning initiative (PDL). He informed the Board that 20,515 students have been issued devices, 64% of students that have purchased insurance, and the number of devices damaged since the start of school is 225. Mrs. Morreale asked if the number of companies used for repairs has increased. Mr. Boyd asked Mr. Hucks to provide an answer. Mr. Hucks stated that there are currently 8 vendors and the turn-around time is about a week.

Board Governance

Chairman DeFeo opened the floor to the Board for the discussion of any changes to Board Governance. Mr. Garland was asked to discuss his recommendation that the Board approve District Policies. Mr. Garland noted that he believes new policies as well as any modifications should be brought to the Board. Mr. Poston asked if it is anticipated that these policies be revisited once a year or more often, noting that multiple revisions cause confusion. Mr. Garland noted that there is an annual review.

Chairman DeFeo stated that Mrs. McIlrath suggested that the Board approve all major changes to curriculum. He noted that this would address initiatives like PDL.

Chairman DeFeo also stated that the Board should approve the dollar amount and parameters of all new studies conducted. Dr. Elsberry asked that there be clarification on both of these issues; studies are done often as a function of management. Chairman DeFeo agreed and clarified that the policy refers to

large-scale studies. Mr. Poston suggested establishing a threshold value. Mr. Eisner agreed that the Board needs to be informed of large studies.

Chairman DeFeo suggested that the Board Committees address the matter of Requests for Proposals and Requests for Qualifications to ensure the Board is aware of the language and services sought. In addition, the HR committee should review the hiring process for principals.

Advisory Board Orientation

Dr. Elsberry updated the Board on the Advisory Boards. She encouraged the Board to ask that the Advisory Board members return the commitment form to the liaison. A district orientation for new Advisory Board members will be held next year.

State Standards and Assessments

Dr. Elsberry gave an overview of the state standards and assessments that are currently being considered for adoption. Mr. Poston asked that the presentation be distributed to the Board.

Prior to adjournment, Chairman DeFeo reminded the Board that there would be a Committee of the Whole at the next meeting, if Mr. James is present, to discuss the procurement and delivery method of the facilities plan.

Adjournment

Moved by Mr. Eisner, seconded by Mr. Washington, the Board unanimously approved adjournment.

Respectfully submitted:

Leann Hill
Executive Assistant to the Superintendent and
Board of Education

Approved: