Horry County Board of Education

Facilities Committee

Facilities Committee Meeting Minutes
Monday, May 20, 2019

Board Members Present:

Neil James, Facilities Committee Chairman
Janet Graham, Facilities Committee Member
Holly Heniford, Facilities Committee Member
Helen Smith, Facilities Committee Member
Sherrie Todd, Facilities Committee Member
Ray Winters, Facilities Committee Member
Ken Richardson, Board Chairman
Shanda Allen
Chris Hardwick

Staff Members Present:

Dr. Rick Maxey, Superintendent
Velna Allen
Mary Anderson
Lisa Bourcier
Daryl Brown
Joe Burch
John Gardner
Kenneth Generette
Leann Hill
Mark Koll
Dennis McCrary
Boone Myrick
Mark Wolfe

Media Present:

Katie Powell, Horry Independent
Chris Spiker, WBTW
David Weissman, The Sun News

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.

Review and Approval of Agenda

Mrs. Graham moved to approve the agenda as presented. Mrs. Smith seconded the motion. All voted in favor of approving the agenda. Motion passed.

Review and Approval of Minutes

Mrs. Smith moved to accept the minutes of April 29, 2019, with a correction on page 4: the cost estimate for the addition of a practice field at Socastee High School is $1,255,000. Ms. Heniford seconded the motion; all voted in favor. Motion passed.

Discussion

2019-20 Meeting Dates

Mr. Brown reviewed the proposed meeting dates, noting that the dates aligned with the Board Meeting dates for 2019-20.

Mrs. Smith moved to accept the 2019-20 meeting dates as presented. Mrs. Graham seconded the motion; all voted in favor. Motion passed.

Designation of Funding Source for Construction of New Horry County Education Center

John Gardner revisited the funding options for the construction of the new Horry County Education Center (attached) that would have been discussed at the Finance Committee meeting which was not held due to a lack of quorum. Previously, the Board approved the "pay as you go" option for the five-year capital plan. This project, estimated to be $13,000,000, and the modular classroom project were not included in that discussion.

Ms. Smith asked if staff was looking for a recommendation to send to the full Board. Mr. Gardner answered that yes, the full Board will need to vote on the funding source quickly to prevent the project from being delayed. Mr. Gardner stated that as the Chief Financial Officer, he does not recommend taking the entire amount ($13M) out of fund balance. Mr. Gardner suggested the Board consider combining two options, which will allow for the use of additional funds that will be received from the penny sales tax through 2022.

Mr. James asked what the realistic delivery schedule is for the new school. Mr. Wolfe answered that if the Integrated Project Delivery (IPD) delivery model is used, the earliest is December of 2020. If the Design Bid Build (DBB) delivery model is used, the earliest would be the summer of 2021.

Mr. Richardson asked about the possibility of issuing debt and repaying the general fund with the funds received from the penny sales tax. Mr. Gardner said that the bond counsel is researching the options as it has never been done before.

Mr. James noted that in order to pay the contractors on time, the entire project will need to be funded by 2020. He suggested that $3.1million plus $900,000 be used from the residual building fund contingencies, $9 million from the undesignated general fund.

Mrs. Smith moved that funding of the construction of the new Horry County Education Center be from the following three funding sources: $3,100,000 using the PayGo model, $900,000 from the residual building fund balance, and $9,000,000 from the undesignated general fund balance. Ms. Heniford seconded the motion; all voted in favor. Motion passed.

Cost Share for Road at New Regional Bus Lot

Mr. Burch explained that on March 18, 2019, the Horry County Board of Education voted to purchase 39.3 acres of property on George Bishop Parkway for the purpose of a future regional bus lot. As part of this purchase, the District is contractually bound through a cost share agreement already in place on the property to fund 50% of a road accessing the site and adjacent sites. As a legal party to the cost share agreement, Beazer Homes served notice to the previous owners of the 39.3 acre site in late 2018, and subsequently has notified the District, of their intent to construct the road. Both parties are required to

use reasonable diligence in completing these road improvements. Beazer Homes has full construction drawings, which are already approved and permitted, ready for the road construction and have solicited a number of bids from competent general contractors. Their intent is to start construction on the road immediately. The estimated total cost of the road construction is around $1.2 million.

He further explained that four general contractor bids were received, with the winning bid going to A.O. Hardee. Horry County Schools' share is $560,000, which includes a 10% contingency. The completion date is September, 2019.

Beazer Homes will construct the road to county standards with the intent of dedicating the road to Horry County. The District will reimburse Beazer Homes at certain intervals of completion for its 50% share of the cost. The work will begin in June. Mr. Brown noted that our cost of $560,000 will be taken from the building modification funds.

Mrs. Smith asked if the agreement should include a clause that protects the District should Beazer make changes to the plan. Mr. Burch will make the attorney aware of the request. Mr. Wolfe added that this is the same type of agreement entered into with the Jackson Company for the access road for Socastee Middle School.

Mr. Winters moved to approve the 50/50 cost share agreement with Beazer Homes for the road construction at the property recently acquired for a regional bus lot on George Bishop Parkway. Ms. Heniford seconded the motion; all voted in favor. Motion passed.

Consideration of Renaming Horry County Education Center

Mr. Brown explained that a proposal to rename the Horry County Education Center (HCEC) has been brought forth to coincide with the new facility to promote the positive changes being made in the program. He asked Mr. Burch to explain the process, noting that the Board has final approval of the name.

Mr. Burch reviewed the policy regarding the naming of schools with the Committee. He explained that the process would be the same as that of naming a new school, although typically the committee consists of an advisory board member and a school improvement council member, which HCEC does not have. Mr. Burch suggested the Board could name a committee or simply propose and approve a name.

Mr. James asked how Mr. Richardson would like to proceed. Mr. Richardson suggested that Board members have an input and a committee could be the best way to proceed.

Dr. Maxey suggested that staff bring a recommendation of possible committee members to the Board.

Mrs. Todd moved that the proposal to rename the Horry County Education Center be brought to the full Board for approval. Mrs. Allen seconded the motion; all voted in favor. Motion passed. Staff will bring a procedural process to the Board at the June 3, 2019 meeting.

Annexation of Records Retention Site

Mr. Burch explained to the Committee that there are the two parcels at the current records retention site owned by Horry County Schools. Only one parcel is within the city limits of Conway. To make it seamless for development later, and for services such as public safety, water, and sewer, the properties need to be annexed to the City of Conway.

Ms. Heniford moved to present the annexation of the two properties at the current records retention site to the full Board for approval. Mr. Winters seconded the motion; all voted in favor. Motion passed.

Annexation of New HCEC Site into City of Conway

Mr. Burch described a similar annexation situation at the property where the District Office is located. The location of the new HCEC facility which is adjacent to the District Office property is not within the City of Conway limits. He added that the District Office property was annexed when it became the District Office. For the same reasons as stated above, Mr. Burch recommended requesting that the new HCEC property be rezoned as an institutional zoned property and annexed.

Mr. Winters asked about the small parcel that the district owns at the corner of Four Mile Road and Old Dunn Lane. Mr. Wolfe explained that due to the angle of the property for the HCEC facility, the triangle piece may be needed to realign Old Dunn Lane for a better access point to the campus.

Mr. Winters moved to present the annexation of the new HCEC site to the full Board for approval. Ms. Heniford seconded the motion; all voted in favor. Motion passed

Mr. Brown noted that electrical usage at the new schools that was requested will be distributed to the Board members.

Adjourn

Mr. Winters moved to adjourn, seconded by Mrs. Graham; all voted in favor. Motion passed.

Respectfully submitted,

Leann Hill

Leann Hill
Administrative Asst. – Support Services

Approved: August 19, 2019

Funding Options for the Horry County Education Center			
Option	**Funding Available**	**Amount Available**	**Impact**
Continue with "PAYGO"	2020-21	$3.1M	Reduce future available funds by total project cost
Issue 8% Debt or BAN (Bond Anticipation Note)	2019-20	$13M +/-	Reduce future available funds by total project cost and an additional $4.2M due to interest expense
Utilize General Fund - Fund Balance	2018-19	$13M +/-	Reduce "projected" unassigned fund balance (after the 15% minimum) of $24.8M by the total project cost
Utilize residual building fund contingencies	2018-19	$900K	$694,278 insurance proceeds remain for building modifications for records, transportation, or science kits
Utilize owners contingency	2018-19	$377K	This is the remainder of the $19.75M contingency for the 5 new schools.
Utilize sustainment and building modification contingencies	2018-19	$5M	Could impact identified projects yet to be presented to the BOE
Delay sustainment projects	2019-20	$6.5M	Annual allocation. Defers identified district maintenance and/or replacement projects
Delay building modification projects	2019-20	$5.2M	Annual allocation. Defers identified district maintenance and/or replacement projects