

Horry County Board of Education



Horry County Schools

Finance Committee Meeting

Wednesday, December 9, 2015

Board Members Present

Jeffrey Garland, Board Member and Finance Committee Chair
Janet Graham, Board Member and Finance Committee Member
Joe DeFeo, Board Chair
Holly Heniford, Board Member
John Poston, Board Member and Finance Committee Member
Ray Winters, Board Member

Staff Present

Rick Maxey, Superintendent
Mary Anderson, Chief Human Resources Officer
Edward Boyd, Chief Accountability Officer
Daryl Brown, Chief Officer of Support Services
John Gardner, Chief Financial Officer
Kenneth Generette, Staff Attorney
Boone Myrick, Chief Academic Officer
Mark Wolfe, Executive Director of Facilities

Polly Dean, Administrative Assistant

Other Attendees

Frannie Heizer, McNair Law Firm
Brian Nurick, Compass Municipal Advisors

Media Present

Claire Byun, Sun News
Bill Mannix, WPDE
Jenna DeAngelis, WMBF
August Dittbenner, Waccamaw Publishers

1. WELCOME

Mr. Garland called the meeting to order at 12:10 pm and welcomed those in attendance. Each person in attendance introduced themselves.

2. REVIEW AND APPROVAL OF AGENDA

Moved by Ms. Graham and seconded by Mr. Poston, the agenda was unanimously approved.

3. APPROVAL OF MINUTES

Ms. Graham moved to approve the minutes of the November 30, 2015 Joint Finance/Human Resources Committee Meeting as presented. Mr. Garland noted the vote on whether to “increase the average class size or remove the topic from any future discussion” should be corrected to read 5-1 instead of 6-1. All voted in favor as amended.

4. NEW BUSINESS

A. SALES TAX CASH FLOW AND ANNUAL CERTIFICATION WORKSHEET

Mr. Gardner shared the *Short-term Capital Plan Budget Timeline* with the committee members. The document tracked the changes from the original \$313.9 million **7 Year Plan** that was approved on September 30, 2013 to the \$541.3 million **11 year Plan** that was approved on November 2, 2015.

Mr. Nurick gave an overview and explanation of the *Sales Tax Cash Flow and Annual Certification Worksheets* that was provided to the committee. He shared that a total of \$590.8 million would be available over the 12 years without the issuance of any additional debt. In addition, he updated his previous financing plan that was based on a “projected” total Short-term Capital Plan of \$523.3 million to the current Plan of \$541.3 million. Based on current interest rates and the timing of disbursements, he estimates that the District will have approximately \$20 million available for future projects over the 12 year period.

Mr. Nurick also explained the certification process where that District must have funds available in the Debt Service Fund for the annual principal and interest payments on the existing debt and any future issuances. Based on the *current* capital plan, the *current* millage rate of 10 mills, and the *projected* sales tax collections, we will meet the eighteen month Debt Service Certification requirement.

B. BUILDING PROGRAM FUNDING REPORT

Mr. Nurick gave an overview and explanation of the *Building Program Funding Report* that was provided to the committee. The report was structured on the issuances of two or more series of general obligation bonds and equipment lease purchase (special obligation bonds) in the amounts of \$175 million and \$100 million.

Mr. Nurick also shared with the committee the results from the last 6 competitive bond sales. The awarded rates on each of the respective sales ranged from .5585% to 2.72213%.

Ms. Heizer informed the committee members November of 2022 is the last time to ask voters for renewal of the penny sales tax. She also shared information regarding Bond Resolutions for the issuance of General Obligation bonds in one or more series, in one or more years, in an amount not

to exceed \$175 million and the issuance of Special Obligation bonds in one or more series, in one or more years, in an amount not to exceed \$100 million for funding of the short term capital plan.

A motion was made by Mr. Poston and second by Ms. Graham to move forward with a recommendation to the Board that the resolution for the issuance of General Obligation bonds and that the resolution for the issuance of Special Obligation bonds be approved for funding of the short term capital plan. Motion was unanimously approved.

C.2016-17 PERSONNEL ALLOCATION FORMULAE

Mr. Gardner provided an overview of the proposed 2016-17 *Personnel Allocation Formulae*. The proposed formulae is the same as the current allocation formulae for the 2015-16 school year with the exception of a few changes. He also stated that the administration does not recommend an increase to the class size at the middle or secondary school level.

Mr. Poston expressed his concerns of increasing the class size. He stated that class size does matter and he would not vote to increase. Ms. Graham also stated she was not in favor of increasing class size.

A motion was made by Mr. Poston and seconded by Ms. Graham to not increase the class size for the 2016-17 school year with Mr. Garland opposed.

5.OTHER BUSINESS

There was no *Other Business* to discuss.

6.NEXT MEETING DATE AND AGENDA ITEMS

The next meeting of the Finance Committee will be scheduled for some time in January, 2016. Mr. Gardner will *Doodle* the committee members for a date and time.

7.ADJOURNMENT

A motion was made by Mr. Poston and seconded by Ms. Graham to adjourn the meeting. The motion carried and Mr. Garland adjourned the meeting at 1:38 pm.

Respectfully Submitted,



Polly Dean

Administrative Assistant, Fiscal Services

Approved:

2/25/16