

Horry County Board of Education



Horry County Schools

Finance Committee Meeting

Monday, October 19, 2020

C – 300

Board Members Present

Chris Hardwick, Board Member and Finance Committee Chair
Janet Graham, Board Member and Finance Committee Member
Helen Smith, Board Member and Finance Committee Member
Ray Winters, Board Member

Staff Present

Rick Maxey, Superintendent
Velna Allen, Chief Officer of Student Services
Mary Anderson, Chief Human Resources Officer
David Beaty, Coordinator of School Safety & Security
Lisa Bourcier, Director-Strategic Communications
Daryl Brown, Chief Officer for Support Services
John Gardner, Chief Financial Officer
Kenneth Generette, Staff Attorney
Boone Myrick, Chief Academic Officer
Polly Dean, Administrative Assistant

Others Present

Katie Powell, Horry Independent
Hanna Strong, Post & Courier
David Wiseman, Sun News

1. WELCOME

Mr. Hardwick called the meeting to order at 4:00 pm and welcomed those in attendance.

2. INTRODUCTIONS

Mr. Hardwick asked those in attendance to introduce themselves.

3. ACKNOWLEDGE COMPLIANCE WITH FOIA

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 the schools for posting.

4. REVIEW AND APPROVAL OF AGENDA

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

5. REVIEW AND APPROVAL OF MINUTES

A motion was made by Ms. Smith and seconded by Ms. Graham to approve the May 27, 2020 minutes from the Finance Committee as presented. The motion carried unanimously.

6. DISCUSSION

a. Preliminary June 30, 2020 General Fund-Fund Balance

Mr. Gardner provided information on the Preliminary June 30, 2020 General Fund-Fund Balance. The information included a 3 year analysis from the 2017-18, 2018-19, and the 2019-20 school years. The fund balance from the 2018-19 school year decreased from the previous year due to the Board of Education approving the utilization of \$9 million for the SOAR Academy and \$2.8 million for a bus lot purchase. Mr. Gardner is projecting that the preliminary general fund balance will be about \$127.7 million. He explained that the projected fund balance for the 2019-20 school year increased by \$20 million due to the impacts from the COVID-19 pandemic, the historically unfilled vacancies, unanticipated savings from utilities and other operational costs, and the additional collection of property taxes. He also noted that there were no reductions in State funding for the current year.

After consideration of the Board's 15% required minimum fund balance designation, Mr. Gardner noted there should be around \$38.5 million funds available for other needs.

b. Education Capital Improvement Sales and Use Tax Update

Mr. Gardner shared the handout "*Education Capital Improvements Sales Tax Analysis*". The report shows the historical collections of the penny sales tax. Horry County Schools has collected over \$616.4 million through September 30, 2020. He reminded the committee that at the March 9, 2020 Finance Committee meeting, Mr. Brian Nurick, Financial Advisor from Compass Municipal, presented an update on the Short-term Capital Plan Funding Report. Based on historical collections, he estimated that HCS should have an additional \$62.8 million over the life of the sales tax.

Mr. Gardner asked Mr. Nurick to update both the sales tax collections and regular property tax collections for the 2019-20 school year. As a result of his analysis, Mr. Nurick increased his estimate for the 2019-20 year to \$68.9 million and estimated 2020-21 collections in the amount \$70.3 million.

Due to the impact of the COVID-19 pandemic, the actual collections for 2019-20 were \$64.6 million which was a \$4.3 million decrease from the updated estimate.

Mr. Gardner noted that due the uncertainty of collections during the pandemic, we budgeted a 15% reduction in his estimates for 2020-21. Even with this reduction, we would be able to fund the 2020-21 Capital Improvement projects, but also cautioned that the 2021-22 projects may need to be addressed next year.

c. Quarterly Financial Statement for Period Ended September 30, 2020

Mr. Gardner provided the *Financial Report for Quarter Ended September 30, 2020*. The report shows a comparison of the quarters ended September 30, 2019 and September 30, 2020. He reviewed and explained the following documents from the report:

- General Fund Balance Sheet
- Schedule of Revenues and Expenditures
- Comparison of Collected Value to Budgeted Value Per Mill
- Residual Funds Available for Future Projects
- Food Service Fund –The Food Service program had a loss of \$1.6 million due to school closures.
- Statement of Profit (Loss) by School

d. Status of Athletic Programs

Mr. Gardner provided a document *“Analysis of Football Gate Receipts”* to the committee. He reviewed each high school’s gate receipts collected since 2016. The total 5 year average collections were \$285,789.51 with the total collections to date is \$74,198.14. He noted the 2020-21 season will be a short season due to COVID-19 and that collections are dependent on home games and post-season activity.

e. CARES Update

Mr. Gardner remarked on the handout, *“Coronavirus Aid, Relief, and Economic Security (CARES) Act”*. HCS received a total allocation of \$14,010,483 and listed all the items with amounts that have been spent to date from CARES. Currently there is \$4,964,438 available. Mr. Gardner shared that the SC Department of Education recently sent out several surveys to Districts to determine if they have any additional needs that could be possible funded/reimbursed from the State’s allocation from CARES. HCS asked for over \$7.2 million in technology purchases, over \$900,000 for LEAP Staff Development, and \$5.5 million in additional wellness screens. He added that the SCDE notified Dr. Maxey and himself this morning that the allocation would be based on per pupil funding for each SC school district with a poverty index factored into each district’s allocation. He mentioned that we were not sure of the exact amount, but it could be approximately \$5-6 million.

Mr. Gardner added that in a separate funding stream, Mr. Daryl Brown was notified that \$3.8 million of plexiglass sheets will be delivered to HCS.

f. Next Meeting

Mr. Hardwick informed the committee members he would be in touch with them in the next few days to schedule the next meeting.

7. ADJOURNMENT

A motion was made by Ms. Graham and seconded by Ms. Smith to adjourn the meeting. The motion carried and Mr. Hardwick adjourned the meeting at 4:55 pm.

Respectfully Submitted,



Polly Deah

Administrative Assistant, Fiscal Services

Approved:

April 19, 2021