

**HORRY COUNTY BOARD OF EDUCATION**

**MINUTES**

**SPECIAL CALLED MEETING**

**May 11, 2020**

**Virtual Meeting**

**335 Four Mile Road**

**Conway, SC 29526**

**Board of Education**

Ken Richardson

John Poston

Chris Hardwick

David Cox

Janet Graham

Janice Morreale

Neil James

Ray Winters

Shanda Allen

Sherrie Todd

Helen Smith

W. Russell Freeman

**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.**

**1. OPENING - MAY 11, 2020 - 6:00 PM - CALL TO ORDER**

Chairman Richardson called the meeting to order at 6:00 PM.

**a. Invocation, Pledge of Allegiance - Mr. Freeman**

Mr. Freeman offered the invocation and led the Pledge of Allegiance.

**b. Approval of Agenda - Mr. Richardson**

A motion was made to approve the May 11, 2020, agenda as presented.

**Moved By:** Mr. James

**Seconded By:** Mr. Winters

The Board Chair did not cast a vote on this item.

**Board Action: Carried Unanimously**

**c. Approval of Minutes - Mr. Richardson**

A motion was to approve the May 4, 2020, minutes as presented.

**Moved By:** Mr. Winters

**Seconded By:** Mr. Hardwick

The Board Chair did not cast a vote on this item.

**Board Action: Carried Unanimously**

## 2. DISCUSSION

### a. **Finance Committee Report - Mr. Hardwick**

Mr. Hardwick addressed the Board regarding the May 6, 2020, Finance Committee Meeting. Mr. Brian Nurick from Compass Municipal Advisors shared an update on the \$36 million General Obligation Refunding Bonds. He said that since the March 9, 2020, Finance Committee Meeting the financial markets have been very volatile. He shared that as we move forward with this refinancing that it would be in the best interest of the District to proceed with soliciting bids for a Taxable Advance Refunding and a Tax-Exempt Delayed Delivery Refunding.

Under the Taxable Advance Refunding, the District would accept bids on the new bonds and close the deal within 3 weeks from the bid date. Based on recent estimates of taxable borrowing rates, the rate is estimated to be 2.23% and would result in net present value savings of \$1,359,547 or a net present value savings of 3.8%. Under this option, the District would experience positive gross savings of \$485,180 in 2020 with additional savings of approximately \$100,000 from 2021 through 2030.

Under the Tax-Exempt Delayed Delivery Refunding, the District would accept bids to “lock in” the interest rate and delay the closing of the transaction until March 1, 2022. Based on recent estimates of tax-exempt borrowing rates, the rate is estimated to be 1.83% and would result in net present value savings of \$3,177,710 or a net present value savings of 9.5%. Under this option, the District would **not** experience any positive gross savings until the bonds are delivered in 2022. The projected gross savings from 2022 through 2030 is approximately \$380,000 per year.

Frannie Heizer from Burr Forman shared that the resolution approved by the Board on April 6, 2020, would allow the District to proceed with either transaction if the net present value savings is greater than 5%. She also explained that the Tax-Exempt Delayed Delivery Refunding does contain an element of risk due to

two variables. The District could decide to not issue the refunding bonds on March 1, 2022, or the possible insolvency of the financial institution.

If the District decided not to issue the bonds (which is very unlikely), the District may have to reimburse the financial institution for the interest rate differential if there were a loss. This interest rate differential reimbursement (which is the difference between the “locked in” rate and the market rate on March 1, 2022) would only occur if the rates on March 1, 2022, were less than the “locked in” rate and the District did not issue the bonds.

If the financial institution became insolvent, the District would simply “walkaway” from the transaction without any interest rate differential due to the financial institution. The bonds will be sold as tax-exempt on the market which could result in rates being either higher or lower than the previous “locked in” interest rate.

Mr. Nurick recommended that District proceed with soliciting bids for both options and select the one that provides the best financial benefit as markets continue to change.

The Finance Committee gave approval to proceed with the solicitation of bids for both options and directed the administration to inform the committee of the results.

**b. Options for Graduation Ceremonies - Mr. Richardson**

Each Board member was given the floor to share their recommendations and address any concerns regarding the ceremonies for each high school and HCS program schools. The two most favored options were as follows:

Option one would be an individual graduation ceremony for each student and their immediate family where they would be able to see their graduate walk across a stage.

Option two would be for the whole senior class to take part in a graduation ceremony that would be held on the football field, a gym or auditorium.

One additional option was to allow the Principal to determine the ceremony at their individual school based on their recommendation.

It was discussed that the Early College High School, Scholars Academy, the Academy of Technology and Academics, and the Academy of the Arts, Science

and Technology be able to hold ceremonies at their buildings in a space designated by principals.

It should be noted that in the interest of safety for all staff and students, it was expressed that in-person graduation ceremonies are voluntary, and not required if individuals are concerned for their safety.

### 3. **BUSINESS**

#### a. **New Building Modification Projects for FY 2020-2021 - Mr. Wolfe**

It should be noted that Mr. Poston recused himself from discussion and voting on this item.

Mr. Wolfe addressed the Board seeking approval of funding for Facilities staff to design and construct parent loop traffic solutions at four locations: Aynor Middle School, Lakewood Elementary School, Riverside Elementary School, and Waterway Elementary School. Estimated Cost: \$5,533,000.00.

*Prioritization and Funding Recommendation Details:*

1. *Waterway Elementary*     \$1.400M
2. *Aynor Middle:*                 \$1.676M
3. *Lakewood Elementary:*     \$1.254M
4. *Riverside Elementary:*     \$1.203M

*Estimate of Probable Cost:*     \$5.533M

A motion was made to approve the prioritization and funding recommendations of the new building modification projects for FY 2020-2021, as shown above.

**Moved By:** Mr. James

**Seconded By:** Ms. Todd

**Board Action: Carried Unanimously**

#### b. **Options for Graduation Ceremonies**

Mr. James made a motion that graduation be voluntary for all students and staff and will either be an in-person, small group event held within the school's gym or on the football field, or, a whole-group class event either on the football field or within the gym or auditorium. Included in that motion, Early College High School, AAST, SA, and ATA would have their ceremonies in their respective buildings or in a space designated by the Principal of each school. Guest allowances would be determined upon the State guidelines that are in force at that time.

**Moved By:** Mr. James  
**Seconded By:** Mr. Poston

**Board Action: Carried**

For (8): Mr. Poston, Mr. Hardwick, Mr. Cox, Mr. James, Mr. Winters, Ms. Todd, Ms. Smith, Ms. Graham

Against (3): Ms. Allen, Ms. Morreale, Mr. Freeman

4. **ADJOURNMENT**

The meeting was adjourned at 7:10 PM.

**Moved By:** Mr. Hardwick  
**Seconded By:** Mr. James

The Board Chair did not cast a vote on this item.

**Board Action: Carried Unanimously**

a. **UPCOMING MEETINGS:**

1. **May 18, 2020 - Virtual Facilities Committee Meeting, 4:00 PM**
2. **May 18, 2020 - Virtual Meeting of the Board, 6:00 PM**

Respectfully Submitted,



---

Heidi Oates

Executive Assistant to the Superintendent and Horry County Board of Education