Horry County Board of Education

Horry County Schools

Finance Committee Meeting

Wednesday, March 22, 2017

Board Members Present

John Poston, Board Member and Finance Committee Chair
Shanda Allen, Board Member and Finance Committee Member
Holly Heniford, Board Member and Finance Committee Member
Neil James, Board Member and Finance Committee Member
Joe DeFeo, Board Chairman

Staff Present

Rick Maxey, Superintendent
Mary Anderson, Chief Officer of Human Resources
Edward Boyd, Chief Accountability Officer
Daryl Brown, Chief Officer of Support Services
Joe Burch, Coordinator of Planning
Carolyn Chestnut, Chief Officer of Instructional Services
John Gardner, Chief Financial Officer
Boone Myrick, Chief Academic Officer
Mark Wolfe, Executive Director of Facilities
Polly Dean, Administrative Assistant

1.WELCOME

Mr. Poston called the meeting to order at 12:05 pm and welcomed those in attendance.

2. INTRODUCTIONS

Mr. Poston asked everyone including the media 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. Allen and seconded by Ms. Heniford, the agenda was unanimously approved.

5. APPROVAL OF MINUTES

A motion was made by Mr. James and seconded by Ms. Allen to approve the March 1, 2017 minutes as presented. The motion carried unanimously.

6. NEW BUSINESS

A. FFEP Landscape Request

Mr. Wolfe shared that he was reviewing information from Metcom regarding the request for additional funds needed for landscaping at the 5 new schools. He explained to the committee that he was still working on numbers as some numbers were transposed and there were some mathematical errors on the report. He said that First Floor carried a $200,000 allowance for landscaping for each school in their original bid through the RFP process. He also stated that HCS carried an additional $200,000 allowance for landscaping in the Owner's Contingency and Off-Site Allowances.

Mr. Wolfe shared that bids have been received from Metcom and as of today, HCS has two options for landscaping. If option 1 is chosen (fully sodded option and does not include Socastee Middle School), it would be around $222,000 per more than the current combined FFEP and HCS allowances. If option 2 is chosen (less sod and does not include Socastee Middle School) would fit within current combined FFEP and HCS allowances.

Mr. Poston asked Mr. Wolfe if he felt comfortable that the finance committee could find an additional $300,000 for the five schools so it could give the facilities committee the opportunity to accept or deny the additional sod. Mr. Wolfe mentioned that there are residual funds available as indicated the Owner's Contingency and Off-Site Allowances spreadsheet.

Ms. Heniford asked if the additional funds that are being asked for would be required to acquire a certificate of occupancy. Mr. Wolfe replied by saying the certificate of occupancy depends on the county and the city requirements. He said that sod is not required but it is a much better long term option for HCS. Mr. James asked Mr. Wolfe when did it become the preferred method to place sod instead of seeding. Mr. Wolfe said that he thought it become the standard around 2012-13.

Mr. Poston asked Mr. Gardner for a recommendation on the $300,000. Mr. Gardner suggested the $300,000 could come out of the remaining uncommitted owner's contingency and off-site allowances funds.

A motion was made by Mr. James to reserve $300,000 of the anticipated surplus funds from the remaining uncommitted contingency/allowance funds should the Facilities Committee deem appropriate. Ms. Heniford seconded the motion. The motion carried unanimously. Mr. James indicated it would be on the April 24, 2017 Facilities Committee meeting agenda.

B. Enhancements to a Play Field at North Myrtle Beach Middle School

Ms. Heniford explained the need for a playing field at North Myrtle Beach Middle School. Currently there are 14 spring teams (next year there will be 16 teams) using one play field. They have two practice fields - neither one of them have lights and neither of them meet the ed specs for game field sizes. The band currently practices in the parking lot and the B-team is playing in the commons area at the high school. The staff at North Myrtle Beach Middle School, the Booster Club and the athletic staff at North Myrtle Beach High School met and discussed using the current play field improvement funds ($207,000) with an additional request of $630,000 to create a game field.

Ms. Heniford also mentioned that CTC (County Transportation Committee) funds would be available in the amount of $242,000 to assist with the paving of the extended loop road at the middle school. These funds were originally earmarked for a deceleration lane. However, since the loop road addressed the traffic issue, these funds could be repurposed. She requested that the $242,000 freed up along with the $207,000 currently allocated be used to begin construction of a "base" game field. There some discussion regarding the procurement procedures for the purchase of the asphalt. Mr. Wolfe will speak with the IPD contractor to determine if they competively bid the asphalt and to obtain copies of the bid documents.

Mr. James remarked that this item was discussed at the last Facilities Committee meeting. He stated that the item was placed on the Finance Committee agenda to determine a funding source. Once a funding source is determined, the item will be placed on a future board agenda for further discussion. Mr. Poston asked Mr. Gardner for recommendations for the funding.

Mr. Gardner recommended four different options for the initial request of funds of $630,000:

1) Use $273,000 of the remaining uncommitted contingency/allowance funds
2) Unused building contingency funds (outside of the short term facility plan)
3) The Facilities Committee could include this project in the 2017-18 building modification plan or sustainment plan
4) Utilize fund balance

Mr. James made a motion to use the unused building contingency funds in an amount up to $630,000 from Phase III and Phase IV Building plan (outside of the short term facility plan) to fund a playing field at NMBMS. Ms. Heniford seconded the motion. The motion carried unanimously.

This item will be presented to the Board for Discussion.

C. Budget Update

Mr. Gardner provided an explanation of the ***General Fund Revenue Trends*** handout and the ***Preliminary General Fund Budget Recap*** handout. The reports have been updated since the preliminary figures that were shared on February 6, 2017. The main change was reducing the

base student cost from $150 to $50 and impact of the retirement increase. The total revenue change between what we have budgeted for the current year and the projected amount from the Ways & Means Committee is $11.1 million in additional funding.

He shared that the ***Preliminary General Fund Budget Recap*** was formatted in a similar manner as last year. He shared the Mandatory Expenditure Adjustments of ($17.9 million), Cost Saving Adjustments of 900,000, and Optional Expenditure Adjustments of ($4.9 million). He pointed out that we still plan to utilize $7.7 million of fund balance for the 2017-18 General Fund Budget and he also stated that the information was ranked alphabetically NOT in order of importance.

With the $11.1 million in additional revenue and the Total expenditure adjustments of ($21.9 million), the current position is ($10.8 million). Without the optional spending, the district would still be looking at a deficit of ($5.9 million). Mr. Gardner remarked the Board has only one mechanism to raise revenue and that mechanism is property taxes.

Ms. Allen made a motion to have the preliminary general fund budget information presented to the full Board for Information only. Ms. Heniford seconded the motion. The motion carried unanimously.

D. Next Meeting

There was no future meeting scheduled.

7. ADJOURNMENT

A motion was made by Ms. Allen and seconded by Mr. James to adjourn the meeting. The motion carried and Mr. Poston adjourned the meeting at 12:58 pm.

Respectfully Submitted,

Polly Dean

Polly Dean
Administrative Assistant, Fiscal Services

Approved:

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