

## **Horry County Board of Education**



Horry County Schools

### **Finance Committee Meeting**

Wednesday, November 15, 2017

Carolina Forest High School Community Room

#### **Board Members Present**

John Poston, Board Member and Finance Committee Chair  
Shanda Allen, Board Member and Finance Committee Member  
Janet Graham, Board Member and Finance Committee Member  
Holly Heniford, Board Member and Finance Committee Member

#### **Staff Present**

Rick Maxey, Superintendent  
Lisa Bourcier, Public Information Officer  
Daryl Brown, Chief Officer of Support Services  
John Gardner, Chief Financial Officer  
Kenneth Generette, Staff Attorney  
Polly Dean, Administrative Assistant

#### **1. WELCOME**

Mr. Poston called the meeting to order at 12:15 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. Heniford and seconded by Ms. Allen, the agenda was unanimously approved.

## **5. NEW BUSINESS**

### **A. Update on June 30, 2017, General Fund Balance**

Mr. Gardner provided an update on the June 30, 2017 General Fund balance showing a two year fund balance comparison. Mr. Gardner indicated an increase of \$9.8 million from the previous school year. He further compared and explained the non-spendable expenses and the assigned and unassigned fund balance. There is currently \$80.5 million in unassigned funds with \$56.5 million required for the 15% minimum fund balance according to Board policy that leaves \$23.9 million above and beyond that is available for other needs.

Mr. Poston asked if the \$24 million was restricted on how it could be spent. Mr. Gardner replied that it was at the Board's discretion.

### **B. Review of 5-Year Capital Plan Funding Options**

Mr. Gardner reviewed the attached handout, "5 Year Capital Plan Funding Options" with the committee. Three financing options were discussed, (1) "Pay as We Go", (2) Utilize Current 8% Debt Capacity of \$53 million, and (3) Request \$150 million Bond Referendum. Mr. Gardner explained for each option the available funding, the date available, potential for additional funding available over the life of the sales tax which "sunsets" in March, 2024, and the impact on the financing for the current short-term facilities plan. The information was previously shared with the Board.

Under the current financing model there is approximately \$19.5 million that is available to use in 2017-18 and an additional \$51.5 million would be available over the life of the sales tax.

To utilize the current 8% debt capacity of \$53 million, it would generate approximately \$51.1 million that would be available in 2017-18 and an additional \$10.3 million that would be available over the life of the sales tax.

Request a \$150 million bond referendum where the District would issue 20 year bonds that would generate \$148 million dollars and be available in 2018-19. This would not create a tax increase under the current financing parameters; however, if the sales tax sunsets as scheduled, we would need to increase our debt service millage by an additional 1.5 mils to 3.5 mils.

Mr. Poston suggested to the committee that the third option, **Request \$150 million Bond Referendum** be put aside and the **Pay as We Go** would be the best option for the school district. Ms. Allen remarked that there are needs throughout the district everywhere.

After further discussion, a motion was made by Ms. Allen with the recommendation to push forward to the Board with the first option; "Pay as We Go". Ms. Heniford seconded the motion. The motion was unanimously approved.

### **C. Funding Source for Renovation of Current Myrtle Beach Middle School**

The funding source for the existing Myrtle Beach Middle School renovation project was discussed. Mr. Gardner explained the total budget for the renovation is \$21,128,943. The committee discussed potential funding sources for the project and recommended the funding for the project be presented to the full Board at the November 20, 2017, Board meeting.

The committee recommended a project budget to be funded from the following sources:

Current Short-term Facilities Plan:	\$19,500,000
Residual Capital improvement Funds:	\$ 1,189,572
Undesignated General Fund Balance:	\$ 439,371

A motion was made by Ms. Allen and seconded by Ms. Graham to recommend to the Board the renovation project budget for the existing Myrtle Beach Middle School to be funded as stated above. All voted in favor. Motion passed.

### **6. ADJOURNMENT**

A motion was made by Ms. Allen and seconded by Ms. Graham to adjourn the meeting. The motion carried and Mr. Poston adjourned the meeting at 1:00 pm.

Respectfully Submitted,



Polly Dean

Administrative Assistant, Fiscal Services

Approved:

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