

Anderson County Board of Education
907 North Main Street, Suite 202, Anderson, South Carolina 29621
February 22, 2016

Call to Order

Chairman David Draisen called the meeting to order and gave the invocation after which everyone joined in the pledge of allegiance to the American Flag.

Board Members Present:

The following board members were present for the February, 2016 meeting: Mr. David Draisen, Ms. Brenda Bradberry, Mr. Mike Brock, Mr. Nakia Davis, Ms. Dana Grant, Mr. Dale Martin, Rev. Dr. Rufus Mitchell, Mr. Mike Upton, and Joey Nimmer, Ex Officio.

Dr. Gary Burgess was unable to attend.

Approval of Agenda

Ms. Bradberry made a motion to approve the agenda. Mr. Mike Upton seconded the motion and with a unanimous vote, the agenda was approved.

Approval of Minutes – January 19, 2016 Board Meeting

Mr. Dale Martin made a motion to approve the minutes and was seconded by Rev. Dr. Rufus Mitchell. With a unanimous vote, the January minutes were approved.

Anderson County Alternative School Report

Mr. Brock provided a three page report to the Board prepared by Mr. Ken Martin showing revenue, expenditures, and a 10-year look back at the fund balance and EFA funding for the Alternative School. Over time the fund balance has been eroded. The problem comes from more expenditures than revenue. The funding model for the Alternative School was good when they designed it over 20 years ago but the model has never changed. The levy is still at two mils and it is very difficult to have an adjustment made to increase the millage. We also must keep in mind the buildings that house the school are very old. During the past five years, an average of \$80,000 per year has been spent on the physical plant to repair windows, heating, and security, etc. This most likely will continue as the property ages. This year's cash position should be improved since there has been turnover in the faculty resulting in lower salaries as well as the districts sharing sales tax proceeds for capital improvement and repairs. One challenge is knowing where the fund balance each year will be since many funds come in the last month of the fiscal year. The Alternative School has had grant money awarded in the past as well. The fund balance was very healthy at one point. Mr. Brock said in 2009 the Alt School wrote checks back to the districts. However, with repairs, renovations, adding special education, and a computer teacher, the fund balance has been depleted. The District officials are meeting together to address this issue. They are planning to share additional sales tax money with the Alt School.

Ms. Bradberry asked if the Board realized the fund balance was dropping and what they did about it. Ms. Bradberry: why didn't anyone make preparations to cut back? Mr. Nimmer said operating costs have lowered with retiring teachers. There were nine teachers paid at the top of the salary schedule and now it is down to three. There is no way to raise money other than use of the fund balance. Mr. Upton: How much is spent vs. budgeted? Mr. Nimmer said there are unknown dollars spent on the aging physical plant each year. The delegation approves the budget for the ACAS not the Board of Education.

Mr. Draisen said there are only two alternatives: decrease expenses or increase revenue. We may need a combination of both to build the fund balance back up.

Mr. Upton asked if the Delegation has ever gone on a tour of the school. Mr. Nimmer said they have been invited, however, to the best of his knowledge, not toured.

Ms. Grant questioned the increase in teaching staff since the student population has remained fairly consistent. Several members said it was due to the addition of a special education teacher and computer instruction.

Mr. Draisen asked if the Board as a whole needed to do anything. The School District Superintendents are meeting together to address this issue and will be making recommendations to the ACAS Board. The districts will continue to share the sales tax money with the Alternative School. Mr. Nimmer hopes to know what recommendations the districts propose by next month's meeting. They do want to keep the Alternative School open. Mr. Nimmer feels that a .5 mil increase would take them to the foreseeable future with a net value of approximately \$180,000 a year.

The primary function of the sales tax money in Districts Three, Four, and Five was to build the career center not for the Alternative School even though they have all pledged their support. They are discussing the best way to do that now. Collections are about 20 to 25 percent higher than projected however the economy is doing fine right now. When it is a consumption based tax, it is dependent on the economy and this is a fairly volatile form of tax.

Mr. Upton asked who serves on the Alternative School Board and Mr. Nimmer told him that each school district has a representative and then the solicitor's office and the county board each have one as well.

Administrator's Report

Mr. Nimmer reminded everyone that the statement of economic interest forms must be completed by March 30, 2016. Log on to ethics.sc.gov and follow the instructions.

The school board conference had some of the best slate of speakers we've had in a while Mr. Nimmer reported. The break-out sessions were particularly good. It was a good solid trip, better than some in years past.

The staff recently completed the Active Shooter Training through the sheriff's office. Everyone went through what they call ALICE training. (Alert, Lockdown, Inform, Counter, Evacuate) ALICE teaches individuals to participate in their own survival, while leading others to safety. Nakia Davis took the course as well. It was one of those things where we gained a lot of knowledge that we hope to never have to use. Unfortunately, with the society we live in, we must be prepared.

Mr. Nimmer asked everyone to see a copy of the email from Amy Heard at District Five showing summary of the bid and the bonds issued on the refunding from last month. As luck would have it, getting in at the right time, they were able to fully fund everything and keep the par value below the 74 million. They were projecting an interest rate reduction of 1.8 percent but it came in at 2.34 percent so the net present value of the savings is a little over 15 million over the life of the bonds. So that turned out very well. Mike Gallagher is still going to try to come to a meeting to give us a primer on the refunding process. He thinks the only one that may be coming up over the next year or so will be for District Two on a 2010 bond issue. He will have to wait to see what the call dates will be, any limitations there may be, as well as what the interest rates look like later in the year.

Financial

Mr. Nimmer reported that January has traditionally been a good month and every entity is experiencing satisfactory collections. You will see two things that stand out. One is that District Four has a collection percentage that is higher since a larger portion of their revenue is from the local property tax so their dollars increase more than the other districts at this time of year. Our mental health revenue doesn't come in until the end of the year so it takes the County Board a while to catch up. The collections are slightly higher than in past years so everyone is a bit ahead of where we were last year at this time.

The assessment ratio has stayed virtually flat. With the delay in state tax refunds being received electronically this year, there may be a slowdown in vehicle sales. This impact should be temporary and we hope to catch up in late February or early March.

New Business

Ms. Bradberry asked about the Millard Smith name on the Bleckley Street building. Mr. Nimmer said that it is his understanding that the plaque naming the building will remain in place as it always has. This identifies the building with Mr. Smith's name. Ms. Bradberry would like the name returned to the front of the building and remembers that as part of the negotiations. Mr. Nimmer will check into this further.

Ms. Bradberry made a motion to pay the bills as presented. The motion was seconded by Rev. Dr. Mitchell and was followed by a unanimous vote.

The meeting was adjourned by Mr. Draisen.

Respectfully submitted,

Mr. Mike Brock, Acting Secretary of the Anderson County Board of Education
This is a true and correct copy of notes taken at the meeting.