

Anderson County Board of Education
907 North Main Street, Suite 202 Anderson, South Carolina 29621
August 18, 2014

Call to Order

Ms. Brenda Bradberry, Vice Chairman of the Board, called the meeting to order in the Community Meeting Room at the Foothills Community Foundation. Rev. Dr. Rufus Mitchell 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 July 2014 meeting: Ms. Brenda Bradberry, Mr. Mike Brock, Dr. Gary Burgess, Mr. Dale Martin, Mr. Shawn McGee, Rev. Dr. Rufus Mitchell and Joey Nimmer, Ex Officio.

Chairman David Draisen, Mr. Mike Upton and Ms. Dana Grant were not in attendance for the meeting.

Approval of Agenda

Dr. Gary Burgess made a motion to approve the agenda. Rev. Rufus Mitchell seconded the motion and with a unanimous vote, the agenda was approved.

Approval of Minutes –July 21, 2014 Board Meeting and August 7, 2014 Special Called Board Meeting

Minutes of the July 2014 Board Minutes

Dr. Burgess asked that a correction be made to the July 21, 2014 minutes to reflect that he voted in opposition to the budget for District Five. Dr. Burgess stated his vote was due to the fact that retired teachers are not receiving equal pay for equal work. Ms. Brenda Bradberry requested the minutes to reflect that she also voted in opposition to District Five's budget.

With a unanimous vote, the Board approved the minutes of the July 2014 Board Meeting with the corrections to the vote regarding the budget for District Five as below:

Following the vote, Mr. Mike Upton made a motion to approve the original budget request presented by Anderson School District Five. The budget requested for fiscal year FY 2014-2015 was in the amount of \$97,016,838 of which \$50,015,368 is identified as local funding. The budget approved and implemented for fiscal year FY2013-2014 was \$91,823,520 representing a budget increase of 5.66% for the new fiscal year. Ms. Dana Grant seconded the motion. The motion passed on a vote of 5 votes for and 2 votes against. The two votes of opposition were votes from Dr. Gary Burgess and Ms. Brenda Bradberry.

Minutes of the August 7, 2014 Special Called Board Meeting

Mr. Mike Upton made a motion to approve the minutes of August 7, 2014 Special Called Board Meeting, seconded by Rev. Rufus Mitchell.

Ms. Brenda Bradberry asked that the minutes be amended to reflect that she had great concern that the Board had nothing in writing from the entity that will be purchasing the building. With a unanimous vote including the addition from Ms. Bradberry, the Board approved the minutes.

Recognition of Media and Patrons / Public Comment Period

No one was present to address the Board.

Presentation by Anderson School District Four

Anderson School District Four Superintendent Lee D'Andrea, Mr. Reggie Hall, Director of Operations and Maintenance Services, and Mr. Larry Young, Director of Finance, were in attendance to address the Board regarding the issuing of the District's Special Obligation Bonds. Superintendent D'Andrea thanked the Board for the opportunity to appear before them and provide information prior to the September Board meeting. Superintendent D'Andrea explained the bonds would be used to acquire equipment and have it installed at Pendleton High School.

Superintendent D'Andrea provided the Board with some background information regarding District Four's preventative maintenance plan and the use of a portion of the 8% funding each year for the purposes of updating and replacing aging equipment at some of the aging schools. Superintendent D'Andrea stated that the HVAC, electrical and fire suppression system at Pendleton High School were actually in the original plan to be replaced or upgraded upon construction of a new high school and the renovation of the current high school into a middle school.

Superintendent D'Andrea reported that it became very evident during the last school year that the current system was in need of more immediate repair than as originally planned. At that time, Superintendent D'Andrea explained, a mechanical engineer and architect were brought in to see what could be done to repair the current system, but it became very clear that the cost of upgrades to bring the systems up to code quickly escalated and drove the cost from an anticipated \$2.5 million dollars to approximately \$9 million. Superintendent D'Andrea stated that District Four started looking for ways to finance this project and consulted with its law firm and financial advisors. Superintendent D'Andrea stated that Mr. Larry Young would be able to report on the specifics of the funding for the \$9 million dollars needed for the project. Superintendent D'Andrea concluded that if the 1% sales tax was passed in the November elections that the full extent of the bonds would not have to be used as some of the tax dollars collected would help to fund a portion of the project.

Mr. Reggie Hall, Director of Operations and Maintenance Services explained to the Board the current system, dating back to 1981, and its functionality and current state of degradation. Mr. Hall also explained the first step in determining the needed upgrades was to install new controls, upgrading older pneumatic controls to all digital controls. Mr. Hall informed the Board that the upgrades will begin in the Summer of 2015 and will continue through the school year through 2016. After further discussion and questions from the Board, Dr. Burgess stated that he knows that the updated system is needed, and if the sales tax is passed would it result in a decrease in millage. Dr. Burgess also requested from Mr. Hall if the Office of Facilities could provide the Board with a letter that would explain what will be required to upgrade to a new system because he was sure that he would be asked questions regarding the project.

Mr. Larry Young, Director of Finance, provided the Board with information explaining the bank qualified

Series 2014 Special Obligation Bonds and debt service schedule. Mr. Young stated that the District used some of the funding approved for the original project approved in 2013, and was used to start some of the upgrades in bringing the system to a total digitally controlled system.

Mr. Young pointed out that according to the District's current debt service payment schedule, the District will see some relief in the roll off as early as the 2016 fiscal year and will continue to decrease each subsequent fiscal year. Mr. Young called the Board's attention to the 2014 Special Obligation Bonds debt service schedule that includes the increase in dollars needed for the revised project plan for the new systems at PHS. Mr. Young explained that the debt service schedule for the new obligation bonds will also see a roll off in payments just as the current debt service schedule and will be paid back to the bank within a ten year period and should keep the millage virtually flat throughout the process.

Superintendent D'Andrea stated that the schedule provided was a worst case scenario in the event the sales tax did not pass. Mr. Nimmer stated that should the sales tax pass, the District would realize a double benefit for this project because the excess proceeds could be used to pay back the debt while also rolling back the debt service millage which is required by the referendum.

Vice Chairman Bradberry asked for clarification between this bond and the general obligation bond. Mr. Young stated that this was a long term commitment between District Four and the County Board which approves the total funding not to exceed the initial amount and the District will come back each year asking approval for the payment for the bonds. Mr. Nimmer added that it is similar to the technology approved for District Three.

Dr. Burgess also wanted to clarify that the District's request and the Board's approval for this project was totally separate project that did not involve a decision to build a new high school or any type of renovations to other schools in the District but that these repairs at Pendleton High School were required regardless of any future plans for the District.

Anderson County Alternative School Report

There was no Alternative School Report due to summer break, but Mr. Mike Brock reported that there were approximately 70 students on the roster for the beginning of the 2014-2015 school year.

Administrator's Report

Mr. Nimmer informed the Board that the first day of the 2014-2015 school year had started smoothly as he had heard from all of the school districts.

Mr. Nimmer informed the Board that Dr. Gary Burgess and Mr. Dale Martin attended the SC School Board Association's School Law Conference.

Mr. Nimmer also informed the Board that he will be meeting with some officials to view the County Board building and to continue the planning for future use of the building.

Financial

A. Tax Collections YTD vs. Budget

Mr. Nimmer stated in the July 2014 report provided most of the taxes collected will be adjusted and applied to the 2013-2014 fiscal year as we will adjust the ad valorem taxes or delinquent

taxes through August 2014 into the prior year. Mr. Nimmer stated that it may be a little confusing until final tax collections are posted. Mr. Nimmer told the Board after all taxes for the 2013-2014 fiscal year have been posted along with the corrections and the final adjustments, he will provide them with a final report.

B. Assessment Totals – July 31, 2014

Mr. Nimmer stated that the value of a mill grew by approximately \$1,100 during the month of July 2014 and was due primarily to vehicle sales and is surprising for this time of year.

Ms. Bradberry asked when home owner taxes would begin to be reflected in the report. Mr. Nimmer answered that normally they will appear in October and November and will depend on when the tax bills go out. Mr. Brock stated that vehicle taxes normally spike at the beginning of the year and Mr. Nimmer stated that the current trends could possibly be attributed to delayed tax refunds.

Old Business

Dr. Burgess asked Mr. Nimmer to insure we get a letter from Anderson School District Four's Office of Operations and Maintenance regarding the upgrades to Pendleton High School. Dr. Burgess stated he anticipates questions about the issue and wants to be able to respond that it is not a wish list item, but are required repairs. Mr. Nimmer stated that the letter should state that amount of money estimated for the repairs are necessary to be in compliance with upgrades to the system.

New Business

A. ADM Accounts Payable

B. SFS Accounts Payable

Mr. Shawn McGee made a motion to pay the bills as presented. The motion was seconded by Mr. Mike Brock and was followed by a unanimous vote.

Adjourn

Vice Chairman Brenda Bradberry adjourned the meeting.

Respectfully submitted,

Dr. Gary Burgess, Secretary of the Anderson County Board of Education
This is a true and correct copy of notes taken at the meeting.