

Finance & Operations Committee Meeting	Date: May 10, 2017 Location: Beaufort Elementary School
Members Present	Chair: Bill Payne Members present: David Striebinger, Earl Campbell, Mary Cordray and JoAnn Orischak
Others Present	Dr. Patricia Montgomery, Dr. Cynthia Gregory, Dr. Moss, Tonya Crosby, Drew Davis, Reggie Murphy, Lori Mock, Robert Oetting, Josh Gruber, Deputy County Administrator with Beaufort County, Dr. Richard Gough, President and Mary Lee Carnes, Vice President for Institutional Advancement and External Relations with Technical College of the Lowcountry, Robyn Cushingberry
	Meeting called to order at 4:02pm.
Action Item	Approval of the Agenda
Highlights	Mr. Earl Campbell made the motion to approve the agenda. The motion was seconded by Mr. David Striebinger. The motion passed 5/0.
Action Item	Approval of the April 6, 2017 Committee Meeting Minutes
Highlights	Mr. David Striebinger made the motion to approve the April 6, 2017 Committee Meeting Minutes. The motion was seconded by Mrs. Mary Cordray. The motion passed 3/0/2. Earl Campbell and JoAnn Orischak abstained from the vote.
Information Item	Multi-County Industrial Park/Fee in Lieu of Taxes
Highlights	<p>Dr. Richard Gough and Ms. Mary Lee Carnes from The Technical College of the Lowcountry made a presentation to ask for Support for the Lowcountry Culinary Institute at the Technical College of the Lowcountry. Their vision is to elevate each student in every community they serve through transformative technology and transferable teaching.</p> <p>TCL is seeking \$9M in capital funds to build the Lowcountry Culinary Institute in the Buckwalter Place Multi-County Commerce Park, a Multi-County Industrial Park (MCIP) in Bluffton. The college is asking the school district, Beaufort County and the Town of Bluffton to participate in the effort by contributing all or a portion of its MCIP tax revenue towards the capital construction of the culinary institute. Currently, they have collected \$3M in pledges.</p> <p>The institute will have a capacity of up to 400 students. The institute will offer associate degrees and academic certificates in Culinary Arts Technology, Culinary Management, Health and Nutrition, seafood, Baking and Pastry, Sports Nutrition and Farm to Table. TCL and USCB have collaborated to give TCL associate degree culinary graduates the opportunity to go onto USCB's four-year hospitality program. TCL culinary graduates will enter USCB as a junior. Working with the school district, the college will be able to offer local high school students the opportunity for culinary dual enrollment.</p>
Information Item	School Impact Fees for New Construction
Highlights	<p>Mr. Joshua Gruber, Deputy County Administrator for Beaufort County made a presentation about developmental impact fees for school construction. He stated that the statute was created in 1999 and adopted by counties and municipalities as a way to generate revenue to pay for public infrastructure in a growing population. A few years ago, litigation was filed in Dorchester against the school district by developers in regards to impact fees. As a result, schools have now been included in the wording of the impact fee statute. The impact fees will only affect new development. The district would have the ability to define the service areas as to where the impact fees are put into effect.</p> <p>Steps to impose Impact Fees:</p> <ol style="list-style-type: none"> 1. Impact Fee Justification Report – Consultant to prepare study. 2. CIP by the Board 3. Housing affordability study 4. Take proposal to County Council to pass the impact fees.

Information Item	Fruit Tree Planting
Highlights	Because of time constraint Mr. Oetting updated the committee by stating that Jim Foster and Ron Lopes did a video of tree planting at St. Helena Elementary and J.J. Davis. Robert invited the committee to review the video.
Action Item	FY 2018 Budget Discussion
Highlights	<p>A presentation was made by Dr. Jeffrey Moss and Mrs. Tonya Crosby. Tonya updated the committee on the various budget meetings held to date. Based on the various meetings, and the updated information on the collections, the current budget has been adjusted. Tax revenues are estimated to be more than \$1M than initially projected. Tonya also stated to add \$1M to the fund balance at a 92.68% collection rate would require a millage rate of 114.5 to maintain a 13% fund balance.</p> <p>Dr. Moss's recommendation to the board would be to go in at 114.5 mils. It was stated that the purpose of the fund balance is to provide 60 days of operating costs and 13% does not provide 60 days of costs.</p> <p>Other concerns stated were that the PE teachers and the elementary teachers did not receive the critical needs stipend from the Center for Educator Recruitment, Retention, & Advancement (CERRA). To add to the budget to include stipends for the PE teachers and elementary teachers, it would add an additional \$1M to the budget. It is \$1,500 per person. Dr. Moss stated that he was aggressive in asking the state for funding for every group that we could request for. There is no funding in the budget to cover this.</p> <p>There were questions about why the classified staff was not included. Classified staff are still getting supplements which are in the line on a percentage. The classified staff is getting a step increase in accordance with the salary study conducted last year.</p> <p>Mrs. Mary Cordray made the motion that the Finance Committee recommend to the full Board that the Beaufort County School District's fiscal year 2017-218 operating budget in the amount of \$225,764,556 of expenditures with a request that millage be set to support this request at a minimum amount of 114.5M. The motion was seconded by Mr. Earl Campbell. The motion passed 5/0.</p>
Action Item	BHS Roof Replacement (Revised Recommendation)
Highlights	<p>Robert Oetting and Dr. Moss made the presentation. At the April 21, 2017 board work session, the BOE authorized the execution of a contract for the roof replacement at Beaufort High School for an amount not to exceed (NTE) \$1,750,000 to be paid from the 2019 8% capital improvement funds.</p> <p>This is still within the \$20M CIIP list.</p> <p>Subsequent to the BOE authorization, the bids for the project were received. There were 3 pre-approved roofing contractors. They are not local. There were 4 in original solicitation award. One of the four was local, and that company did not perform well and they had terminated the company. These are commercial grade roofers who do school size jobs. A lot of local roofers are not able to handle this size scope and can obtain bonding, or able to do school size jobs. The lowest bid, submitted by Metalcrafts, Inc., exceeded the amount authorized by the Board.</p> <p>Mrs. Mary Cordray made the motion that the Board authorize the execution of a contract for the replacement of the roof for Beaufort High School in a not to exceed amount of \$2,015,000.00 to be paid from the 2019 8% capital improvement funds. The motion was seconded by Mr. Earl Campbell. The motion passed 4/1. JoAnn Orischak voted against.</p>
Action Item	FY2019 8% Capital Projects
Highlights	Mr. Robert Oetting presented the FY 2019 Capital Projects list. The first column presented is what is being requested now, and the second column is what was presented to the board April 21, 2017. The third column is the difference.

	<p>There was discussion that after Whale Branch removed from the list that that board would have the opportunity to move some other projects around. Clarification was made that this list is the annual maintenance summer project list and not the 5-year capital plan list.</p> <p>Mrs. Mary Cordray made the motion that the Finance Committee recommend to the full Board that we approve the FY2019 Capital Project List that totals \$19,998,307. The motion was seconded by Mr. Earl Campbell. The motion passed 3/2. David Striebinger and JoAnn Orischak voted against.</p>
Action Item	Bond Resolution for the 8% Capital Projects
Highlights	<p>There was a discussion about what projects make up the \$37M included in the bond resolution. This bond includes the funding for Whale Branch Gym and auditorium and the summer projects.</p> <p>Mrs. Mary Cordray made the motion authorizing the issuance and sale of not exceeding \$37,050,000 general obligation bonds, in one or more series, in one or more years, or the school district of Beaufort County, South Carolina. The motion was seconded by Mr. Bill Payne. The motion passed 2/1. JoAnn Orischak voted against.</p>
Action Item	Approval of Memorandum of Understanding with the Town of Port Royal
Highlights	<p>Drew Davis reminded the committee that they have seen this item several times. Robert Oetting brought drawings and updated the committee in previous meetings. The Memorandum of Understanding has been reviewed by the Town of Port Royal and the District staff.</p> <p>Mrs. Mary Cordray made the motion that the Finance Committee recommend that the full Board approve the agreement between the Town of Port Royal and Beaufort County School District. The motion was seconded by Mr. Bill Payne. The motion passed 2/1. JoAnn Orischak voted against. David Striebinger and Earl Campbell were absent from the vote.</p>
Action Item	FY2017 3rd Quarter Financial Report
Highlights	This item has been moved to the next Finance Committee meeting.
Adjournment	The meeting adjourned at 6:20pm.

These minutes are in draft form, have not been approved by this committee and are subject to modification until approved by this committee.