



Minutes/October 22, 2012

The Board of Trustees of School District Five of Lexington and Richland Counties met at the Center for Advanced Technical Studies with the following members present:

Mr. Robert Gantt, Chairman
Mrs. Beth Burn Watson, Vice Chairman
Mrs. Ellen Baumgardner, Secretary
Mrs. Jan Hammond
Mrs. Kim Murphy
Mr. Jim Turner
Mr. Ed White
Dr. Stephen Hefner, District Superintendent

The following staff were in attendance:

Ms. Helen Anderson, Chief Instructional Services Officer
Dr. Angela Bain, Chief Human Resource Services Officer
Dr. Karl Fulmer, Chief Financial Services Officer
Mr. Michael Harris, Director of Student Services
Mr. Keith McAlister, Director of New Design and Construction
Mr. Mark Bounds, Public Information Officer

Chairman Gantt gave welcoming remarks. Ellen Baumgardner called the meeting to order.

The Invocation was given by Reverend Timothy Shull, River Springs Church. The Pledge of Allegiance was led by Cody Millager, a 12th grade student.

The School Board Spotlight was presented by Robert Gantt, Beth Watson and Ellen Baumgardner.

Dr. James Couch gave a welcome and brief overview of the Center for Advanced Technical Studies.

During the superintendent's report, Tami Richardson presented a report on Gifted Education; Dr. Karl Fulmer presented the monthly financials (Exhibit B); and Chris Whitley presented the monthly update (Exhibit C).

During the public participation, Patrick Cobb, Kim Hudson, Dr. Jay Potts and Bradley Williams spoke regarding the Dutch Fork High School renovations; and Barbara Waldman, Debbie English, Toshia Addison, Dr. Anita Hood and Michael Cates spoke regarding the Irmo High School renovations.

A = Absent
AB = Abstain
N = No
X = Yes
R = Recuse

SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of October 22, 2012

		B A U M G A R D N E R	G A N T T	H A M M O N D	M U R P H Y	T U R N E R	W A T S O N	W H I T E	
1.	M. Watson Enter executive session to consider the following: a) selected employment items (Exhibit A)	S. Baumgardner	X	X	A	X	A	X	X
2.	M. Hammond Approve the agenda	S. Baumgardner	X	X	X	X	X	X	X
3.	M. Murphy I move that the administration provide school board members with a report showing the change orders for each of our bond referendum projects	S.							
4.	M. Baumgardner Approve the selected employment items (Exhibit A)	S. Hammond	X	X	X	X	X	X	X
5.	M. Murphy I move that we defer the award of the contract until the Superintendent has provided the school board with the following information: 1. All information required by policy FB Bonding/Establishment of Capital Improvements Committee , including: the estimated <u>total</u> cost to construct the project, the proposed financing plan, and an estimate of any future annual <u>operating cost</u> associated with the project. 2. The cost estimates to complete the bond referendum projects currently under construction. M. Watson S. Baumgardner Give approval of the Dutch Fork High School bid Phase 1 (Exhibit D) in an amount not to exceed \$13,224,815 M. White S. Watson	S.							
	Amend to add Alternates 1 and 2, awarding to the lowest responsible, responsive bidder a contract for Dutch Fork High School Phase 1 in an amount not to exceed \$623,000		X	X	X	No	X	X	X

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	B A U M G A R D N E R	G A N T T	H A M M O N D	M U R P H Y	T U R N E R	W A T S O N	W H I T E
Vote on the original motion	X	X	X	No	X	X	X
6. M. Hammond S. Baumgardner Approval of the Irmo High School bid Phase 2 awarding contract to the lowest responsible, responsive bidder including the three alternates in an amount not to exceed \$21,877,000 (Exhibit E)	X	X	X	No	X	X	X
7. M. Watson S. White Second reading approval of proposed revisions to "I" policies: add new Administrative Rule ADF-R "School Wellness", changes/revisions to policy JJE "Student Fundraising Activities.", and changes/revision to policy JJE-R "Student Fundraising Activities" (Exhibit F)	X	X	X	No	X	X	X
8. M. Turner S. Hammond First reading approval of proposed revisions to "I*" policies: replace policy IHG "Secondary Education" with new policy IKG "Secondary Education", replace policy IHF "Graduation Requirements" with new policy IKF "Graduation Requirements", replace policy IHF-R "Graduation Requirements/Diplomas" with new policy IKF-R "Graduation Requirements", and add new policy IHAG "Career/Transition to Work Education" (Exhibit G)	X	X	X	X	X	X	X
9. M. Watson S. Baumgardner Approve the minutes of the October 8, 2012 board meeting M. Murphy S. Turner There are two on the record documents included in the minutes – your statements and my statement – my statement was following yours and in response to yours and I would just ask that they be placed in chronological order	No	No	No	X	No	No	No

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	B A U M G A R D N E R	G A N T T	H A M M O N D	M U R P H Y	T U R N E R	W A T S O N	W H I T E
Vote on original motion	X	X	X	No	X	X	X
10. M. Baumgardner S. Hammond	X	X	X	X	X	X	X
Adjourn at 9:45 p.m.							

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For the record. October 22, 2012
Reference Board Packet Exhibit Dd E

On numerous occasions, a fellow board member and I have been asking what it will take financially to finish each of our approved building projects. I will not speak for the other board member as to the scope of their questioning, but for me it is simply the fact that it has been clear for some time that we would not have sufficient funds to complete the projects identified in the 2008 bond referendum, specifically a new elementary school and a new middle school. The total project budgets for these two schools was approximately \$52,000,000. Recently a new auditorium at Chapin High School came into the mix, and as I recall, estimates for this additional construction ranged between \$13,000,000 and \$15,000,000. During this time, as the board had approved moving forward with Phases I and II at both Irmo High School and Dutch Fork High School, we all certainly knew that the bulk of the remainder of the 2008 bond referendum funds were going to be committed to these two schools. However, with each of Dr. Hefner's Vision 2015 updates, the New Elementary School and the New Middle School remained in the pending column. At the same time, there have been discussions about overcrowding at two of the elementary schools and the middle school in Chapin. What I have been most concerned about is how we are going to take care of those issues if we exhaust our referendum money. My best estimates, which I have shared with Dr. Fulmer and Dr. Hefner, were that when we finished with IHS and DFHS we would have between \$10,000,000 and \$11,000,000 of bond money remaining. If we could not address the Chapin issue with these remaining dollars, I was concerned about our pending commitment to the two high schools. So I corresponded with Dr. Hefner and he expressed confidence that we would be able to address the issue satisfactorily. I still wanted assurance of what our most likely financial options would be to address additional needs. School districts are limited in how they go about financing building construction and renovations. In our case my understanding is that whatever building projects we choose, now or in the future, our options for financing these needs can only come by using one or more of these 5 sources of funds:

1. The remaining money from the 2008 bond referendum.
2. Current cash on hand in our general operating account.
3. Unused 8% capital bond money already approved.
4. Another bond referendum, likely accompanied by a tax increase.
5. Raising taxes so that additional 8% money can be borrowed above our current funding levels.

Attachment 1 is included with
the minutes of the 10-22-12
meeting, at the request of Board member
Jim Turner
pursuant to S.C. Code Ann. § 30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Knowing that we were going to be voting to spend the bulk of the remaining 2008 referendum money on IHS and DFHS, I went to Dr. Fulmer for his opinion on what he thought our actions would most likely be to address the Chapin overcrowding issues. He told me that he was confident that with our current financial resources, we would be able to address the Chapin over crowded issues without having to raise taxes, or have another bond referendum. This commitment was key to my decision to move forward with improvements at IHS and DFHS. As I understand it, Dr. Hefner will be presenting his plans to deal with the Chapin situations at our next board meeting. I am putting my trust and confidence in the administration that the current facility needs of our students will be met without additional tax burdens.

Attachment 2 is included with
the minutes of the 10-22-12
meeting, at the request of Board member
Jim Turner
pursuant to S.C. Code Ann. §30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Item "For The Record" requested by Jim Turner for attachment to the Minutes.

Turner

I move that we defer the award of the contract until the Superintendent has provided the school board with the following information:

1. All information required by policy **FB Bonding/Establishment of Capital Improvements Committee**, including: the estimated total cost to construct the project, the proposed financing plan, and an estimate of any future annual operating cost associated with the project.
2. The cost estimates to complete the bond referendum projects currently under construction.

Attachment 3 is included with the minutes of the 10-22-12 meeting, at the request of Board member Kim Murphy pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

FOR THE RECORD
October, 22, 2012
Kim Murphy

Mr. Gantt,

I also have a statement that I would like to read for the record.

As an elected board member of this district, I have a duty to ask important question when information is needed to make informed decisions and an obligation to receive, when requested, pertinent documentation so that I can do the job that I was elected to do. *from the administration*

There are good people here tonight who support these exciting renovations to their schools and what involved parent, teacher, administrator and student wouldn't!

My issue is not with the projects themselves, but with the process that the board is required to follow by policy and common best practices in business – policies and practices required to be followed not only because valuable funds and resources are being used towards the purpose of providing education to children, but also because this money is not ours, it is not the District's. It belongs to the taxpayers and they expect and deserve us to be accountable with it.

I am voting against awarding the bids tonight on both the Irmo High and Dutch Fork High projects because:

1. The board never approved the final phase to put the project out for Bid. I was notified by a constituent in construction business that the projects had already been advertised for bid – again without a vote from the school board. It appears that the projects were rushed through so that they would be awarded prior to the school board election on November 6 so that it would benefit certain incumbent board members.
2. These projects were never part of the bond referendum sold to the public in 2008. It is deceptive to move forward with these projects without giving the same notice to the

Item "For The Record" requested by **Kim Murphy** for attachment to the Minutes.

public that was given during the campaign for the referendum in 2008 and the same opportunity for voters to give their input. Most voters have no idea that the bond referendum money is not going to meet its original intent – to provide classroom space for education. In my mind, because we still have portables at Lake Murray Elementary, Chapin Elementary, River Springs Elementary, Ballentine Elementary and Chapin Middle and other schools, moving forward with a 30,000 sq ft and a 15,000 sq ft field house and a 600-seat fine arts center without addressing our classroom needs is irresponsible;

3. Policy **FB Bonding/Establishment of Capital Improvements Committee** was never followed and complete and requested information such as the estimated total cost to construct the projects and an estimate of any future annual operating costs associated with them has never been provided. It would be irresponsible to approve a project without such information.
4. Several board members have asked to receive an estimate of the total costs to complete each of the existing bond referendum projects, so we know where we stand financially with the remaining bond referendum funds. But, the leadership of this district has refused to provide it. Without having that important financial information, it would be irresponsible to commit to spending more money on additional projects;
5. We have violated our own Procurement Code on most of the Board Referendum projects and have not properly solicited bids. This potentially leaves us open for legal and financial consequences.

In good faith, I cannot approve awarding the bids tonight without the above concerns bbeing fully addressed.

Attachment 4 is included with
the minutes of the 10-22-12
meeting, at the request of Board member
Kim Murphy
pursuant to S.C. Code Ann. § 30-4-90(A)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Item “For The Record” requested by **Kim Murphy** for attachment to the Minutes.

Policy ♦ FB Bonding/Establishment of Capital Improvements Committee

A capital improvements review committee will be established to recommend priorities for the funding of capital projects in School District Five of Lexington and Richland Counties. ♦ The committee will consist of administrators appointed by the district superintendent to serve for a period of one fiscal year.

The Capital Improvements Review Committee

The committee will review all pending capital improvement projects, establish priorities, and make recommendations to the Board.

The committee is charged with the following.

- To study the amount and nature of existing bond obligations and the capability of the district to fulfill such obligations based on current and projected revenues.
- To estimate the impact of proposed bond issues on debt service requirements.
- To consult with bond counsel to gain in-depth knowledge of capital management in order to make recommendations to the school board.

New Projects

To assist School District Five of Lexington and Richland Counties in carrying out its responsibilities, the district superintendent, when requesting any funds for use in the financing of any permanent improvement project, shall provide to the Board, after review by the Capital Improvement Committee the following:

- A complete description of the proposed project.
- A statement of justification for the project.
- The estimated total cost of the project.
- An estimate of any future annual operating cost associated with the project.
- A proposed plan of financing the project.

The proceeds of any issue of bonds shall be used in School District Five of Lexington and Richland Counties for, but not limited to, the following purposes:

- The purchase of real property for school purposes
- The construction of new school buildings
- The repair or improvement of existing school buildings
- Fixed and movable equipment for schools operated by the school district
- Fixed equipment - such as boilers, chillers, pumps, etc., i.e., equipment that becomes a fixed part of the building
- movable equipment - any item which is non-consumable, non-expendable in nature such as classroom furniture and office equipment

Attachment 5 is included with the minutes of the 10-22-12 meeting, at the request of Board member Kim Murphy pursuant to S.C. Code Ann. § 30A-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item "For The Record" requested by Kim Murphy for attachment to the Minutes.