

Anderson County Board of Education  
402 Bleckley Street, Anderson, South Carolina 29625  
February 21, 2011

**Board Members Present:** Ms. Brenda Bradberry, Mr. Mike Brock, Dr. Gary Burgess, Mr. David Draisen, Dr. Craig Drennon, Mr. Steve Garrison, Ms. Dana Grant, Rev. Dr. Rufus Mitchell, Mr. Joey Nimmer, Ex Officio

**Board Members Absent:** Mr. Dale Martin

**Call to Order:** Mr. Draisen called the meeting to order. Rev. Dr. Mitchell presented the invocation. Everyone joined in the pledge of allegiance to the American Flag.

**Approval of Agenda:** Rev. Dr. Mitchell made the motion to approve the agenda. Ms. Bradberry seconded the motion and the Board agreed unanimously.

**Approval of Minutes--- January 18, 2011:** Ms. Bradberry made the motion to approve the minutes of the January 18, 2011 meeting and Rev. Dr. Mitchell seconded the motion. The Board approved unanimously.

**Recognition of Media and Patrons / Public Comment Period:** Mr. Draisen welcomed the visitors: Representative Don Bowen, Ms. Gail Southard, Ms. Margaret Mack, Mr. Paul Talmadge, Dr. Wayne Fowler, Ms. Robin Kanady, Ms. Betty Bagley, Mr. David Brooks, Mr. Bill Baker, Mr. Dan McLeod, Mr. Mike Burns, Dr. Lee D'Andrea, Ms. Christi Payne, Mr. Al Norris, Ms. Liz Carey, and Mr. Dick Smith. There were no comments at this time.

**Presentation by Representative Don Bowen:** Mr. Bowen reported an opinion from the Attorney General's office stating when a bond is issued for construction as a result of a referendum, the premium paid by the purchasing company should not be put into the operational account. He stated Act 388 law is in effect and doesn't allow operational funding to come from primary residences. Mr. Bowen believes School District Five took the \$1,500,000 from the bond side which is taken from primary residences and moved it over to the operational side. He felt the premium should have been used to pay the note down making the interest a lesser amount and the \$1,500,000 should have come from the rainy day fund. Mr. Bowen believes by putting the money into the operational account, the intent of the law was violated.

Questions from the Board:

1. Dr. Drennon asked what Representative Bowen proposed for District Five to which Rep. Bowen replied that the money should be put back into the bond side and used for the original intent of the public.
2. Dr. Burgess asked the opinion of the Attorney General's office. Rep. Bowen said since it was associated with the bond itself, District Five would not have been given a premium if they had not had the bond. An example of this happening in Kentucky was used where the premium was required to be returned to the bond side.
3. Ms. Bradberry asked if Rep. Bowen knew of any other similar case in South Carolina to which he responded that he did not know of another case in this state. He stated his purpose in coming to the board with this report was to gain support of the board for this issue.

4. Ms. Bradberry asked Ms. Bagley how many times they had received premiums before and to explain the meaning of a premium. Ms. Bagley explained that in early 1980's another \$20,000,000 bond referendum passed by the community. When it came time to sell bonds, the financial organization that bid for the bonds also bid a bond incentive. All financial organizations that bid on \$140,000,000 bond had a bond incentive bid, also.
5. Ms. Bradberry asked if District Five decided on the company according to rates or incentives offered. Ms. Bagley replied they went with the lowest interest rate. Mr. Brooks added Merrill Lynch submitted the net interest cost. All financial organizations provided a 2% premium.
6. Ms. Bradberry wanted to know where the premium money can be found listed in the budget. Ms. Bagley explained in December 2008, across the state budgets were cut, and District Five's budget was cut \$3,500,000. She presented the problem of how to cover the loss to the public. In 2004 the School Bond Act changed to allow bond premium money to be used other than in building programs. After Mr. McLeod visited District Five's board and explained the premium money could be used for other than the building fund, District Five's Board decided to use the premium money against the \$3,500,000 cut.
7. Mr. Garrison asked if putting premium money caused an increase in taxes for District Five residents to which Ms. Bagley answered that it did not at all.
8. Dr. Drennon expressed his appreciation for District Five's initiative to reduce the interest rate.
9. Mr. Garrison asked if there was a law stating the premium has to go to bond indebtedness. Rep. Bowen replied that there is nothing in writing at this time.
10. Dr. Drennon said this issue could go into a court of law and be there for years before a decision is made, and he was not willing to support Rep. Bowen's proposal based on an opinion.

At this point Mr. Draisen called upon Attorney Dan McLeod of McNair Law Firm for clarification. Mr. McLeod gave details of their position confirming the School Bond Act, since 2004, allows bond money to be used for needs other than building and construction. Because of the Federal Tax Law, McNair Law Firm advised School District Five to account for the monies for projects. Mr. McLeod and Mr. Burns called several bond dealers in South Carolina who bid on school district bonds and confirmed that by having a bid premium of at least 2% there would be no interest rate penalty. Bid premiums do not have to be repaid, and bonds are purchased at premium as a function of the market.

Ms. Bradberry made the motion to accept the discussion so far as information and take no action at the present time. Dr. Burgess seconded the motion and the board agreed unanimously. Ms. Bradberry thanked Ms. Bagley for her explanations and information.

**Sale of Anderson School District One Asset:** Mr. Garrison made the motion to approve the sale of assets, Ms. Bradberry seconded the motion and the board agreed unanimously.

**Anderson County Alternative School Report:** Mr. Brock reported the Alternative School has twelve students returning to their home schools. This report was prepared by Ms. Wanda Collins, guidance counselor at the Alternative School.

**Administrator's Report:** Mr. Nimmer reported:

- A.** Asked everyone to remember Dale Martin awaiting pathology report after surgery and his wife who received an injury after a fall.
- B.** A Day at the Capital will be Wednesday, April 27<sup>th</sup>. Registration deadline is April 14.
- C.** Reminded board members to fill out Statement of Economic Interest online before the April 15<sup>th</sup> deadline.

**Financial:**

**A. Tax Collections YTD vs. Budget:** Mr. Nimmer explained tax collection rates are remarkably close to last year. The revenue is in line with last years figures. Two districts are ahead of collections compared to what they were last year, and only one district is behind by 1% of a point compared to last year. Ms. Bagley, Dr. Fowler, Dr. D'Andrea, Ms. Southard reported collections either above or close to 100%.

**B. Assessment Totals:** Mr. Nimmer reported small dip in assessment totals compared to last year due to final appeals being processed through the assessor's office. The ratchet down is complete. Affidavits filed to date are up, and these numbers should be reflected in sales.

**Old Business:**

**County Board Projects Update:** Mr. Garrison acknowledged that the Study Committee deemed the Strom Thurmond report expressed two valid reasons to table the consolidation issue. First, the Strom Thurmond Institute study shows consolidation will not save money, and second, it will not improve education at this time in Anderson County. Mr. Garrison also recommended restructure of the Study Committee under the name of the Anderson County Education Improvement Committee whose purpose will be to promote good qualities useful for attracting businesses, and to support a more economical way of purchasing school equipment and supplies, to buy services for less, and to work toward providing virtual classrooms. This will still be an Ad Hoc Committee. Dr. Drennon commended Mr. Garrison for his work on the Study Committee.

Mr. Draisen emphasized the Study Committee's main function as being exploring ways to provide equal educational opportunities for every child in Anderson County, not consolidation of school districts.

Mr. Garrison made the recommendation to create the Anderson County Education Improvement Committee with the goal of ensuring all Anderson County students equal educational resources. Ms. Bradberry seconded the motion. All board members present voted yea with the exception of Dr. Burgess who voted nay.

Dr. Burgess stated when this issue came up several years ago, a creation from superintendents; he felt the public should have a voice as to whether or not the county wanted to go through with these options. He said he talked to teachers, parents, and

business owners, and 7 out of 10 people were against consolidation of districts at that time and wanted to keep the five school districts. He believes the issue is not dead unless it is put to voters and that it will come up again.

**New Business:**

**A. ADM Accounts Payable:**

**B. SFS Accounts Payable:** Mr. Brock made the motion to approve both the County Board accounts payable and the School Food Service accounts payable. Rev. Dr. Mitchell seconded the motion and the Board approved unanimously.

**C. Committee Assignments for 2011:** Mr. Draisen presented a list of committee assignments for 2011.

**D. Proposal from Dr. Gary Burgess:** Dr. Burgess made a proposal to update figures for employees and board members for allowable reimbursement of gas mileage based on the United States General Services figures. Ms. Bradberry suggested the final decision on this matter be handled during budget time.

Meeting Adjourned  
Respectfully submitted,

Ms. Brenda Bradberry, Acting Secretary of the Anderson County Board of Education  
This is a true and correct copy of notes taken at the meeting.

