



# School Capital Fund Commission

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*Regular meeting*

February 12, 2024



**BUNCOMBE COUNTY**



# Agenda

- ❖ Call to Order
- ❖ Approval to follow agenda as presented
- ❖ Approval of October 9 Regular Meeting Minutes
- ❖ Public Comment
- ❖ School Capital Fund Commission Financial Update
  - ❖ Sales Tax Update
  - ❖ Project Closure List
  - ❖ Future Project(s) Funding Strategy Discussion
- ❖ Project Updates
- ❖ Adjournment



# Public Comment



# SCFC Financial Update



# Revenues

## Article 39 Sales Tax

50% of Article 39 sales tax distributed to Buncombe County is dedicated to school capital projects and is the major revenue that drives the funding capacity of the School Capital Commission Fund.

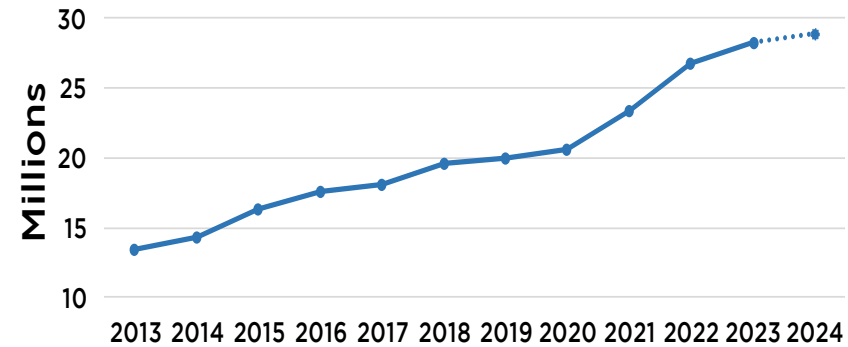
Since 2013, the average growth rate of this revenue is 7.63%.

Since 2019 (last 5 full years), the average growth rate is about 7.83%. Since 2021 (last 3 full years), the average growth rate is about 11.28%.

For FY2024, we are estimating ~\$28.9M total in Sales Tax Revenue. Sales Tax growth to date is ~3%.

\*Revenue totals are shown on a modified-accrual basis (basis used for annual audit).

## History of Article 39 Sales Tax (50%)



	50% of Article 39 Sales Tax*	% Change from Prior Year
2013	13,394,029	5.21%
2014	14,260,854	6.47%
2015	16,387,330	14.91%
2016	17,572,165	7.23%
2017	18,132,135	3.19%
2018	19,534,805	7.74%
2019	19,991,041	2.34%
2020	20,585,926	2.98%
2021	23,287,620	13.61%
2022	26,764,166	14.44%
2023	28,311,666	5.78%
2024	28,877,899	2%



# Projects Ready to Close

## Resolution 2016-0 – Project Budgets

“...the respective School System shall certify to the Commission via the Commission Secretary when a project funded by the Fund is complete and final cost for said project.”

“...when a project funded by the Fund is completed under budget, any and all remaining appropriated funds for that project shall unconditionally revert back to the Fund.”

School District	Project	Budget	Actuals (LTD)	Budget Remaining
Asheville City Schools	AHS New Classroom Replacement Building - Design & Assessment	282,000	282,000	-
Asheville City Schools	AHS New Classroom Replacement Building - Geotech, Inspections, Agency Fees and Owners Contingency	39,895	39,895	-
Asheville City Schools	Montford Retaining Wall Repairs	1,105,324	604,075	501,249
Buncombe County Schools	Cane Creek Middle School Metal Retrofit	1,800,000	1,799,541	459
Buncombe County Schools	Enka High School Window and Door Replacements	225,000	225,000	-
Buncombe County Schools	Erwin High - Storm Sewer	285,000	285,000	-
<b>Total:</b>		<b>3,737,219</b>	<b>3,235,511</b>	<b>501,708*</b>

\*Approx. \$502K reverting back to fund

# Current Funding Strategy

## 100% Debt Financing

- ❖ Approve projects based on need with recommended cap being relative to projected sales tax revenues

### **Current Debt Load:**

- ❖ Total principal remaining \$160.5M
- ❖ Total interest remaining \$39.9M
  
- ❖ Over next five years, interest paid will be \$25.2M



# Future Funding Scenario 1

## 100% Debt Financing

Assumptions: 0% Sales Tax Growth Rate, 4% Coupon Rate

- ❖ Determine project approval amount based on 55% of estimated revenues, ~\$15.6M
- ❖ \$15.6M in debt
  - ❖ \$15.6M in principal
  - ❖ \$6.5M in interest
- ❖ Issue debt every two years
- ❖ Pro: The cost of capital is spread out over time
- ❖ Con: Cost to finance





# Future Funding Scenario 2

## 100% Pay-go

Assumptions: 0% Sales Tax Growth Rate

- ❖ Determine project approval amount based on a percentage of ending cash balance and future obligations
- ❖ Current Cash Available: \$20M
- ❖ Cash growth year over year as debt is paid off
- ❖ Requires consistent tracking and communication to ensure cash is available as spending occurs
- ❖ Pro: Savings on cost of debt
- ❖ Con: Limitation on the amount of projects that can be approved, especially in the beginning



# Future Funding Scenario 3

## Combination Debt Financing/Pay-go

Assumptions: 0% Sales Tax Growth Rate, 4% Coupon Rate

- ❖ Determine project approval amount based on ability to finance capital projects while maintaining a level of debt service that allows excess revenue to pay-go for maintenance and smaller projects
- ❖ Larger Capital projects are financed
  - ❖ Increase appraised value or add to life expectancy
  - ❖ Useful life of at least 15 - 20 years to match debt
- ❖ Pay-go maintenance and small-scale projects
- ❖ Pros: Savings on cost of debt while benefitting from spread out cost of capital for larger projects
- ❖ Con: Ability to pay-go is restricted in the beginning



# Project Updates





# ACS PROJECTS UPDATE

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*Regular meeting*

Ronnie Lunsford

General Services



# Current Projects

- Hall Fletcher Campus Wide Renovations
- Asheville Middle School Track Replacement
- Asheville High Main Building Water and Sewer
- Asheville High Arts Building HVAC and Abatement
  - Asheville High Main Building Auditorium
  - Asheville High Varsity Gym Improvements
  - Lucy Herring Campus Wide Renovations
    - Security Projects



# Hall Fletcher Renovations

- Utilizing a Construction Manager at Risk (CMAR) delivery method so that the project scope can be tailored to the budget from the start of design.
- The CMAR request for qualification has been released and the statements of qualification are due on February 19.
- The design consultant request for qualification has also been released and those statements of qualification are also due on February 19.
- Once those RFQ statements are received we will form a selection committee and move forward with the highest scoring firms.



# Asheville Middle School Track

- The City of Asheville Parks and Recreation department had previously performed some preliminary design work for this track.
- Pursuant to NCGS, we can not just hire the previous design team to finish the work without obtaining all of the selection documents.
- Working with the COA to obtain these.
- If we can not get everything needed, we will release a request for qualifications and hire a design team based off those responses.



# Asheville High Water and Sewer

- Overall condition of the pipe is better than expected for a 100-year-old building.
- Investigative work is complete, and design documents are being finalized with a completion date of March 8.
- The CMAR will get this out for bid on March 12 and receive bids on April 9.
- This schedule will allow us to begin work this summer with a preliminary schedule to complete construction in December 2024.





# Asheville High Arts Building

- Mechanical room piping has been inspected and deemed to be in good condition. It has been cleaned, painted, and re-insulated.
- Based on the findings in the mechanical area we feel confident in the design approach taken.
- This work will be difficult to perform since it will affect both the heating and cooling systems in the building and most of the work will have to be performed in the summer.
- We are currently finalizing design and working to try and develop phasing plans that would allow the work to be performed with minimal impacts to the building.



# Asheville High Arts Building



# Asheville High Auditorium

- The construction contract was approved on February 6 by the Board of Commissioners.
- The project is within budget, and we were able to pick up alternates. Those are the balcony scope, owner preferred seating throughout, and a new stage curtain versus cleaning of the old one.
- Work will begin in March 2024 with and expected completion of October 2024.



# Asheville High Varsity Gym

- The construction contract was approved on June 6, 2023 by the Board of Commissioners.
- Due to long lead times for the bleachers, as well as the constant use of the facility, work had to be delayed.
- Work will begin in March 2024 with an expected completion of early June 2024.



# Lucy Herring Renovations

- The construction contract was approved on November 21, 2023, by the Board of Commissioners.
- Scope for the project is HVAC piping and unit replacement, roof replacement, window replacement, gang toilet upgrades, and cooler/freezer replacement.
- Work will begin in June 2024.
- Work will have to complete in summer 2025 due to some of the HVAC scope.



# Security Projects

- Incorporating a lobby up-fit into the Lucy Herring project.
- This will allow a more cost-effective way to accomplish this work since we will already have contractors on hand.



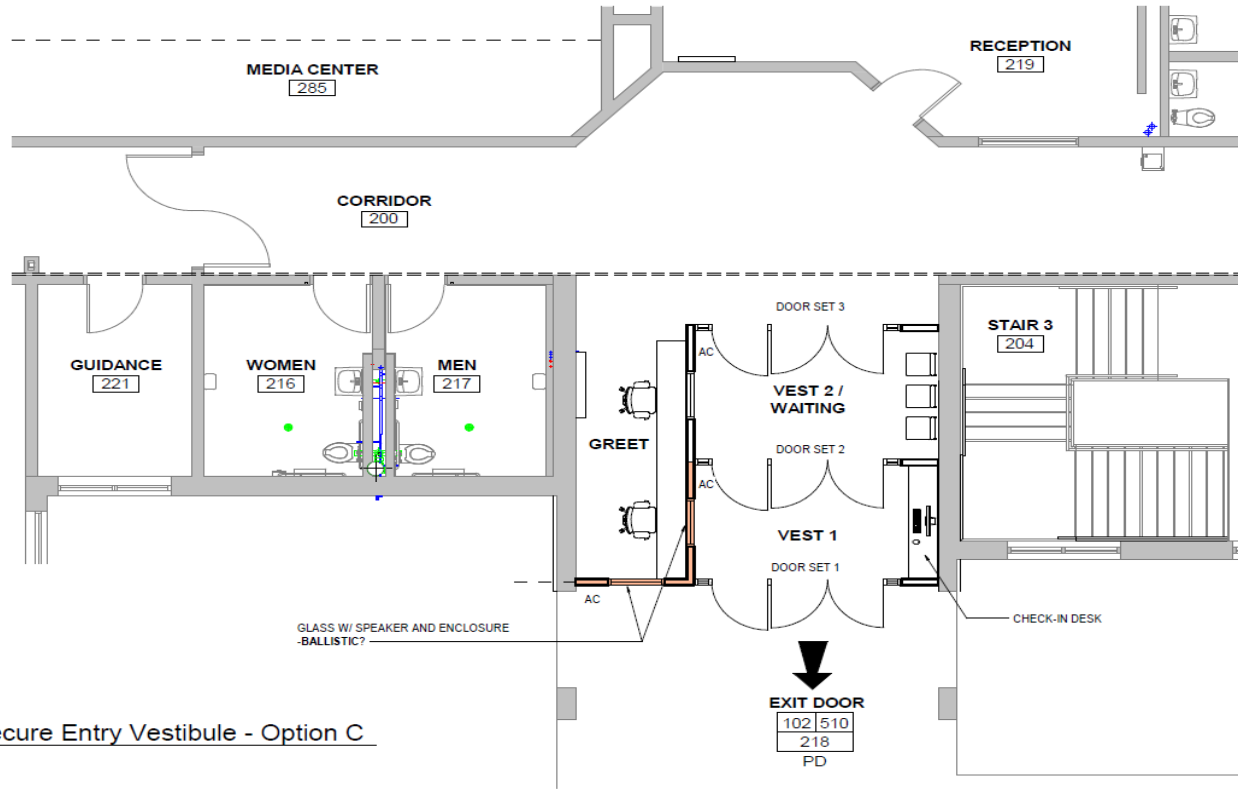
# Security Projects

**OPTION C PROCEDURE:**  
(BASED ON BASIC BUNCOMBE COUNTY PROTOCOL)

1. DOOR SET 1 - ALL DOORS LOCKED FROM OUTSIDE. VISITORS APPROACH VIEW GLASS FROM THE GREET AREA. VISUAL CONNECTION, VISITOR GETS BUZZED IN TO VEST 1 THROUGH SINGLE DOOR IN THE TRIPLE DOOR ASSEMBLY.
2. IN VEST 1, VISITOR SCANS DRIVER LICENSE, ETC., FURTHER VISUAL ASSESSMENT OF VISITOR IS MADE, AND GETS VISITOR PASS. DOOR SET 2 LOCKED FROM INSIDE, VISITOR IS BUZZED INTO VEST 2 VIA SINGLE DOOR.
3. VISITOR ENTERS VEST 2 AND WAITS TO BE PHYSICALLY ESCORTED INTO BUILDING OR CAN BE BUZZED INTO CORRIDOR/RECEPTION AREA. PASS THRU WINDOW SET UP FOR PASSING SMALL ITEMS LIKE LUNCH BOXES, ETC.

1. ALL GLASS LAMINATED AT MINIMUM
2. OUTSIDE VIEW WINDOW, VEST 1 VIEW WINDOW AND SURROUNDING WALL POTENTIALLY BALLISTIC RATED.
3. BALLISTIC RATED PASS THROUGH TRAYS OR DRAWERS.

AC = ACCESS CONTROL  
BALLISTIC RATED WALLS / WINDOWS



1 LEVEL 2 - Secure Entry Vestibule - Option C  
SD-03 3/16" = 1'-0"



# Questions??





# BCS Project Updates

Presented by Buncombe County Schools Staff



BUNCOMBE COUNTY



**Next Scheduled Meeting:  
March 11, 2024  
3 PM**

