

OSC Meeting

Wednesday, May 25, 2022

2:00PM

Impact Alamance

Present: John Paisley (Alamance County), Steve Carter (Alamance County), General Blake Williams (ACC), Senator Anthony Foriest (ACC), Sandy Ellington-Graves (ABSS), Patsy Simpson (ABSS via Zoom), Dr. Jim Merrill (ABSS), Dr. Todd Thorpe (ABSS), Jeremy Teetor (ABSS), Misty Brown (ABSS), CD Crepps (ACC), Tom Hartman (ACC), Mitch Brigulio (Davenport), Brian Baker (Alamance County), Andrea Rollins (Alamance County), Susan Evans (Alamance County), Mimi Clemens (Alamance County), and Selina Campbell (Alamance County).

Next Meeting: Thursday, August 25, 2022 - 2:00 PM at Impact Alamance

Introduction

The financial advisor for capital planning, Davenport, was asked to update financials for all three agencies. The purpose of the update to the Capital Finance Plan is to determine the debt capacity of each agency in the future. Davenport presents the updates to the Capital Finance Plan during the OSC meeting.

The Oversight Committee voted to adopt the FY22-23 OSC Meeting Calendar with one change. The proposed September 29, 2022 meeting has been changed to September 22, 2022 due to scheduling conflicts with the meeting location, Impact Alamance. Changing this date allows the OSC to continue to meet at Impact Alamance for FY22-23 OSC meetings.

The Oversight Committee will not meet in June 2022 or July 2022. The next scheduled meeting for OSC is August 25, 2022.

Davenport Presentation

Davenport has updated the Capital Finance Plan for all three agencies. Davenport notes that the Capital Finance Plan is an ever-changing document that is continually being updated to reflect the most up-to-date information. The document presented today (May 25, 2022) will be the official funding plan for FY22-23. However, the Capital Finance Plan will likely be updated again June 30, 2022.

Davenport has made the following changes to the Capital Finance Plan:

The first fifteen pages of the Capital Finance Plan examines at the County's current credit rating, tax supported debt service, debt ratio, existing debt, and compares the County to local government peers. Overall, the County is managing debt well, is favorable compared to local government peers, and has the ability to take out more debt while maintaining a good standing.

On page 16, a key update to the Capital Finance Plan is the assumed interest rates. A 4.5% interest rate was previously used by Davenport within the plan. The interest rate has been updated to 5% due to the current climate of a rising interest rate market for each agency to be more conservative compared to previous models.

Page 17 within the document shows the current proposed capital projects. Figures include historical information back to 2019 and future plans through 2026. The County (lines 1-20) has extended the start date for Communications System Upgrades out to 2025, the Elections Building Renovation has been added as a new project in 2023, and new grant funding is also included for the Emergency Services Building and Diversion Center in FY2023. The County's updated total for proposed capital projects is \$49.2 million.

Continuing on page 17, ABSS' projects are on lines 24-34. These figures are steady and consistent. The Board of Commissioners approved additional Pay-Go CIP for ABSS in 2022, which can be found on line 31. The new total for ABSS capital projects is \$213.2 million.

Alamance Community College's proposed capital projects are documented on lines 38-53. On February 22, 2022, the BOC updated budgets for ACC. The funding for the West and East Satellite facilities was reallocated to various projects. In addition, the Board of Commissioners approved additional Pay-Go CIP funding for ACC, as seen on line 50. The new total for ACC's proposed capital projects is \$311.2 million.

On page 20, the Capital Reserve Fund Balance was recalculated for Alamance County. The lowest that the County gets to throughout the Capital Finance Plan is \$7 million in 2021. Overall, the County remains in compliance with policies and has the cushion to issue debt.

Similarly, ABSS' Capital Reserve Fund Balance gets down to \$9 million in 2024, which is a decrease compared to prior forecasts, but ABSS is still in a good place overall.

Alamance Community College's Capital Reserve Fund Balance is predicted to get as low as \$724,539 in 2026, but is also still in a positive place with the overall funding plan.

ABSS

ABSS is transitioning into summer with the end-of-year testing slowing down the amount of work that can be completed. Projects will resume June 9, 2022 as students will be out of the facilities for the summer. ABSS feels that they are in a good position currently and are hopeful that the summer will be productive for capital projects.

Unfortunately, the roofing materials now have an expected delivery date of November 2022, which is 8-10 months behind the previously anticipated delivery. The delay in roofing materials

highlights the importance of bidding projects in an expedient manner to ensure that materials can be delivered and projects completed timely.

ACC

Biotechnology Center of Excellence – The Graham City Council approved a sign ordinance on May 10, 2022 so ACC can put exterior signage on the 3rd floor of the building. This facility is on schedule and on budget.

Public Safety Training Center – The Green Level Planning Board approved the use of the parcels so a fence can be erected around the facility. This plan will now go to the Town Council on June 10, 2022. The design of the building is complete so, third-party estimators are working on pricing.

Student Services Center – ACC is currently on schedule and on budget with this facility.

Main/Powell/Gee Building – ACC had to reduce the scope of the project due to a lack of funding. ACC is now anticipating the use of SCIF funding in the amount of \$1.4 million for Library, Gee Building 1st floor, and Childcare Center projects. This plan will be taken to ACC's Board of Trustees in June 2022 for approval.

Main Building Generator Replacement – ACC continues to wait for the generator to arrive for installation.

Alamance County

Alamance County is at the final stages of multiple projects. The Petree Building is now complete and Alamance County will have a Ribbon Cutting Ceremony on Tuesday, May 31, 2022. The interior renovations of the Dental Clinic are now complete as well. The exterior of the Dental Clinic is still undergoing construction to correct drainage issues. Finally, the County has met with the City of Burlington to ensure that all parties remain aligned in expectations and progress of the facility.

Monthly Capital Finance Report

The Monthly Capital Finance Reports are posted on the Capital Projects website monthly for anyone to review. The one element that is new within this report is the interest earned on Capital Reserves. This information will be reported for each agency within the Monthly Capital Finance Report moving forward.

The County anticipates needing to compile a preliminary and finalized Monthly Capital Finance Report for the Month of June 2022. A preliminary Monthly Capital Finance report will highlight where each agency stands as of the TRC meeting in June 2022. A finalized report will be

released at a later date to ensure the inclusion of all sales tax information in the final Monthly Capital Finance Report for fiscal year 2021-2022.