

ALAMANCE COUNTY
EDUCATION BOND
AND
CAPITAL FINANCE PLAN
UPDATE

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One Year from Education Bond Vote

- Monthly TRC Meetings are conducted for capital planning.
- Alamance County created a capital project website at www.alamancecapitalprojects.com to provide real time, updated information about the projects.
- Alamance County adopted a Capital Plan for bond projects and annual CIP projects for the County, ABSS, and ACC. Funding included a 7.04 cent property tax increase.
- A Capital Plan Oversight Committee is established.
- ABSS and ACC hired Architect and CMR firms for their first three bond projects. Both agencies have project managers.

One Year from Education Bond Vote

- Land acquisition is in progress for the new High School and ACC Training Center.
- ABSS and ACC have held preliminary stakeholder meetings for their first projects.
- Reimbursement Resolutions and Capital Project Ordinances have been approved to make sure funding is available for upfront costs of the bond project design process.
- An inter-local agreement between ABSS and the County was finalized regarding the use of Lottery funds.
- A Sales Tax Referendum is scheduled for March 2020.

Bond Debt Issuance Update

- FY 18-19 audit was been approved by the LGC in December 2019
- Ala Co is reviewing its compliance with all fiscal guidelines and policies
- Staff are preparing to meet credit rating agency preference and expectations
- Davenport is updating the Capital Finance Plan to include recent changes due to ACC project timeline changes and Ala Co voting equipment acquisition

Bond Debt Process Update

- Working to finalize MOU between ABSS and Ala Co for sales tax reimbursement of education bond spending
- Lease agreements for Martin Marietta will be reviewed by Ala Co bond counsel to review compliance with bond rules
- Will need to approve Capital Project Ordinances for additional ACC bond projects

CAPITAL FINANCE PLAN UPDATE

Ala Co Capital Finance Plan Info

- The Davenport Financial Plan demonstrates how much funding is needed for the annual costs of ABSS, ACC and Alamance County Govt existing debt, future bond or installment loan debt, and pay-go CIP projects.
- The Davenport Plan identifies revenue sources and projected revenue amounts needed to cover these annual costs.
- The Davenport Plan projects annual capital reserve amounts needed to pay ABSS, ACC and Ala Co Govt future debt service and pay-go CIP costs because Alamance County implemented an up front property tax increase to fund the plan.
- Alamance County Government operates each year of the Davenport Plan through its annual budget.

ABSS FY19-20 Capital Reserves

- Capital Reserves planned for FY19-20 is \$11,730,585
- Capital Reserves starting balance for FY 19-20 is \$4,145,678
- Projected Capital Reserves at year end will be \$12,714,976
- Capital Reserves are expected to exceed the planned amounts by \$984,391 for the following three reasons:
 1. The property tax increase of 5.64 cents generates \$129,229 more revenue than was predicted in the capital finance plan. This was due to valuation growth being higher than the 1% forecasted by the plan.
 2. FY18-19 Restricted Sales Tax revenues generated \$825,942 more revenue than was predicted in the capital finance plan. This was due to the conservative estimate of sales tax revenue to accommodate that revenue source's volatility.
 3. FY18-19 Interest earned on the Capital Reserve balance added \$29,220 to the balance which was not included as a financing source in the Capital Plan.

ABSS FY19-20 Pay-Go CIP Project Fund

\$1,925,000 Pay-Go capital project monthly funding paid to ABSS

\$1,375,000 Remainder of FY19-20 Pay-Go Funding to be paid

\$3,300,000 Total FY19-20 Pay-Go capital funding per Capital Plan

Current Lottery Funds Held by NCDPI

\$2,092,288	Lottery Fund Balance at DPI (12/23/19)
- 1,459,068	Amount of FY19-20 Lottery Funds (per plan)

\$ 633,220	Lottery Funds in Excess of Capital Plan

ABSS could receive another \$1,200,000 this fiscal year

ABSS Prior Year Capital Project Funds

- \$1,197,477 - Lottery funds held by Alamance County for previous School projects not included in Capital Finance Plan
- \$1,031,849 - Remaining Capital Reserves held by Alamance County for Roof Projects at Broadview, Cummings, EM Holt (Total cost \$2,552,421)
- \$2,229,326 - Total funds held by Alamance County to pay for prior year ABSS capital projects

ACC FY 19-20 Capital Reserves

- Capital Reserves planned for FY19-20 is \$1,638,297
- Capital Reserves starting balance for FY 19-20 is \$149
- Projected Capital Reserves at year end will be \$1,674,043
- Capital Reserves are expected to exceed the planned amounts by \$35,597
- The property tax increase of 1.4 cents generates \$35,597 more revenue than was predicted in the capital finance plan. This was due to valuation growth being higher than the 1% forecasted by the plan.

ACC FY19-20 Pay-Go CIP Project Fund

\$507,500	Pay-Go capital project monthly funding paid to ACC
\$362,500	Remainder of FY19-20 Pay-Go Funding to be paid

\$870,000	Total FY19-20 Pay-Go capital funding per Capital Plan

Ala County FY 19-20 Capital Reserves

- Capital Reserves planned for FY19-20 is \$3,153,921
- Capital Reserves starting balance for FY 19-20 is \$3,418,129
- Projected Capital Reserves at year end will be \$3,994,362
- Capital Reserves are expected to exceed the planned amounts by \$840,441 for the following reasons:
 1. FY18-19 Interest earned on the Capital Reserve balance added \$441 to the balance which was not included as a financing source in the Capital Plan.
 2. Debt issuance for voting equipment was delayed and \$840,000 of debt service costs were not needed in FY19-20.
 3. Reworking County plan to accommodate changes

Capital Finance Plan Reports

- Accounting records are separated for County, ABSS, and ACC capital reserves, revenues, and expenditures.
- Financial reports will be reviewed at monthly TRC meetings beginning January 28th
- Reports will be posted online at www.alamancecapitalprojects.com