



**FY 2016-2017  
Board of Commissioners'  
Planning Workshop**



# FY 2016-2017 Board of Commissioners' Planning Workshop

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January 20, 2016  
Commissioners' Meeting Room  
Historic Courthouse

## Agenda

- 9:05 am FY 2015-2016 Mid-Year Financial Report
- 9:30 am Financial Forecast
- 10:15 am Capital Financing Debt Schedules
- 10:45 am Break
- 11:00 am Updates and Emerging Issues
- 12:00 pm Lunch
- 1:00 pm Updates and Emerging Issues—Continued
- 3:00 pm Commissioner Discussion
- 4:00 pm Budget Discussion and Direction to Staff
- Adjourn



## FY 2015-2016 Mid-Year Financial Update

- FY 2015-2016 Expenditures
- FY 2015-2016 Revenues
- FY 2015-2016 Sales Tax Collections
- Capital Reserve Fund

### FY 2015-2016 County Expenditures

County Department	BOC Adopted	Revisions (as of 12.31.15)	Total Revised Budget	\$ Expended (as of 12.31.15)	% Expended (as of 12.31.15)
Governing Body	\$386,685	\$0	\$386,685	\$171,423	44.3%
Dues & Non-Profits	\$501,489	-\$1,275	\$500,214	\$324,423	64.9%
County Administration	\$883,899	\$0	\$883,899	\$377,042	42.7%
Human Resources	\$645,440	\$0	\$645,440	\$324,796	50.3%
Elections	\$919,324	\$0	\$919,324	\$254,723	27.7%
Finance	\$826,154	\$0	\$826,154	\$425,000	51.4%
Assessor	\$1,775,414	\$0	\$1,775,414	\$795,122	44.8%
Tax Collections	\$406,492	\$0	\$406,492	\$162,032	39.9%
Legal	\$689,070	\$0	\$689,070	\$368,625	53.5%
Register of Deeds	\$653,788	\$0	\$653,788	\$222,155	34.0%
Engineering & Facility Serv.	\$3,374,096	\$37,500	\$3,411,596	\$1,897,061	55.6%
Court Facilities	\$190,000	\$0	\$190,000	\$72,956	38.4%
Information Technology	\$2,882,953	-\$48,446	\$2,834,507	\$1,428,676	50.4%

## FY 2015-2016 County Expenditures

County Department	BOC Adopted	Revisions (as of 12.31.15)	Total Revised Budget	\$ Expended (as of 12.31.15)	% Expended (as of 12.31.15)
Sheriff	\$14,335,233	\$138,545	\$14,473,778	\$6,670,679	46.1%
Detention Facility	\$4,117,325	\$25,525	\$4,142,850	\$2,077,146	50.1%
Emergency Management	\$238,857	\$0	\$238,857	\$122,819	51.4%
Fire Marshal	\$605,342	\$0	\$605,342	\$410,660	67.8%
Building Services	\$948,546	\$0	\$948,546	\$436,419	46.0%
Wellness Clinic	\$539,225	\$0	\$539,225	\$269,313	49.9%
Emergency Medical Services	\$5,276,571	\$1,601	\$5,278,172	\$2,914,084	55.2%
Animal Services	\$593,682	\$0	\$593,682	\$298,139	50.2%
Rescue Squad	\$298,610	\$0	\$298,610	\$231,916	77.7%
Forestry Services	\$56,244	\$0	\$56,244	\$13,261	23.6%
Soil & Water Conservation	\$325,654	\$125,000	\$450,654	\$286,953	63.7%
Planning	\$594,484	\$0	\$594,484	\$246,983	41.5%

## FY 2015-2016 County Expenditures

County Department	BOC Adopted	Revisions (as of 12.31.15)	Total Revised Budget	\$ Expended (as of 12.31.15)	% Expended (as of 12.31.15)
Code Enforcement	\$272,204	\$0	\$272,204	\$121,131	44.5%
Heritage Museum	\$100,000	\$0	\$100,000	\$50,000	50.0%
Cooperative Extension	\$338,434	\$1,275	\$339,709	\$171,882	50.6%
Project Management	\$113,087	\$0	\$113,087	\$56,440	49.9%
Economic Development	\$1,179,513	\$227,384	\$1,406,897	\$1,008,827	71.7%
AgriBusiness Henderson County	\$141,251	\$0	\$141,251	\$82,584	58.5%
Public Health	\$6,548,330	\$162,184	\$6,710,514	\$3,120,772	46.5%
Environmental Health	\$1,120,542	\$0	\$1,120,542	\$511,906	45.7%
Home & Community Care Grant	\$733,648	\$13,363	\$747,011	\$324,328	43.4%
Medical Services	\$50,000	\$0	\$50,000	\$27,200	54.4%
Mental Health	\$528,612	\$0	\$528,612	\$264,306	50.0%
ROAP (Rural Operating Assistance)	\$196,095	\$0	\$196,095	\$83,072	42.4%
Social Services	\$13,242,465	\$48,446	\$13,290,911	\$6,379,192	48.0%
DSS – Smart Start	\$492,923	\$0	\$492,923	\$249,546	50.6%

## FY 2015-2016 County Expenditures

County Department	BOC Adopted	Revisions (as of 12.31.15)	Total Revised Budget	\$ Expended (as of 12.31.15)	% Expended (as of 12.31.15)
DSS – Federal & State	\$6,978,147	\$0	\$6,978,147	\$3,273,271	46.9%
DSS – General Assistance	\$61,500	\$0	\$61,500	\$18,755	30.5%
Juvenile Justice Grant	\$218,745	\$0	\$218,745	\$98,919	45.2%
Veteran’s Services	\$61,526	\$0	\$61,526	\$22,521	36.6%
Public Library	\$2,927,514	\$50,664	\$2,978,178	\$1,461,200	49.1%
Recreation	\$1,620,280	\$0	\$1,620,280	\$739,957	45.7%
County Debt Service	\$4,116,449	\$0	\$4,116,449	\$1,421,408	34.5%
Non-Departmental	\$260,000	\$0	\$260,000	\$24,130	9.3%
Transfers to Other Funds	\$1,287,959	\$0	\$1,287,959	\$456,479	35.4%
<b>TOTAL</b>	<b>\$84,653,801</b>	<b>\$781,766</b>	<b>\$85,435,567</b>	<b>\$40,770,230</b>	<b>47.7%</b>

## FY 2015-2016 County Expenditures

	BOC Adopted	Revisions (As of 12.31.15)	Total Revised Budget	\$ Expended (As of 12.31.15)	% Expended (As of 12.31.15)
<b>HC Public School System</b>					
<input type="checkbox"/> Current Expense	\$24,525,770	\$0	\$24,525,770	\$12,262,885	50.00%
<input type="checkbox"/> Debt Service	\$8,100,873	\$0	\$8,100,873	\$4,733,531	58.43%
<b>TOTAL</b>	<b>\$32,626,643</b>	<b>\$0</b>	<b>\$32,626,643</b>	<b>\$16,996,415</b>	<b>52.09%</b>

<b>Blue Ridge Community College</b>					
<input type="checkbox"/> Current Expense	\$3,407,836	\$0	\$3,407,836	\$1,703,918	50.00%
<input type="checkbox"/> Debt Service	\$1,685,170	\$0	\$1,685,170	\$474,301	28.15%
<b>TOTAL</b>	<b>\$5,093,006</b>	<b>\$0</b>	<b>\$5,093,006</b>	<b>\$2,178,219</b>	<b>42.77%</b>

## FY 2015-2016 County Expenditures

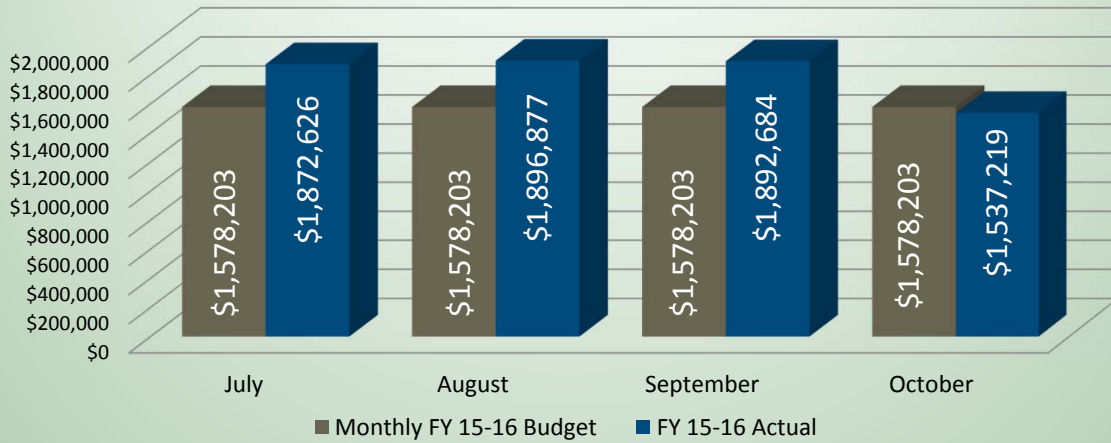
	BOC Adopted	Revisions (As of 12.31.15)	Total Revised Budget	\$ Expended (As of 12.31.15)	% Expended (As of 12.31.15)
<b>GENERAL FUND TOTAL</b>	<b>\$122,373,450</b>	<b>\$781,766</b>	<b>\$123,155,216</b>	<b>\$59,944,864</b>	<b>48.67%</b>

## FY 2015-2016 Revenues

	BOC Adopted	Revisions (As of 12.31.15)	Total Revised Budget	\$ Received (As of 12.31.15)	% Received (As of 12.31.15)
Ad Valorem Taxes – Current Year	\$64,213,066	\$0	\$64,213,066	\$52,663,827	82.0%
Ad Valorem Taxes – Prior Years	\$1,785,000	\$0	\$1,785,000	\$834,520	46.8%
Local Option Sales Taxes	\$18,938,432	\$0	\$18,938,432	\$5,662,187	29.9%
Other Taxes and Licenses	\$862,000	\$0	\$862,000	\$411,396	47.7%
Unrestricted Intergovernmental	\$55,300	\$0	\$55,300	\$6,963	12.6%
Restricted Intergovernmental	\$18,594,589	\$535,011	\$19,129,600	\$8,772,208	45.9%
Permits and Fees	\$1,339,460	\$0	\$1,339,460	\$707,653	52.8%
Sales and Services	\$5,908,135	\$0	\$5,908,135	\$2,884,751	48.8%
Investment Earnings	\$500,000	\$0	\$500,000	\$317,995	63.6%
Other Revenues	\$410,625	\$50,991	\$461,616	\$563,141	122.0%
Transfers from Other Funds	\$299,800	\$0	\$299,800	\$100,000	33.4%
<b>Total General Fund Revenues</b>	<b>\$122,373,450</b>	<b>\$781,766</b>	<b>\$123,155,216</b>	<b>\$72,924,640</b>	<b>59.2%</b>
Fund Balance Appropriated	\$9,467,043	\$195,764	\$9,662,807	\$0	0.0%

## FY 2015-2016 Sales Tax Revenues

- Local Option Sales Tax = \$ 18,938,432
- Year to Date Variance = + \$ 886,594



## Capital Reserve Fund

Capital Reserve Fund established in FY 2007		Deposit/ Appropriation	Running Balance
FY 2007	Deposit – Sale of Land Development Building	\$ 1,337,195	\$ 1,337,195
FY 2008	Deposit – Transfer from General Fund	\$ 1,400,000	\$ 2,737,195
FY 2009	Appropriation – Detention Center Generator	( \$ 300,000 )	\$ 2,437,195
FY 2010	Deposit – Transfer from General Fund	\$ 772,677	\$ 3,209,872
	Appropriation – Compressed Natural Gas Project	( \$ 35,000 )	\$ 3,174,872
FY 2011	Appropriation – Parks and Recreation projects	( \$ 156,249 )	\$ 3,018,623
	Appropriation – Tuxedo Mill Demolition	( \$ 143,324 )	\$ 2,875,299
	Appropriation – Law Enforcement Center	( \$ 1,058,347 )	\$ 1,816,952
	Deposit – Progress Energy (Bent Creek Easement)	\$ 8,500	\$ 1,825,452
FY 2012	Appropriation - Boyd Property	( \$ 750,000 )	\$ 1,075,452
	Deposit – Sale of Nuckolls Building	\$ 700,000	\$ 1,775,452
	Appropriation – Parks and Recreation projects	( \$ 535,039 )	\$ 1,240,413
FY 2013	Deposit – Transfer from General Fund (Recreation)	\$ 200,000	\$ 1,440,413
	Appropriation – Parks and Recreation projects	( \$ 26,848 )	\$ 1,413,565
	Appropriation – 1995 Courthouse Congressional Office	( \$ 26,899 )	\$ 1,386,666
FY 2014	Appropriation – 1995 Courthouse Renovations	( \$ 1,000,000 )	\$ 386,666
	Deposit—Transfer from General Fund (Recreation)	\$400,000	\$786,666
FY 2015	Deposit—Transfer from General Fund (Earmarked for Health Science Bldg)	\$923,463	\$1,710,129
	Deposit—P&I Software	\$75,000	\$1,785,129
	Deposit—Transfer from General Fund (Conditional School Funding Reverted)	\$166,183	\$1,951,312
	Appropriation – Tuxedo Park	( \$177,269 )	\$1,774,043
	Appropriation – Dana Park	( \$195,978 )	\$1,578,065
FY 2016	Deposit—P&I Software	\$75,000	\$1,653,065

# DISCUSSION



## Financial Forecast

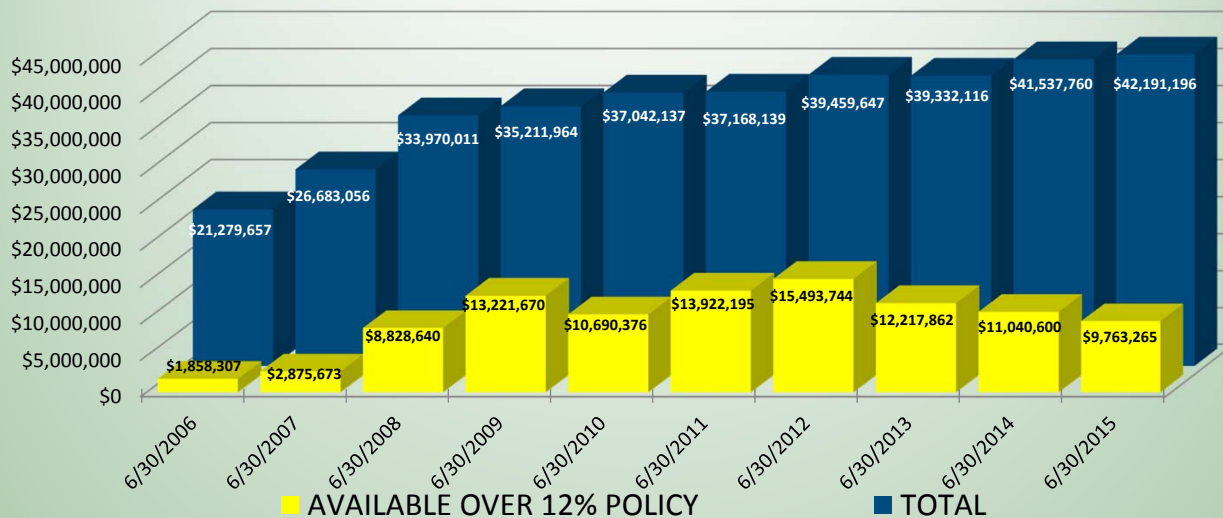
- Historic Budget Information
- Fund Balance
- Tax Rate Scenarios
- Fund Balance Scenarios



# Historical Budget Information

REVISED BUDGET EXPENDITURES				
FY 2015 – 2016 VARIANCE				
	FY 2014-2015	FY 2015-2016 (As of 12.31.15)	\$ VARIANCE	% VARIANCE
<b>COUNTY</b>				
Operational	\$79,858,958	\$81,319,418	\$1,460,460	1.83%
Debt	\$3,756,267	\$4,116,149	\$359,882	9.58%
<b>TOTAL COUNTY</b>	<b>\$83,615,225</b>	<b>\$85,435,567</b>	<b>\$1,820,342</b>	<b>2.18%</b>
<b>HENDERSON COUNTY PUBLIC SCHOOLS</b>				
Current and Capital	\$23,686,153	\$24,525,770	\$839,617	3.54%
Debt	\$8,335,988	\$8,100,873	(\$235,115)	-2.82%
<b>TOTAL HCPS</b>	<b>\$32,022,141</b>	<b>\$32,626,643</b>	<b>\$604,502</b>	<b>1.89%</b>
<b>BLUE RIDGE COMMUNITY COLLEGE</b>				
Operational and Capital	\$3,157,836	\$3,407,836	\$250,000	7.92%
Debt	\$1,477,771	\$1,685,170	\$207,399	14.03%
<b>TOTAL BRCC</b>	<b>\$4,635,607</b>	<b>\$5,093,006</b>	<b>\$457,399</b>	<b>9.87%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$120,272,973</b>	<b>\$123,155,216</b>	<b>\$2,882,243</b>	<b>2.40%</b>

## Fund Balance History



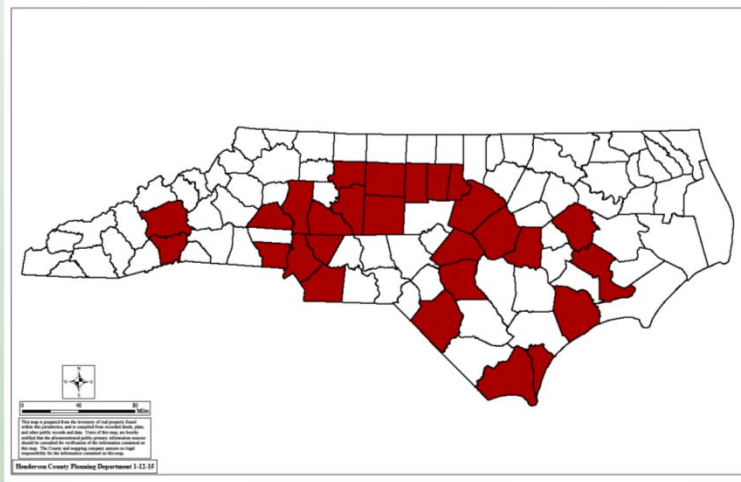
## FY 2015-2016 Tax Rate

- The tax rate of \$0.5136 per \$100 of valuation is the 3rd lowest tax rate of the 27 urban counties -- those with a population over 100,000 -- and the 18th lowest of all 100 counties in North Carolina.

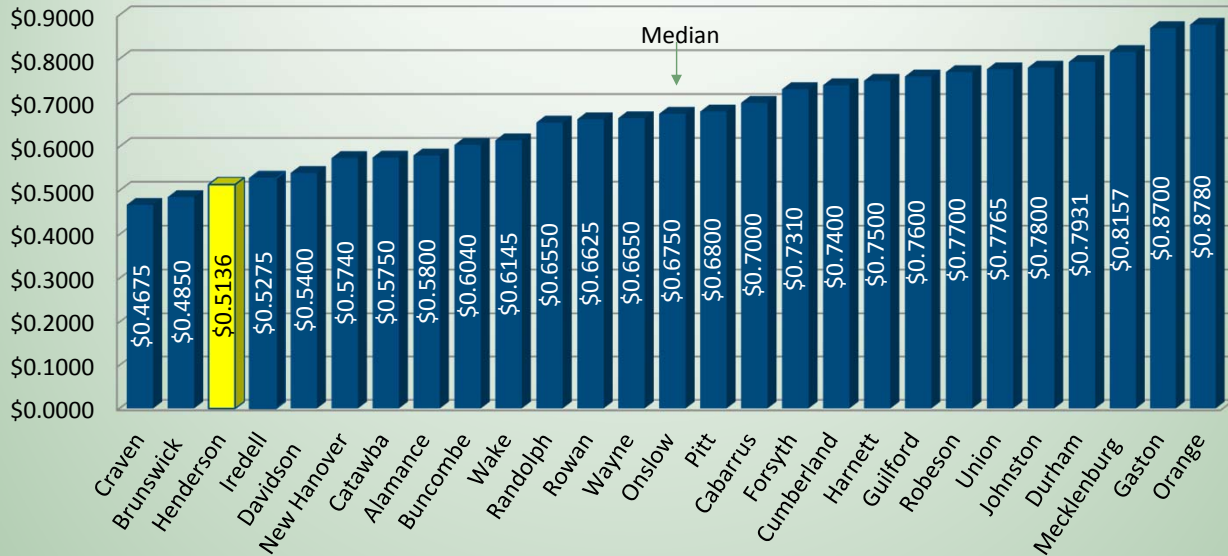
## FY 2015-2016 Tax Rate

- The Median Tax rate of the 27 counties is \$0.6750
  - \$0.1614 between Henderson County and the median
- The Average Tax rate of the 27 counties is \$0.6734
  - \$0.1598 between Henderson County and the average
  - 31% lower than the average
- Highest rate is \$0.8780
- Lowest rate is \$0.4675

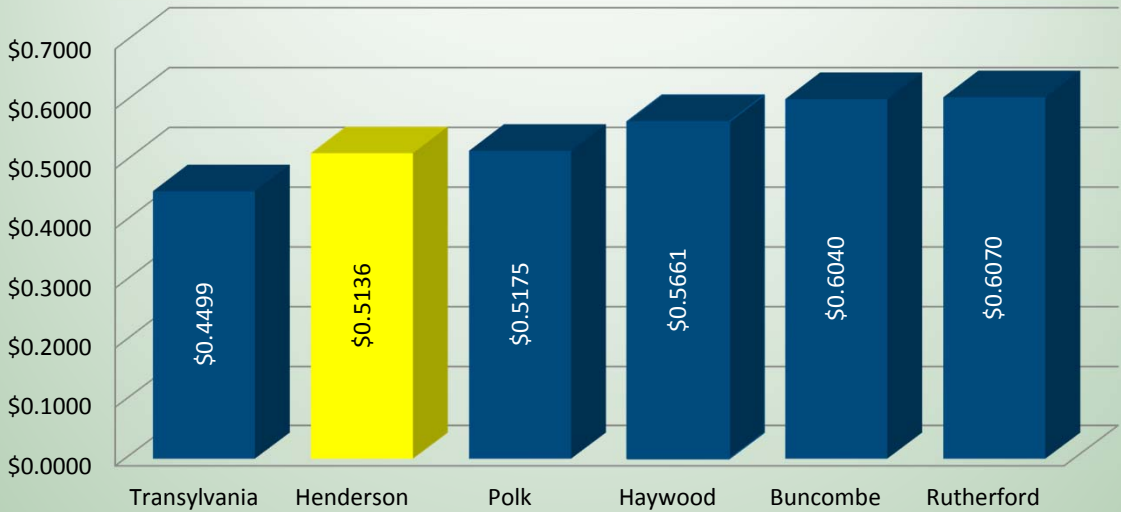
# Map of Comparison Counties



## FY 2015-2016 Tax Rate



### FY 2015-2016 Tax Rate- Neighboring Counties



### FY 2016-2017 Financial Forecast

Projected Revenues for FY 16-17	\$ 117,000,000
Current Commitments for FY 16-17	\$ 127,500,000
Increase for Education	\$1,250,000
<b>TOTAL</b>	<b><u>\$128,750,000</u></b>
<b>Projected Deficit</b>	<b>\$ 11,750,000</b>

## What makes up current commitments

- Current personnel + existing commitments
  - Health Sciences Center Operations
  - School Health Nurse
- Operating expenditures at FY15 levels
  - \$2,165,000 over FY16
    - Funding for Detention Center Roof Replacement (+ \$1,000,000)
    - Economic Development at contracted levels (+ \$865,000)
    - Health Sciences Center (+ \$300,000)
- Debt Service at prescribed levels
  - \$950,000 over FY16

## Henderson County Public Schools

- FY 2016-2017 Request??
- Current Budget

<b>HENDERSON COUNTY PUBLIC SCHOOLS</b>	
Current and Capital	\$24,525,770
Debt	\$8,100,873
<b>TOTAL HCPS</b>	<b>\$32,626,643</b>

## Henderson County Public Schools

- Education Increase of \$1,000,000

<b>HENDERSON COUNTY PUBLIC SCHOOLS</b>	
Current and Capital	\$25,525,770
Debt	\$8,096,702
<b>TOTAL HCPS</b>	<b>\$33,622,472</b>

## Blue Ridge Community College

- FY 2016-2017 Request??
- Current Budget

<b>BLUE RIDGE COMMUNITY COLLEGE</b>	
Operational and Capital	\$3,407,836
Debt	\$1,685,170
<b>TOTAL BRCC</b>	<b>\$5,093,006</b>

## Blue Ridge Community College

- Increase of \$250,000

<b>BLUE RIDGE COMMUNITY COLLEGE</b>	
Operational and Capital	\$3,657,836
Debt	\$2,036,744
<b>TOTAL BRCC</b>	<b>\$5,694,580</b>

### FY 2016-2017 Financial Forecast

Total available fund balance over **12%** as of  
July 1, 2015

**\$ 9,763,265**

## FY 2016-2017 Financial Forecast

Fund Balance available over 12%	\$ 9,763,265
Projected deficit	<u>- \$ 11,750,000</u>
	- \$ 1,986,735

## FY 2016-2017 Financial Forecast

Total available fund balance over **10%** as of  
July 1, 2015

**\$ 12,083,238**



## FY 2016-2017 Financial Forecast

Total available fund balance over **8%** as of  
July 1, 2015

**\$ 14,403,211**

## FY 2016-2017 Financial Forecast

Historic 4 year average net change in  
Total Fund Balance

**+ \$ 1,255,000**

FY 2016-2017 Financial Forecast

Historic 4 year average net dollar change in  
Total Budget

+ \$ 3,925,000

FY 2016-2017 Financial Forecast

Historic 4 year average net percentage  
change in Total Budget

+ 3.44%

# DISCUSSION

## Capital Financing Debt Schedules



- Outstanding Debt Principal – Education
- Outstanding Debt Principal – County
- Retiring Debt Service – Education
- Retiring Debt Service – County
- Debt Service Scenarios

## Debt Schedule Highlights

- Consistent pay down of debt principal
- Subsequent decrease in debt service

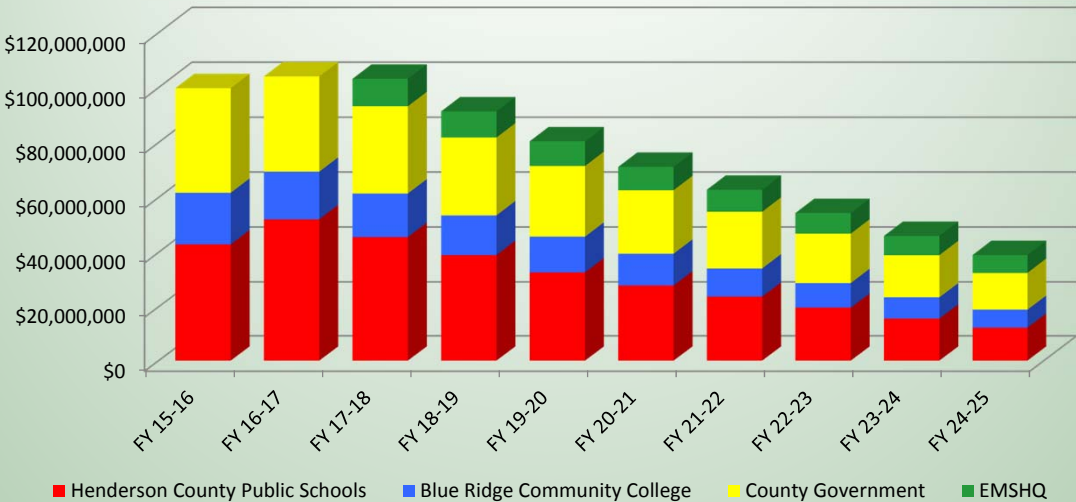
## Outstanding Debt Principal

HC PUBLIC SCHOOLS	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
2016 Career Academy	\$0	\$15,725,000	\$14,995,000	\$14,265,000	\$13,535,000	\$12,805,000	\$12,075,000	\$11,345,000	\$10,615,000	\$9,885,000
2013 Refinancing Bonds	\$8,734,590	\$7,769,260	\$6,825,020	\$5,904,460	\$5,006,100	\$4,125,130	\$3,261,920	\$2,416,840	\$1,591,000	\$785,140
2012 Refinancing Bonds	\$6,592,800	\$5,781,600	\$4,989,600	\$4,214,400	\$3,460,800	\$2,726,400	\$2,013,600	\$1,322,400	\$650,400	\$650,400
2010 Refinancing Bonds	\$5,058,541	\$3,368,176	\$2,435,129	\$1,510,449	\$606,691	\$0	\$0	\$0	\$0	\$0
2010 Apple Valley/North	\$2,664,087	\$1,998,066	\$1,332,044	\$666,022	\$0	\$0	\$0	\$0	\$0	\$0
2010 QZABs – Repairs	\$723,000	\$542,250	\$361,500	\$108,750	\$0	\$0	\$0	\$0	\$0	\$0
2009 QSCBs – Repairs	\$1,708,160	\$1,281,120	\$854,080	\$427,040	\$0	\$0	\$0	\$0	\$0	\$0
2008 Hillandale/Mills River	\$17,371,429	\$15,542,857	\$13,714,286	\$11,885,714	\$10,057,143	\$8,228,571	\$6,400,000	\$4,571,429	\$2,742,858	\$914,286
<b>TOTAL HC PUBLIC SCHOOLS</b>	<b>\$42,852,607</b>	<b>\$52,008,329</b>	<b>\$45,506,659</b>	<b>\$38,981,835</b>	<b>\$32,665,734</b>	<b>\$27,885,101</b>	<b>\$23,750,520</b>	<b>\$19,655,669</b>	<b>\$15,599,258</b>	<b>\$12,234,826</b>
BRCC	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
2013 Refinancing Bonds	\$8,970,660	\$7,979,240	\$7,009,480	\$6,064,040	\$5,141,400	\$4,236,620	\$3,350,080	\$2,482,160	\$1,634,000	\$806,360
2010 Repairs	\$969,891	\$775,913	\$581,934	\$387,956	\$193,978	\$0	\$0	\$0	\$0	\$0
Health Sciences Education Center	\$8,839,050	\$8,561,850	\$8,273,100	\$7,972,800	\$7,659,300	\$7,330,900	\$6,986,100	\$6,623,100	\$6,241,950	\$5,842,650
<b>TOTAL BRCC</b>	<b>\$18,779,601</b>	<b>\$17,317,003</b>	<b>\$15,864,514</b>	<b>\$14,424,796</b>	<b>\$12,994,678</b>	<b>\$11,567,520</b>	<b>\$10,336,180</b>	<b>\$9,105,260</b>	<b>\$7,875,950</b>	<b>\$6,649,010</b>
<b>TOTAL EDUCATION</b>	<b>\$61,632,208</b>	<b>\$69,175,332</b>	<b>\$61,221,173</b>	<b>\$53,256,631</b>	<b>\$45,510,412</b>	<b>\$39,302,621</b>	<b>\$33,936,700</b>	<b>\$28,610,929</b>	<b>\$23,325,208</b>	<b>\$18,733,836</b>

# Outstanding Debt Principal

COUNTY GOVERNMENT	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Emergency Services HQ	\$0	\$0	\$10,000,000	\$9,500,000	\$9,000,000	\$8,500,000	\$8,000,000	\$7,500,000	\$7,000,000	\$6,500,000
2013 Refinancing Bonds	\$5,901,750	\$5,249,500	\$4,611,500	\$3,989,500	\$3,382,500	\$2,787,250	\$2,204,000	\$1,633,000	\$1,075,000	\$520,500
2012 Refinancing Bonds	\$7,142,200	\$6,263,400	\$5,705,400	\$4,565,600	\$3,749,200	\$2,953,600	\$2,181,400	\$1,432,600	\$704,600	\$704,600
2010 Refinancing Bonds	\$396,395	\$263,935	\$190,820	\$118,361	\$47,541	\$0	\$0	\$0	\$0	\$0
2010 LEC/Court Services	\$5,000,000	\$4,500,000	\$4,000,000	\$3,500,000	\$3,000,000	\$2,500,000	\$2,000,000	\$1,500,000	\$1,000,000	\$500,000
Detention Center	\$1,329,000	\$877,000	\$434,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ambulances/EMS Equipment	\$386,245	\$162,426	\$42,012	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Health Sciences Education Center	\$17,945,950	\$17,383,150	\$16,796,900	\$16,187,200	\$15,550,700	\$14,884,100	\$14,183,900	\$13,446,900	\$12,673,050	\$11,862,350
<b>TOTAL COUNTY GOVERNMENT</b>	<b>\$38,101,540</b>	<b>\$34,699,411</b>	<b>\$41,780,632</b>	<b>\$37,860,661</b>	<b>\$34,729,941</b>	<b>\$31,624,950</b>	<b>\$28,659,300</b>	<b>\$25,512,500</b>	<b>\$22,452,650</b>	<b>\$20,087,450</b>
<b>TOTAL DEBT PRINCIPAL</b>	<b>\$99,733,748</b>	<b>\$104,024,743</b>	<b>\$103,151,805</b>	<b>\$91,267,292</b>	<b>\$80,390,353</b>	<b>\$71,077,571</b>	<b>\$62,746,000</b>	<b>\$54,273,419</b>	<b>\$45,927,858</b>	<b>\$38,971,286</b>
<b>FY DEBT PRINCIPAL REDUCTION</b>	<b>(\$11,871,480)</b>	<b>\$4,290,995</b>	<b>(\$872,938)</b>	<b>(\$11,884,513)</b>	<b>(\$10,876,939)</b>	<b>(\$9,312,782)</b>	<b>(\$8,331,571)</b>	<b>(\$8,472,581)</b>	<b>(\$8,345,561)</b>	<b>(\$6,956,572)</b>

# General Fund Debt Principal



## Debt Service Schedule

HC PUBLIC SCHOOLS	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
2016 Career Academy	\$ -	\$456,633	\$1,404,000	\$1,378,450	\$1,349,250	\$1,320,050	\$1,290,850	\$1,258,000	\$1,221,500	\$1,185,000
2013 Refinancing Bonds	\$1,171,683	\$1,131,194	\$1,090,912	\$1,048,491	\$1,008,011	\$972,739	\$937,450	\$902,151	\$866,119	\$829,740
2012 Refinancing Bonds	\$992,380	\$956,737	\$921,476	\$888,994	\$852,045	\$817,924	\$781,783	\$746,069	\$698,184	\$663,278
2010 Refinancing Bonds	\$2,149,149	\$1,851,075	\$1,036,625	\$991,060	\$942,148	\$618,824	\$ -	\$ -	\$ -	\$ -
2010 Apple Valley/North	\$780,910	\$759,431	\$735,621	\$709,313	\$680,674	\$ -	\$ -	\$ -	\$ -	\$ -
2010 QZABs – Repairs	\$230,095	\$220,226	\$210,357	\$200,488	\$190,619	\$ -	\$ -	\$ -	\$ -	\$ -
2009 QSCBs – Repairs	\$467,329	\$458,983	\$450,997	\$443,011	\$435,026	\$ -	\$ -	\$ -	\$ -	\$ -
2008 Hillandale/Mills River	\$2,309,327	\$2,262,423	\$2,215,520	\$2,168,617	\$2,121,714	\$2,074,811	\$2,027,909	\$1,981,006	\$1,934,103	\$1,887,200
<b>TOTAL HC PUBLIC SCHOOLS</b>	<b>\$8,100,873</b>	<b>\$8,096,702</b>	<b>\$8,065,508</b>	<b>\$7,828,424</b>	<b>\$7,579,487</b>	<b>\$5,804,348</b>	<b>\$5,037,992</b>	<b>\$4,887,226</b>	<b>\$4,719,906</b>	<b>\$4,565,218</b>

BRCC	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
2013 Refinancing Bonds	\$1,203,350	\$1,161,766	\$1,120,397	\$1,076,829	\$1,035,254	\$999,029	\$962,786	\$926,534	\$889,528	\$852,166
2010 Repairs	\$227,440	\$221,184	\$214,249	\$206,587	\$198,246	\$ -	\$ -	\$ -	\$ -	\$ -
Health Sciences Education Center	\$254,380	\$653,794	\$654,025	\$653,794	\$654,718	\$655,089	\$654,759	\$655,213	\$654,759	\$655,394
<b>TOTAL BRCC</b>	<b>\$1,685,170</b>	<b>\$2,036,744</b>	<b>\$1,988,671</b>	<b>\$1,937,210</b>	<b>\$1,888,218</b>	<b>\$1,654,118</b>	<b>\$1,617,545</b>	<b>\$1,581,747</b>	<b>\$1,544,287</b>	<b>\$1,507,560</b>

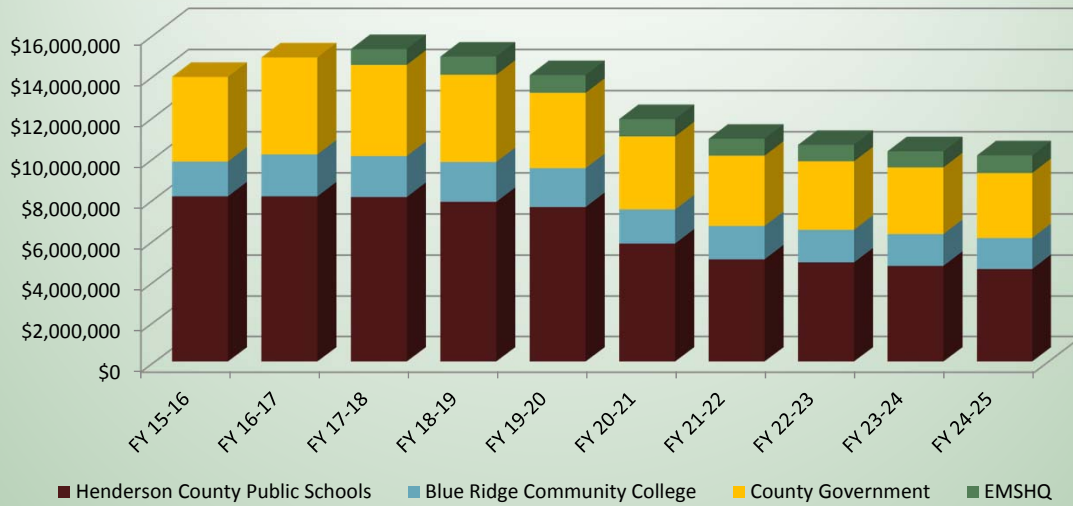
  

<b>TOTAL EDUCATION</b>	<b>\$9,786,043</b>	<b>\$10,133,446</b>	<b>\$10,054,179</b>	<b>\$9,765,634</b>	<b>\$9,467,705</b>	<b>\$7,458,466</b>	<b>\$6,655,537</b>	<b>\$6,468,973</b>	<b>\$6,264,193</b>	<b>\$6,072,778</b>
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## Debt Service Schedule

COUNTY GOVERNMENT	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Emergency Services HQ	\$ -	\$ -	\$766,667	\$880,000	\$860,000	\$840,000	\$820,000	\$800,000	\$780,000	\$760,000
2013 Refinancing Bonds	\$791,678	\$764,320	\$737,103	\$708,440	\$681,089	\$657,256	\$633,412	\$609,562	\$585,215	\$560,635
2012 Refinancing Bonds	\$1,063,828	\$1,025,216	\$987,015	\$951,827	\$911,799	\$874,834	\$835,681	\$796,992	\$756,365	\$718,551
2010 Refinancing Bonds	\$168,411	\$145,053	\$81,232	\$77,661	\$73,828	\$48,492	\$ -	\$ -	\$ -	\$ -
2010 LEC/Court Services	\$764,000	\$740,000	\$716,000	\$692,000	\$668,000	\$644,000	\$620,000	\$596,000	\$572,000	\$548,000
Detention Center	\$504,189	\$484,827	\$464,662	\$444,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Former 6 <sup>th</sup> Avenue Clubhouse	\$21,051	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ambulances/EMS Equipment	\$294,533	\$229,690	\$123,054	\$42,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health Sciences Education Center	\$508,759	\$1,327,400	\$1,327,869	\$1,327,400	\$1,329,276	\$1,330,030	\$1,329,360	\$1,330,281	\$1,329,360	\$1,330,650
<b>TOTAL COUNTY GOVERNMENT</b>	<b>\$4,116,449</b>	<b>\$4,716,506</b>	<b>\$5,203,602</b>	<b>\$5,124,758</b>	<b>\$4,523,992</b>	<b>\$4,394,612</b>	<b>\$4,238,453</b>	<b>\$4,132,835</b>	<b>\$4,022,940</b>	<b>\$3,917,836</b>
<b>TOTAL DEBT SERVICE</b>	<b>\$13,902,492</b>	<b>\$14,849,952</b>	<b>\$15,257,781</b>	<b>\$14,890,392</b>	<b>\$13,991,697</b>	<b>\$11,853,078</b>	<b>\$10,893,990</b>	<b>\$10,601,808</b>	<b>\$10,287,133</b>	<b>\$9,990,614</b>
<b>FY DEBT SERVICE REDUCTION</b>	<b>\$947,460</b>	<b>\$407,829</b>	<b>(\$367,389)</b>	<b>(\$898,695)</b>	<b>(\$2,138,619)</b>	<b>(\$959,088)</b>	<b>(\$292,182)</b>	<b>(\$314,675)</b>	<b>(\$296,519)</b>	

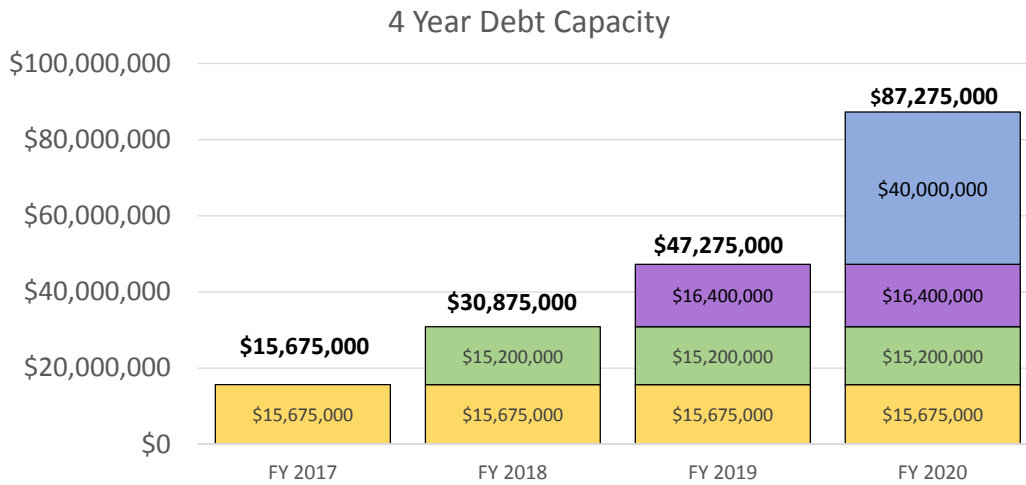
## Debt Service Schedule



## Debt Service

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
County	\$4,116,449	\$4,716,506	\$5,203,602	\$5,124,758	\$4,523,992	\$4,394,612	\$4,238,453	\$4,132,835	\$4,022,940	\$3,918,836
Schools	\$8,100,873	\$8,096,702	\$8,065,508	\$7,828,424	\$7,579,487	\$5,804,348	\$5,037,992	\$4,887,226	\$4,719,906	\$4,565,218
BRCC	\$1,685,170	\$2,036,744	\$1,988,671	\$1,937,210	\$1,888,218	\$1,654,118	\$1,617,545	\$1,581,747	\$1,544,287	\$1,507,560
<b>TOTAL</b>	<b>\$13,902,492</b>	<b>\$14,849,952</b>	<b>\$15,257,781</b>	<b>\$14,890,392</b>	<b>\$13,991,697</b>	<b>\$11,853,078</b>	<b>\$10,893,990</b>	<b>\$10,601,808</b>	<b>\$10,287,133</b>	<b>\$9,991,614</b>
Lease Receipts	\$0	(\$1,001,147)	(\$1,001,147)	(\$1,025,074)	(\$1,025,074)	(\$1,049,574)	(\$1,049,574)	(\$1,074,659)	(\$1,074,659)	(\$1,100,343)
<b>TOTAL (Including Lease Receipts)</b>	<b>\$13,902,492</b>	<b>\$13,848,805</b>	<b>\$14,256,634</b>	<b>\$13,865,318</b>	<b>\$12,966,623</b>	<b>\$10,803,504</b>	<b>\$9,844,416</b>	<b>\$9,527,149</b>	<b>\$9,212,474</b>	<b>\$8,891,271</b>
Net Change in Debt Service (Includes Lease Receipts)		(\$53,687)	\$407,829	(\$391,316)	(\$898,695)	(\$2,163,119)	(\$959,088)	(\$317,267)	(\$314,675)	(\$321,203)

# Debt Capacity

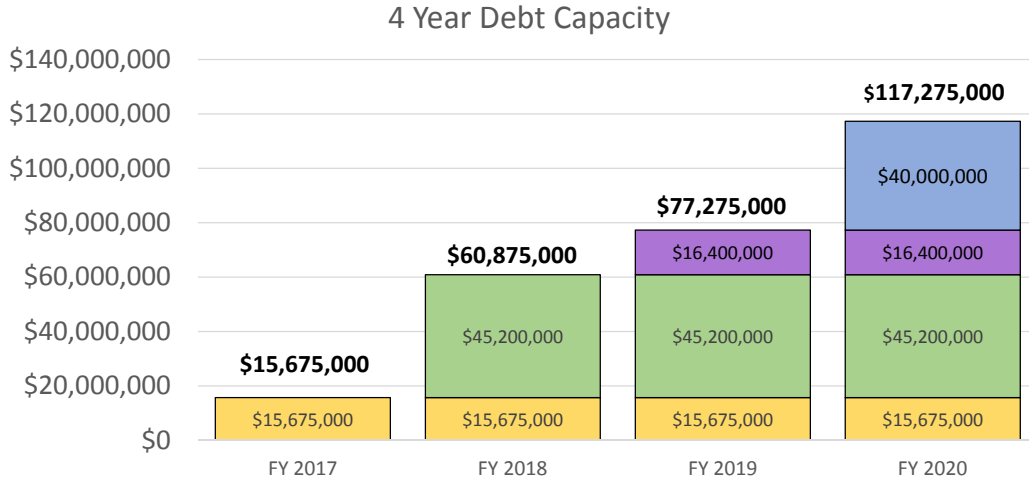


## Increased Debt Service Payment Scenario with Estimated Sales Tax Increase

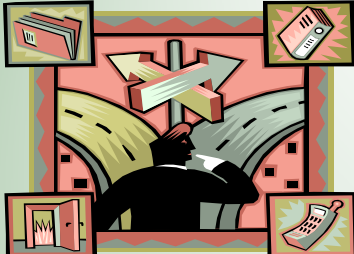
- If Article 46 is passed in November 2016, the first payment from the State would begin in April 2017
- An additional \$30M in capacity is expected that can be issued in 2017 with the first payment in 2018.



# Debt Capacity with Article 46



# DISCUSSION



## Updates and Emerging Issues

- Solid Waste Funding
- Capital Improvements Plan

# Solid Waste Funding Policy

January 20, 2016

Henderson County Engineering



## **Purpose**

Determine a funding policy for Solid Waste for the FY2017 budget process.

## **Presentation Overview**

1. Review previous presentation
2. Results of County Surveys
3. Results of Permitted Hauler Survey
4. Response to Questions on Buncombe County
5. Additional Comments
6. Questions and Discussion on Board Direction

Solid Waste Funding Policy



Review Previous Presentation

Solid Waste Funding Policy



**Solid Waste Programs**

- MSW & C&D disposal
- Convenience Center
- Concrete & Inert Debris Recycling
- Wood & Pallet Recycling
- Shingle Recycling
- Hauler Recycling
- Paint Recycling
- Household Hazardous Waste
- Electronics Recycling
- Battery Recycling
- Mercury Product Recycling
- Oil & Filter Recycling
- Tire Recycling

Solid Waste Funding Policy

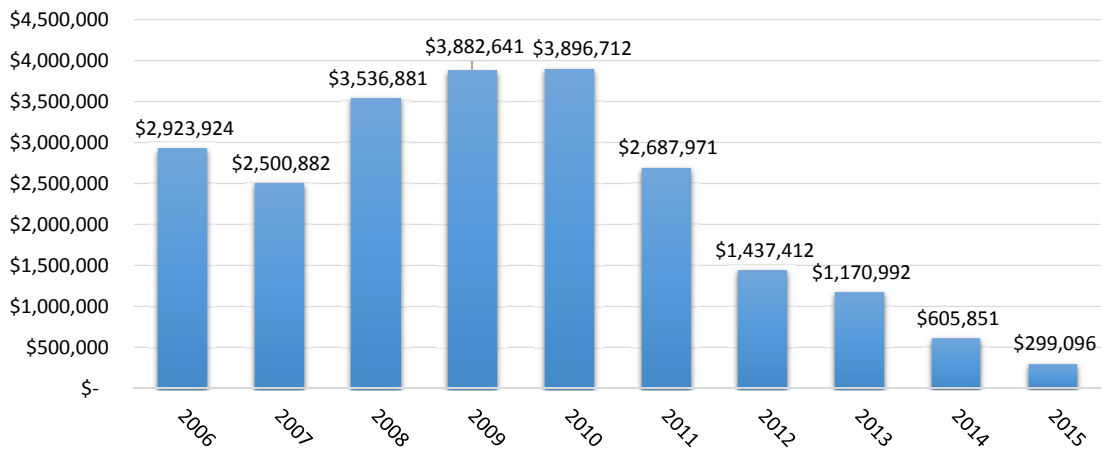


- Self Supporting Enterprise Fund
- FY2016 Budget: \$5 Million
- FY2016 Tipping Fee: \$60 per ton
- Hauling & Disposal: \$35.24 per ton  
*(\$33.51 as of Oct 2015)*
- 78,213 tons of material in FY2015
  - FY 2015 = 258 tons per day
  - FY 2009 = 272 tons per day
- Fund Balance has trended down since FY2010  
*(Positive trend YTD FY2016)*

Solid Waste Funding Policy



## Solid Waste Enterprise Fund



### Challenges

- Loss of Tonnage (Revenue) due to Recession (25% at lowest point)
- Diesel Prices (Fuel Surcharge): up to \$175,000 per year
- Annual Post Closure Costs: \$500,000 (no associated revenue)
- Annual Convenience Center Cost: \$300,000 plus \$185,000 in debt service (no associated revenue)
- Tonnage (Revenue) leaving County: 20k to private Transfer Station in Buncombe County
- No viable disposal option to Transfer
- Contractual COLA on expenses (Hauling Contract & Salaries)

Solid Waste Funding Policy



### Funding Options:

- Tipping Fee Increases
- Flow Control  
*(proposed ordinance revision was presented at Nov 2<sup>nd</sup> BOC)*
- Property Tax Increase

Solid Waste Funding Policy



### **Tipping Fee Increases**

Pros:

- Precedent has been set; easy to understand
- Maintains Enterprise Fund

Cons

- Requires large fee increases (\$6 or 10%)
- Not sustainable long term
- The potential for loss of revenue because of pricing yourself out of business

Solid Waste Funding Policy



### **Flow Control**

Pros:

- Generate \$400,000 to \$500,000 in net revenue
- Avoids tipping fee increases associated with deficit
- Long term sustainability likely
- Equity to local haulers and their customers
- Precedent in NC/Nationally
- Captures the resource that created the issue and makes it the solution

Cons:

- Impact business of non-County haulers
- "Government intervention into free enterprise"
- Enforcement

Solid Waste Funding Policy



**Property Tax Increase**

Pros:

- Distributes cost burden across the County property owners
- Avoids Tipping Fee Increase concerns
- Sustainable long term

Cons:

- Increases property tax
  - Next Year projection of \$0.75

Solid Waste Funding Policy



Results of County Surveys

Solid Waste Funding Policy





## County Solid Waste Surveys

The surveys on the following slides are very detailed with the following notable points:

- It is **not** possible to compare County Solid waste operations by tipping fee alone
- From the Counties surveyed, Henderson County is the **only** non-regulated operation supported by tipping fees
  - Buncombe has flow control on residences via the franchise agreement with WastePro and has a Landfill.
  - Craven has Pay-As-You-Throw (PAYT) which charges \$2.25 per bag at point of collection and is part of a regional SW authority.

Solid Waste Funding Policy



## Survey: Adjacent Counties

County	Tipping Fees / Bag Fees	General Fund Allocation	Availability Fee	MSW Landfill	C&D Landfill	Convenience Centers
Buncombe	\$2 / bag; \$47 / ton	no	no	yes	w/ MSW LF	at Transfer Station and Landfill
Haywood	none	no	\$92 / \$164 proposed for FY16	no	no	10 at Transfer Station
Henderson	bag for bag program; \$60 / ton	no	no	no	no	Station
Jackson	none	no	\$63-\$125/ bedroom; Business \$53	no	no	8
Madison	none	no	\$180	no	yes	10
McDowell	\$46 / C&D ton; \$42 / MSW ton;	yes	no	no	no	7
Mitchell	none	yes	no	no	no	mobile
Polk	Permit fee of \$75 / year or \$7 / trip; loads over 400lbs \$45 / ton	no	\$35	no	no	1
Rutherford	\$57 / MSW ton; \$37 C&D ton	no	\$140	no	yes	10
Transylvania	\$1.50 / bag; \$52 / ton	yes	no	yes	w/ MSW LF	3
Yancey	\$56.55 / ton	yes	no	no	no	6

Solid Waste Funding Policy



### Survey: Counties with Similar Population

County	Tipping Fees / Bag Fees	General Fund Allocation	Availability Fee	MSW Landfill	C&D Landfill	Convenience Centers
Nash	\$48/ton tipping fee	yes, allocations annually	\$125 Annually	closed	no	9 (staffed)
Cleveland	\$37.65 per ton	no	\$62 annually	1		19 (staffed)
Craven	\$40 tipping fee. PAYT = \$2.25 per trash sticker. One sticker required for every 33 gal. trash bag or container	no	no	regional landfill contract but does NOT accept MSW	accepted at regional landfill	7 (staffed)
Brunswick	various tipping fee charges, but most C&D items start at \$59/ton	yes	no	no	yes	4 sites for recycling and MSW; 8 recycling centers
Harnett	no residential tipping fee. \$40 per ton ONLY commercial/institutional	No.	\$70 annually	no	2	4 (staffed)
Wayne	Tipping fees \$31.50 per ton (\$5.00 minimum charge)	no	\$45 annually	yes	no	13 recycling centers (staffed)

Solid Waste Funding Policy



### Results of Permitted Hauler Survey

Solid Waste Funding Policy



## Results of Permitted Hauler Survey

A survey was mailed to all of Henderson County's 20 permitted haulers. The results are tabulated on the next two slides with the following notable points:

- A hauler must be permitted to haul trash in the County
- Only seven haulers responded to the survey
- The majority of the haulers indicated that they fully understand the proposed flow control ordinance and that it will not hinder their ability to continue operating in the County.
- Two haulers support the ordinance, one does not, and three did not respond to this question.
- Five of the seven responses were from Henderson County based haulers

Solid Waste Funding Policy



## Permitted Hauler Survey: Questions

**QUESTIONS PRESENTED TO OWNER/OPERATOR/LEAD CONTACT OF HAULING COMPANY**

Do you support the proposed ordinance to implement Flow Control in Henderson County as an option to maintain a solvent Solid Waste Enterprise Fund? **YES or NO**

If you do not support Flow Control which of the following options do you support to maintain a solvent Solid Waste Enterprise Fund:

1. Charge an Availability Fee on the Tax bill to support Solid Waste
2. Raise the tipping \$6.50 to support Solid Waste
3. Raise property taxes to support Solid Waste
4. Other (please specify)

Do you feel that Flow Control will hinder your ability to continue operating as a permitted waste/recycling hauler in Henderson County? **YES or NO**

On a scale of 1 to 3 (with 3 being 'fully understood' and 1 being 'no understanding'), please rate your understanding of the proposed flow control ordinance. Please write any comments below regarding your understanding of the proposed flow control ordinance.

- Letters explaining the proposed flow control ordinance change to Chapter 95 of the Solid Waste Ordinance were sent to the 20 permitted haulers currently utilizing the County's Transfer Station
- Of the 20 letters mailed, 7 completed surveys were returned

1 2 3 Solid Waste Funding Policy



**Permitted Hauler Survey: Responses**

	YES	NO	NO RESPONSE	OTHER		
Do you support the proposed ordinance to implement Flow Control in Henderson County as an option to maintain a solvent Solid Waste Enterprise Fund? YES or NO	2	1	3	SOMEWHAT		
	1	2	3	4	OTHER	NO RESPONSE
If you do not support Flow Control which of the following options do you support to maintain a solvent Solid Waste Enterprise Fund:						3
1) Charge an Availability Fee on the Tax bill to support Solid Waste	1					
2) Raise the tipping \$6.50 to support Solid Waste						
3) Raise property taxes to support Solid Waste			1			
4) Other (please specify)					2	
	YES	NO	NO RESPONSE			
Do you feel that Flow Control will hinder your ability to continue operating as a permitted waste/recycling hauler in Henderson County? YES or NO	1	5	1			
	1	2	3			
On a scale of 1 to 3 (with 3 being 'fully understood' and 1 being 'no understanding'), please rate your understanding of the proposed flow control ordinance. Please write any comments below regarding your understanding of the proposed flow control ordinance.			7			

**Response to Questions to Buncombe County**

- BCSW unlike HCSW does regulate it's residential waste with flow control via the franchise contract with WastePro
- Buncombe County Solid Waste (BCSW) is a self supporting enterprise fund like Henderson County Solid Waste (HCSW)
- BCSW pays for closed landfill expense with solid waste revenues like HCSW (no general fund revenue)
- BCSW operates a landfill which significantly reduces disposal costs over transferring waste
- BCSW last month begun investigating solid waste funding options

Solid Waste Funding Policy



**Additional Comments**

1. During our recent update to the Chamber of Commerce’s policy committee, the following analogy was given by a committee member: Solid waste is not entirely a government operation nor is it a private enterprise. It is most closely related to a public utility (regulated monopoly).
2. The proposed flow control ordinance will very limited negative impact on the Citizens and businesses of Henderson County
3. Henderson County solid waste programs are self supporting or very close with the following exceptions:
  1. Household Hazardous Waste (\$50,000)
  2. Convenience Center Bag for Bag (approx. \$350,000)
  3. Closed Landfill (approx. \$500,000)
  4. Debt Service (\$185,000 yearly)

Solid Waste Funding Policy



**Additional Comments**

Availability Fee Options:

Tipping Fee	Tonnage	Availability Fee: All Parcels	Availability Fee: Parcels with Structure
\$60	75,000	\$7.69	\$11.11
\$47	95,000	\$19.69	\$28.44
\$0	110,000	\$84.62	\$122.22

Solid Waste Funding Policy



**Questions and Discussion on Board  
Direction for FY2017 Budget**

Solid Waste Funding Policy

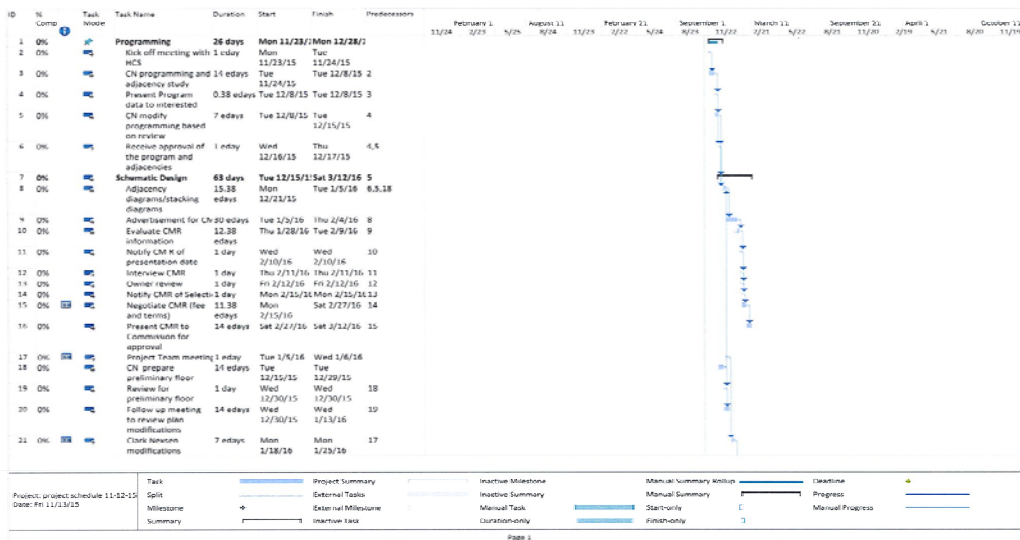


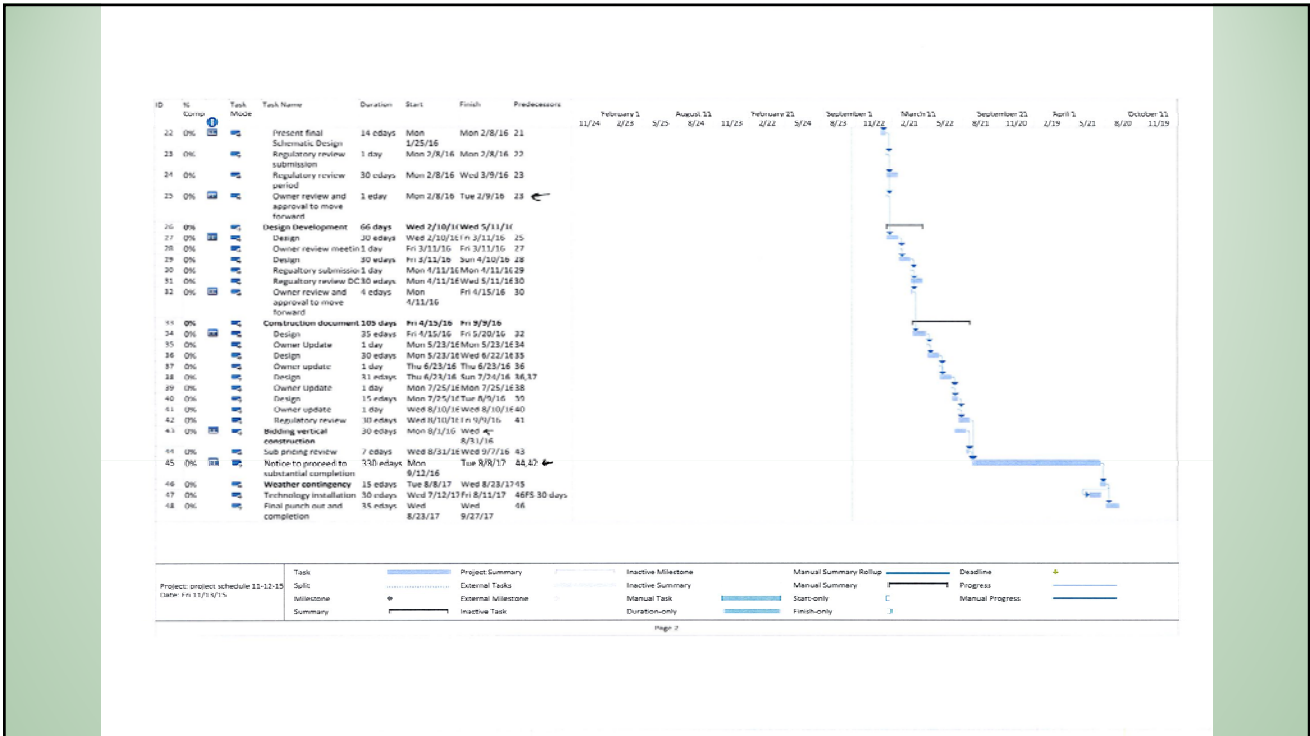
## Capital Improvements Plan

- Chad Roberson with Clark Nexsen will be available to discuss upcoming capital projects.

# Career Academy

Action Item	Date
Schematic Design	12/15/2015
Design Development	2/10/2016
Construction Documents	4/15/2016
Bidding for Construction	8/1/2016
Weather Contingency	8/8/2017
Construction Completion	9/27/2017





# EMS Headquarters

## Action Item

## Date

Schematic Design

1/21/2016

Design Development

5/2/2016

Construction Documents

7/30/2016

Bidding for Construction

1/23/2017

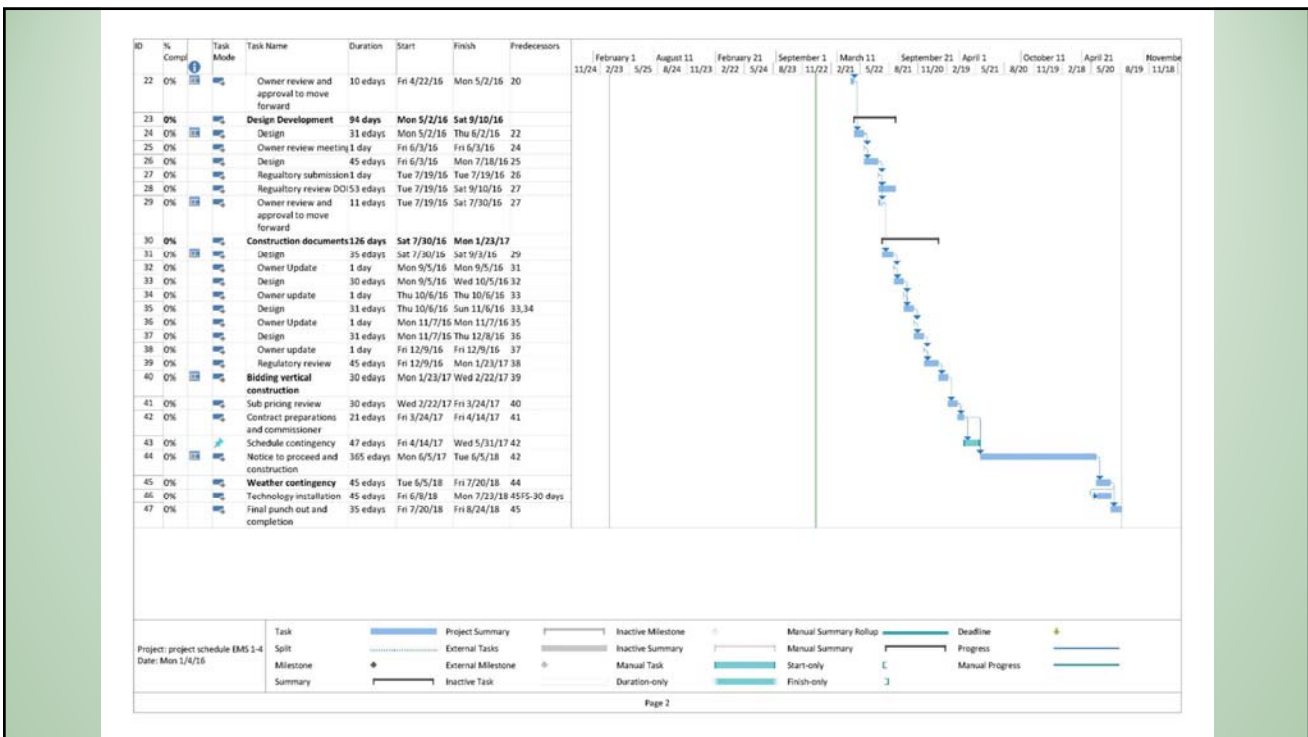
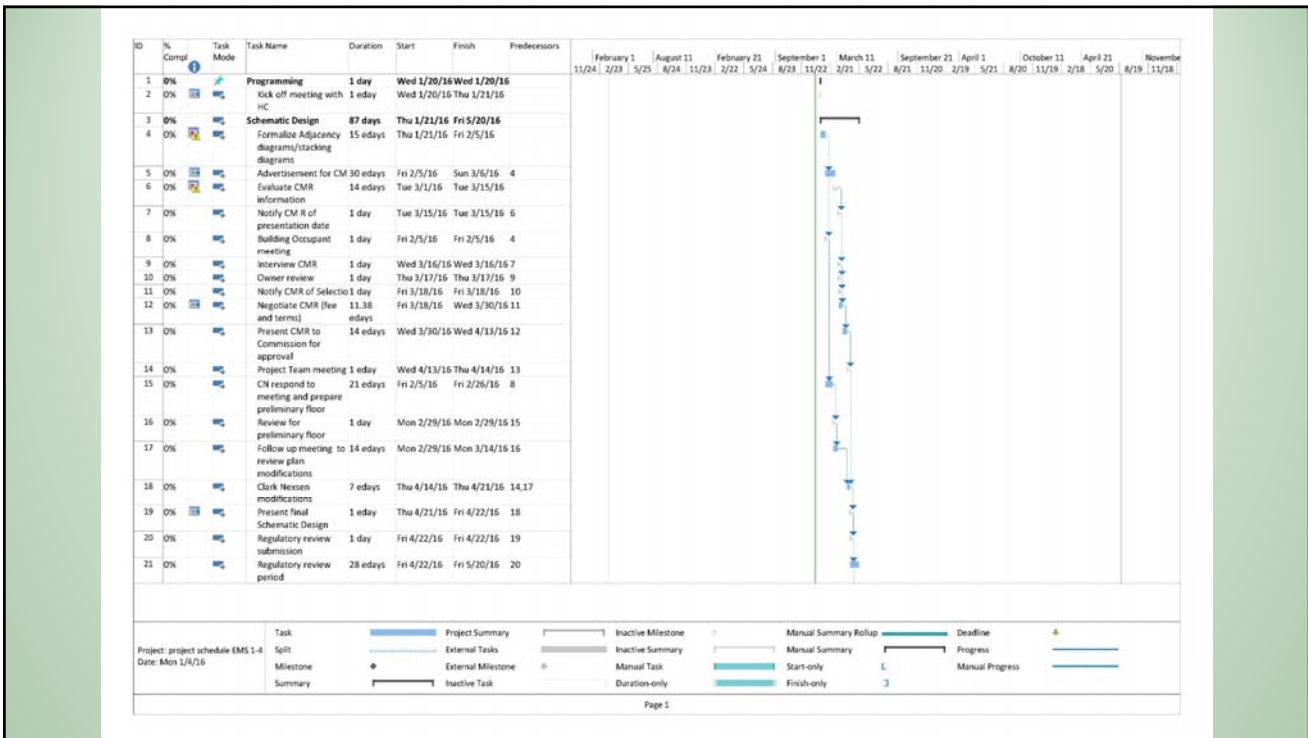
Weather Contingency

6/5/2018

Construction Completion

8/24/2018







## HC Public Schools Update

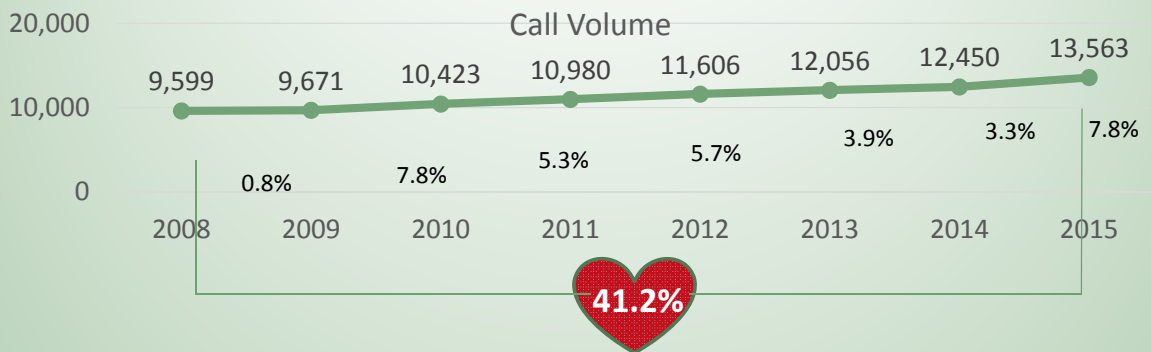
- David Jones, Henderson County Public Schools Superintendent, will be available for questions concerning projects/issues with the school system.

## Blue Ridge Community College Update

- Dr. Molly Parkhill, President of Blue Ridge Community College, will be available for questions concerning upcoming projects/issues at the college.

## EMS Call Volume

- In 2014, Henderson Co Rescue Squad responded to 475 emergency calls due to EMS call volume
- In 2013, Henderson Co Rescue Squad responded to aprox. 415 emergency calls due to EMS call volume



# Henderson County Emergency Medical Services



## Issues

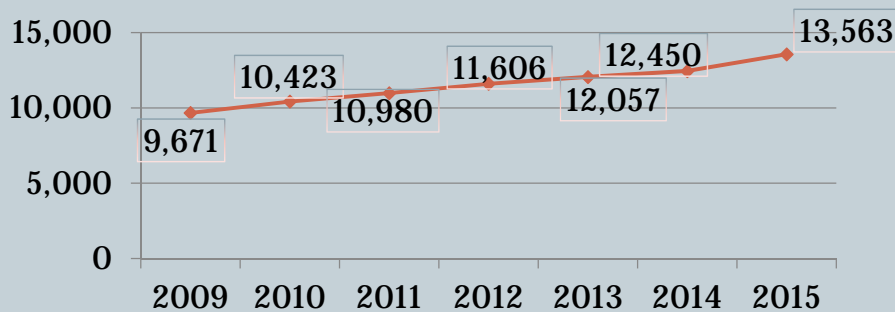


- Growing residential areas exist within Fletcher that are not within a 9 min or less response time.
- The EMS St # 2 district which covers Fletcher, Mills River and Etowah areas has required EMS units from other districts to cover approx. 24% (600 calls) of that district's call volume this year.
- Emergency inter-facility hospital transfers from Park Ridge Hospital to Mission Hospital have increased by 82% since 2013.
  - 2013 = 97, 2014 = 115, 2015 = 177
  - Out of County transfers decrease EMS unit availability for EMS System.

## Issues(Cont.)

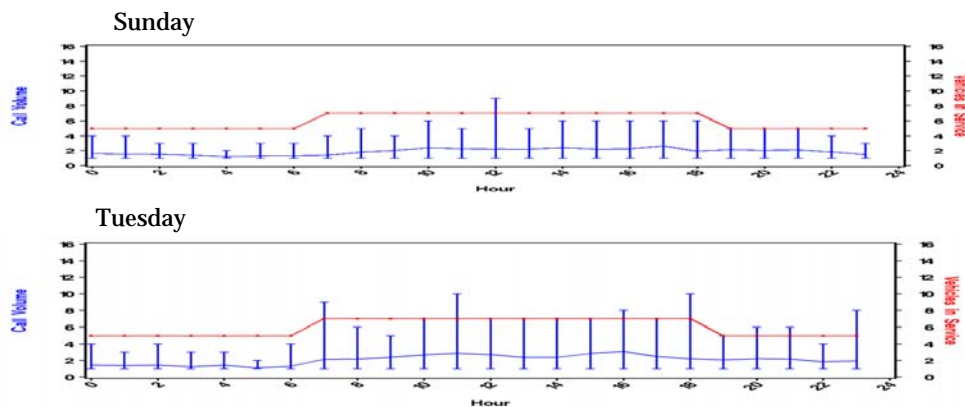
Call volume continues to increase system wide, there was an 8% increase for 2015 compared to 3-4 % in previous years.

- EMS revenue will increase subsequent to increased call volume



## Issues / Unit Availability

2015 statistics show that EMS exceeded it's current resources on numerous occasions for each day of the week. The Henderson County Rescue Squad assisted EMS approximately 415 times.

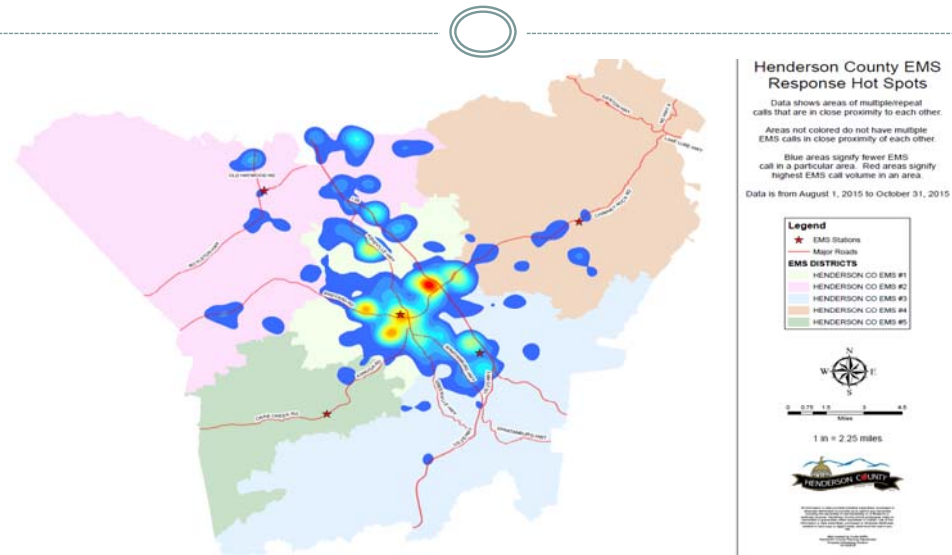


**CALL VOLUME PER DISTRICT  
2015**

EMS Station Summary	
EMS Station	Pct
Station #1 (Hendersonville)	51%
Station #2 (Mills River)	19%
Station # 3 (Upward Road)	22%
Station # 4 (Edneyville Fire Dept.)	8%
Station # 5 (Crab Creek )	N/A

Note: The Main Station has two 24 hour ambulances and one day time ambulance. Crab Creek is daytime only.

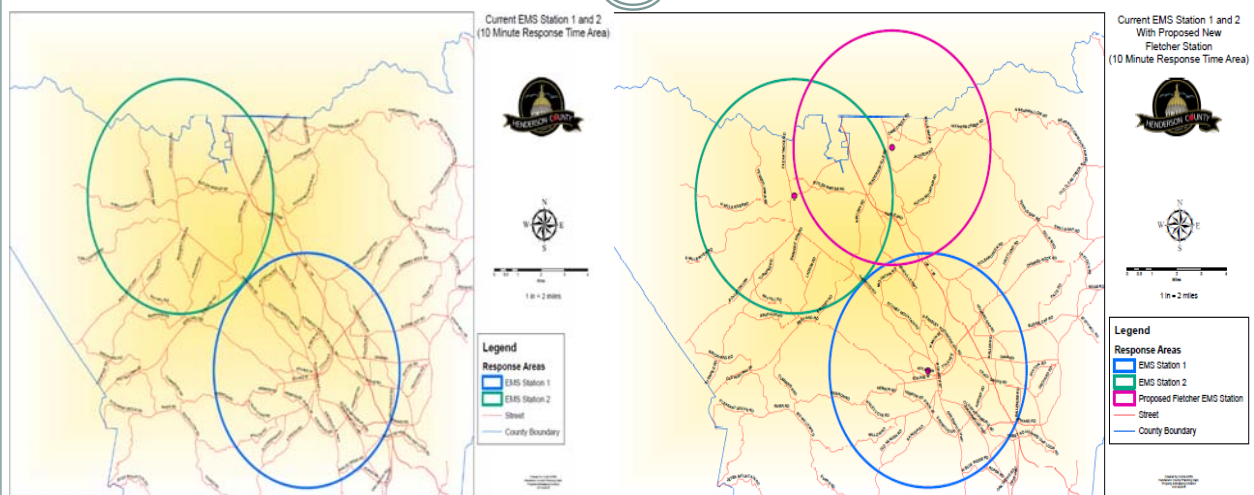
**EMS Call Volume August – November 2015**



## Impact Of New Station

- Improve response times to Fletcher residents who are not currently within a 9 minute or less response time.
- Improve response times countywide by decreasing the frequency ambulances respond from other districts.
- Improve ambulance availability in high call volume areas.
- Strategic location for access to Interstate 26.

## Fletcher Ten Minute Response Areas



**APPROX. COST TO ADD ADDITIONAL  
24 HOUR EMS CREW**



Ambulance & Equipment	\$236,000
Eight Staff	\$478,000
IT Equipment/Software	<u>\$8,000</u>
<b>Total</b>	<b>\$722,000</b>

**Thank You**



SUBMITTED BY: MIKE BARNETT



## County Facility Needs

Roofs	Estimated Cost	Year Requested/Priority
Detention *	\$966,900	#1 (FY 16-17)
King Street *	\$141,600	#2 (FY 16-17)
Library	\$582,367	#3
1995 Courthouse	\$575,900	#4
Cooperative Extension	\$135,600	#5
<b>Total</b>	<b>\$2,402,367</b>	

Wall Repairs	Estimated Cost	Year Requested/Priority
1995 Courthouse Exterior *	\$122,576	#1 (FY 16-17)
Detention	\$103,000	#2
King Street	\$94,799	#3
<b>Total</b>	<b>\$320,375</b>	

\* Current Commitments includes funding for this project

## Detention Center Roof

- Evaluation conducted on December 4, 2014 by REI Engineers
- Roof system was determined to be in poor condition, and “has reached the end of its useful service life”.
- Deficiencies include:
  - Membrane punctures
  - Open membrane seams
  - Cracking flashing
- Recommendation is to replace the roof system, flashings and sheet metal trim

## County Facility Needs

Parking Lots	Estimated Cost	Year Requested/Priority
1995 Courthouse *	\$92,724	#1 (FY 16-17)
Facility Services/Garage/CNG (70%)	\$22,175	#2
Detention Overflow (Seal & Stripe)	\$6,210	#3
EMS 2 (Overlay/Subgrade)	\$10,380	#4
<b>Total</b>	<b>\$131,489</b>	

HVAC	Estimated Cost	Year Requested/Priority
Priority 1 HVAC (58 Units) *	\$240,650	#1 (FY 16-17)
<b>Total</b>	<b>\$240,650</b>	

\* Current Commitments includes funding for this project

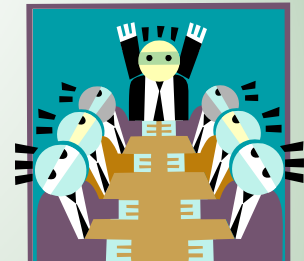
## County Facility Needs

Detention Center	Estimated Cost	Year Requested/Priority
Detention Door Replacement	\$72,472	#1 (FY 16-17)
Shower Lining Coating	\$171,828	#1 (FY 16-17)
<b>Total</b>	<b>\$244,300</b>	

<b>Grand Total</b>	<b>\$3,339,181</b>	
<b>Total Unfunded</b>	<b>\$1,774,731</b>	

# DISCUSSION

## Commissioner Discussion



- Commissioner Lapsley
- Commissioner Hawkins
- Commissioner Edney
- Vice-Chairman Messer
- Chairman Thompson

# Commissioner Lapsley

- High School Building Assessment



January 5, 2016

Henderson County  
Attn: Mr. Steve Wyatt  
1 Historic Courthouse Square, Suite 1  
Hendersonville, NC 28792  
(Sent via email)

**Subject: Hendersonville High School - Pre-Construction Agreement**

Mr. Wyatt,

Brasfield & Gorrie provides preconstruction services for over 90% of the projects we are awarded. We view the preconstruction phase as the most critical part of any project. The budgeting, reviewing, phasing, planning, and procurement services we perform during this phase are an integral part of the project's overall success. This early interaction creates a foundation of cooperation and trust that contributes significantly to the overall success of the project.

As requested, we are providing a proposal to perform a conceptual budget for the renovation/expansion of the existing Hendersonville High School. Below is a brief description of the services included.

**Conceptual Budget:** Total Cost - \$15,000

- Meet with the design team and County to review the program
- Visit the project site and review the existing conditions.
- Review any existing plans of the original construction and/or proposed construction.
- We will provide the following deliverables within 2 weeks of notice to proceed.
  - Conceptual Budget including a Schedule of Values
  - Value Analysis List
  - Clarifications and Assumptions
  - Project Schedule

**Agreement Terms**

- All preconstruction charges will be billed at the completion of each budget round. Payment from the owner will be due within 30 days of receipt of invoice.
- Should B&G be awarded the overall construction of the project, the costs for preconstruction services can be deferred until construction begins.

Thank you for the opportunity to serve you and Henderson County. We are very excited about this project and the opportunity to develop a relationship. Should you have questions, do not hesitate to contact me.


Sincerely,  
Brasfield & Gorrie, LLC

Eric S. Perkinson  
Vice President / Division Manager

# Proposal 1

- Brasfield & Gorrie
  - \$15,000
    - Includes meeting with design team
    - Review existing conditions
    - Review existing plans of original construction and/or proposal construction





This information would then be used as our basis for providing conceptual overall renovation option recommendations and associated conceptual cost estimates. We will provide estimates for the base building renovations, as well as upfit cost for both Business use, as well as Education use.

*We have had a great experience working with Henderson County thus far and would like to continue to grow this relationship. We are therefore proposing to complete this Phase 1 portion of the Renovation Options Report at NO COST to Henderson County.*

Phase 2 would then involve bringing in certain consultants to dive deeper into the existing condition of the building with their specific expertise. We have outlined below what consultants Vannoy Construction would recommend. They would use the information that we were provided for Phase 1 and Vannoy Construction's Phase 1 Report, but more importantly would investigate, and in some places test, specific conditions to give a more in-depth opinion. They would provide a professional report and Vannoy Construction would provide estimates for any additional work suggested above and beyond what was already provided in Phase 1.


The following is an outline format of the scope and associated cost broken into the (2) phases:

**Phase 1 – Utilizing Vannoy Personnel & Professional Subcontractors**

1. Original Building Construction.....**No Charge**
  - a. Original Structural Design Confirmation and Inspections
  - b. Current Structural Integrity Opinions
  - c. Previous Structural Modification Impact Review
  - d. Existing Building Systems Review, Inspections and Recommendations
  - e. Review of Renovation Documents for Possible Value Engineering Items
  - f. Conceptual Overall Renovation Option Recommendations Report
  - g. Associated Conceptual Cost Estimates


**Phase 2 – Utilizing Expert Consultants**

1. Structural Review by Structural Engineer.....TBD
  - a. Review of Vannoy Construction Inspections
  - b. Field Verification of Structural Concerns
  - c. Issue Structural Review Report
2. Exterior Envelope.....TBD
  - a. Exterior Window Systems Inspection & Report
  - b. Exterior Door Systems Inspection & Report
  - c. Existing Roof Inspection & Report
  - d. Masonry Veneer Inspection & Report
  - e. Thermal Envelope Code Issues Review & Report



3. Life Safety Code Issues (this would need to be performed once for Business occupancy and a second time for Education occupancy).....**\$10,500 per use**
  - a. Fire Protection System Requirements Cost Impact
  - b. Wall and Floor Fire Rating Requirements Cost Impact
  - c. Existing Elevator & Equipment Requirement Cost Impact
  - d. Exterior Uncovered Stairs Cost Impact
4. ADA Compliance Review.....**TBD per use**
5. Asbestos & Lead Abatement – Complete a Phase 1 Survey.....**TBD**
6. Business Use Programming.....**\$17,500**
7. Associated Cost Estimates for any suggestions not already completed in Phase 1.....**No Charge**

We are confident given our local presence, local professional contacts and extensive background in historical renovations both as a general contractor and a construction manager that we can provide Henderson County with a concise review of possible options and associated costs estimates. Thank you for the opportunity to propose our services. Should you have any questions, please do not hesitate to contact me at the office (828-575-1300) or on my cell phone (828-772-4711).

Respectfully,  
  
 Brian Walker  
 Vannoy Construction

## Proposal 2

- Vannoy Construction
  - Phase 1- No Charge
    - Provide overall review of existing structure
  - Phase 2
    - Structural Review by Engineer - \$TBD
    - Exterior Envelope - \$TBD
    - Life Safety Code Issues - \$10,500 per use (depending on occupancy type)
    - ADA Compliance Review - \$TBD per use
    - Asbestos & Lead Abatement - \$TBD
    - Business Use Programming - \$17,500
    - Associated Cost Estimates for any suggestions not already completed in Phase 1- No Charge

## Commissioner Hawkins

- MSD/Cane Creek
  - We are waiting for the State Supreme Court to hear the case.
  - Staff is planning with MSD staff for a tentative merger date of July 1, 2016 should the court uphold the discussion prior to then.
  - Staff has updated MSD on all projects, equipment and the budget since the original merger effort two years ago.
  - Staff consults MSD on decisions that will impact the system after July 1, 2016.
  - Staff is mapping the system in GIS with assistance from MSD.

## Commissioner Edney

- 1995 Courthouse Space Needs
- Recreation Needs Assessment & Parks Master Plan
- Hendersonville High School

## Commissioner Edney

### Tax Rate Equivalent

- 1 cent = \$1,250,000
- 5 cents = \$6,250,000



## Vice-Chairman Messer

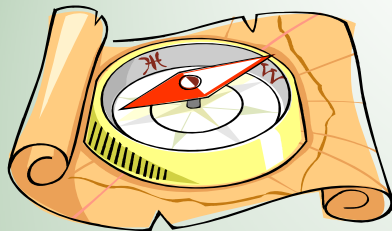
- Fire Inspection Program
- Artificial Turf at High Schools

## Fire Inspections

Number of Inspections	
\$100 Level	428
\$300 Level	87
\$500 Level	30
<b>Total of \$62,650 Collected</b> (as of December 31, 2015)	

## Chairman Thompson

- Broadpoint Park



## Budget Discussion and Direction to Staff

- Board of Commissioners Discussion and Direction

# DISCUSSION