

**MINUTES OF THE SCHOOL CAPITAL FUND
COMMISSION FOR BUNCOMBE COUNTY
MEETING HELD ON MONDAY, JULY 8, 2019 AT 3:00PM**

BE IT REMEMBERED: That the School Capital Fund Commission met for a regular meeting on July 8, 2019, in the County Administration Building, 200 College Street, First Floor Conference Room, in downtown Asheville, North Carolina at 3:00 p.m. where and when the following business was transacted:

The Commission meeting was called to order with the following Members present:

Charlotte Sullivan, Commission Member
Brownie Newman, Commission Member
Max Queen, Commission Member

County Staff Present: Don Warn, Finance Director; Brandon Freeman, Senior Attorney; Mason Scott, Business Administrator II; Matt Evans, Financial Planning Analyst.

Approval of Agenda as Presented

Commission Member Charlotte Sullivan moved that the Commission follow the agenda as presented. The motion passed unanimously.

Approval of February 11, Meeting Minutes

Commission Member Charlotte Sullivan, seconded by Brownie Newman moved that the minutes be approved as presented. The motion passed unanimously.

Public Comment

Commission Member Queen opened the floor for public comment at 3:07 p.m. No public comment was made.

Officer Appointments

Commission member Sullivan moved to maintain current officers, seconded by Newman. Passed unanimously.

SCFC Bylaws

Because many Members of the Commission were not in attendance, the Commission postponed until its next meeting the overall review of the bylaws.

Discussion of bylaw updates to schedule of meetings. Per Max Queen, timing may be poor for Aug and September meetings. August may not be needed. September meeting may be too early. Maintain July meeting. Too much going on in the school system during August. Once presentations begin, need more than just one meeting to make decisions.

Sullivan makes motion to remove August meeting, and add October as meeting month.

Further discussion: February discussion was valuable, but March meeting was cancelled. Queen unsure of whether or not this meeting was valuable. Mr. Freeman: There is no minimum requirement for number of “regular” meetings in a year.

Motion made earlier passed unanimously.

SCFC Financial Update Review

Matt Evans gave update. Article 39 sales tax is growing at low rate. Growth was 1.92% over past year. Queen question: How much actual fund balance will be available for allocation/commitment? Matt Evans will provide commission with update of actual revenues. Currently looking at prior year revenue. Recommendation from staff is to slightly decrease projected growth percentage from 3.5 to 2. Per Newman, this seems like a significant decrease from actual growth of around 7% over past 5 years. Buncombe County growth was about 5% for current

year accounting for all tax articles, not just 39 (sales tax). Sales tax is a very volatile revenue stream. Newman asked for clarification regarding correlation between increase in overall sales tax vs availability for capital project allocation. Refunds amounts are significant this year. Current revenues to-date are 3.5% on accrual basis; closer to 2% on cash basis evaluation.

Per comment from Newman, would like to monitor sale of Mission to HCA, no longer qualifying as a non-profit for purposes of refund as of January/February 2019. Speculate that this may cause a bump in revenues for the year. Much discussion regarding what the potential causes for the *significant* decrease in revenue growth is. Important to note that trend continues upward.

Don Warn gave update on state of bond market. First slide: little change. Second slide: As opposed to February interest rate, interest rates trend now downward. This will be beneficial if bond issuance occurs in near-term/future. Question from Queen: Is County able to refund/refinance for lower interest rate? Warn: Yes, this is considered during the bond issuance process.

High-level discussion of project status.

The 15 year fund balance estimate showed the use of fund balance for a few years before the fund starts to recover in 2027.

Schedule of Future Meetings

The next regular meeting is September 9, 2019 at 3:00pm.

Bylaws will be appended to include October meeting.

General Discussion

Newman: There is a similar board appointed for AB Tech Capital Projects. Will County staff be available and participating? Yes, Matt Evans will serve as lead and liaison from County for purposes of projections. Meetings will be organized and facilitated by AB Tech. This group will focus solely on Article 46 distributions only.

Public Comment

Returned to public comment. Security assessment update. Pleased with current state of in-process review. County Schools have been provided with remaining schedule for the fall. Will be evaluated for approval once work in progress report has been provided.

Adjournment

Commission Member Newman moved to adjourn the meeting at 3:31 pm, the motion passed unanimously.

SCHOOL CAPITAL FUND COMMISSION FOR BUNCOMBE COUNTY

By _____
Max Queen, Commission Chair

ATTEST

Donald P. Warn, Commission Secretary;
County Finance Officer