



TRANSYLVANIA
— COUNTY —
N O R T H C A R O L I N A

EDUCATION CAPITAL WORK GROUP

March 4, 2024

Call to Order

Board of Education and County Commission call to order for Special Meeting Presentation

Education Capital Workgroup

- This effort is a collaboration that was agreed to by the Board of Education and Board of Commissioners to identify the capital needs of Transylvania County Schools and to provide options for how to move forward to improve schools together.
- The Education Capital Workgroup includes the superintendent, county manager, a retired superintendent and a retired county manager tasked to work with a qualified consultant hired to assess the school buildings and identify the capital needs of the existing buildings.

Introducing the Team



- Retired Henderson County Manager Steve Wyatt
- Retired Henderson County Superintendent Bo Caldwell
- Axias Vice President Jonathan Bailey

Work Group Assumptions

- Boards and Community not interested in consolidation of schools as an option
- Focus on the existing building conditions to identify projects needing investment throughout the system
- The original expectation of the bond projects cannot be built for the amount of the bond as evidenced by the bid processes previously undertaken.
- The 2018 School Bond Referendum for \$68 million is still a financing tool available for use to finance investment in schools and can be used for sites beyond RHS, RMS and BHS.

Summary Step 1 - Investment

- The Education Capital Work Group recommends that the Board of Education and Board of Commissioners invest in our schools by moving forward projects from the assessment identified as
 - ▣ high priority, critical needs and deferred maintenance
 - ▣ focus on safety, building envelope (roofs and structure), major systems (mechanical, electrical) and site improvements. Focus is on updates to existing except for cases where a critical need is not in place like vestibules recommended from the safety assessment.
 - ▣ Projects scheduled before 2031 in the assessment
- Step 1 Cost estimate \$62 million (construction cost plus 30% to cover professional fees as an estimate)
- Use the 2018 General Obligation Bond approval to fund Step 1 Investment with a first tranche bond sale and draw down of funding.

Step 1 Investment Next Steps



- Both boards review and agree to the project list for Step 1 and authorize a project scoping session with Axias, school facility staff and county staff (fire marshal, building inspections, capital projects staff).
- County staff schedule general obligation bond sale to fund the investment in Step 1 round of projects as soon as possible.

Building Assessment- Axias

□ Assessment Process

- Visit
- Interviews with staff
- Documentation review*
- Additional studies conducted- safety assessment (capital needs), mold testing, structural testing
- Prepared a draft assessment for each school site and the administrative buildings
- Prepared a draft project dashboard that can be used to help in capital planning

Building Assessment- Axias

- Overall 10 Year Assessed Need
 - ▣ \$94 million in construction expenses so expect **\$121 million** total after including contingency, professional fees and other project costs.
 - ▣ Each identified project classified by urgency level, deficiency type and risk category
 - ▣ Cost estimation based on current pricing and projected escalation for projects shown in future years
 - ▣ Includes critical needs and funds for non-critical renovations like updating interiors

Building Assessment- Axias

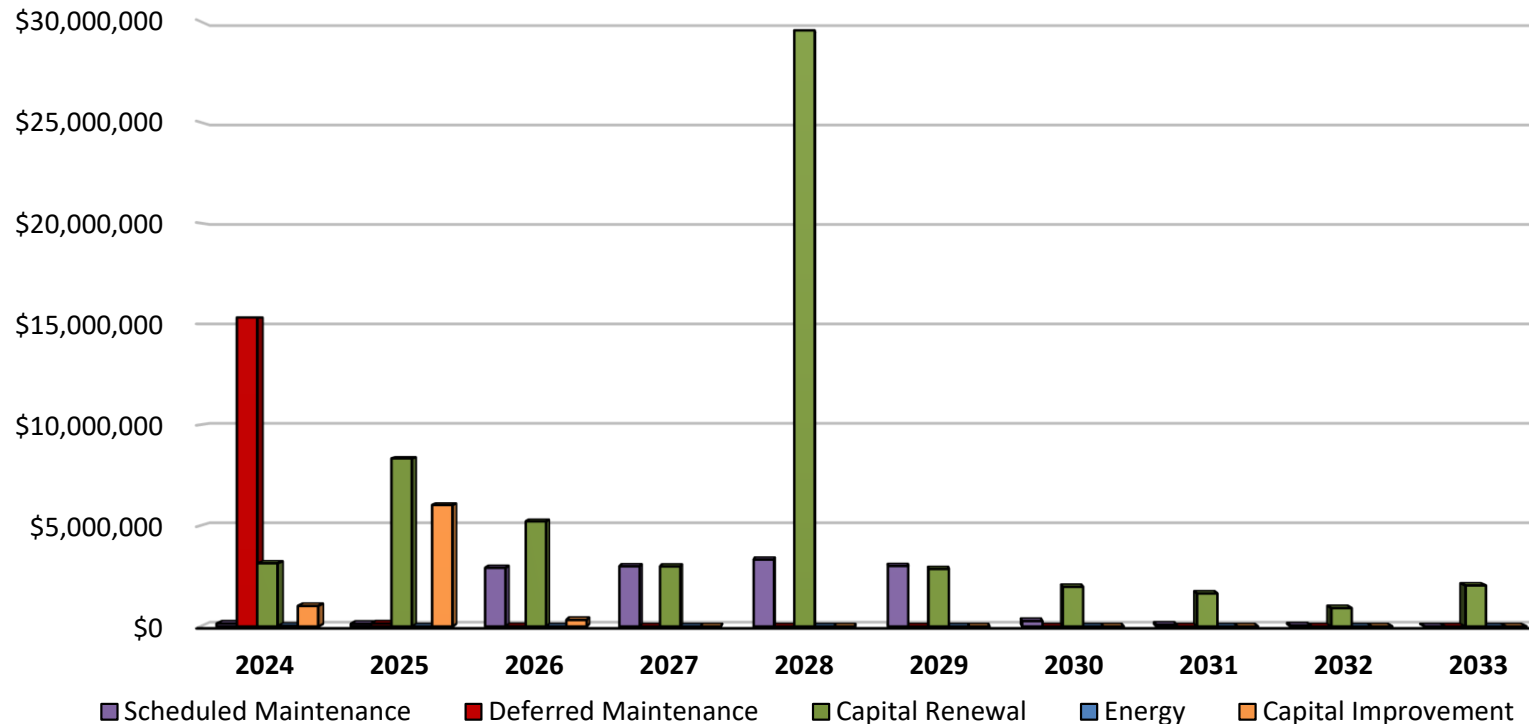
□ Total Expenditures by School

| School Facility | Ten Year Expenditures |
|--------------------------|-----------------------|
| Brevard Elementary | \$11,487,210 |
| Brevard Middle School | \$11,466,210 |
| Brevard High School | \$29,896,843 |
| Davidson River School | \$2,173,724 |
| Pisgah Forest Elementary | \$7,623,303 |
| Rosman Elementary | \$6,907,940 |
| Rosman Middle & High | \$19,041,791 |
| TC Henderson Elementary | \$4,349,205 |
| Plant Operations | \$543,906 |
| Morris Education Center | \$848,750 |
| TOTAL | \$94,338,781 |

- All costs are provided in 2024 dollars and exclude design fees, insurance, permits, CM fees, etc., which can range from an additional 30-40%.

Building Assessment- Axias

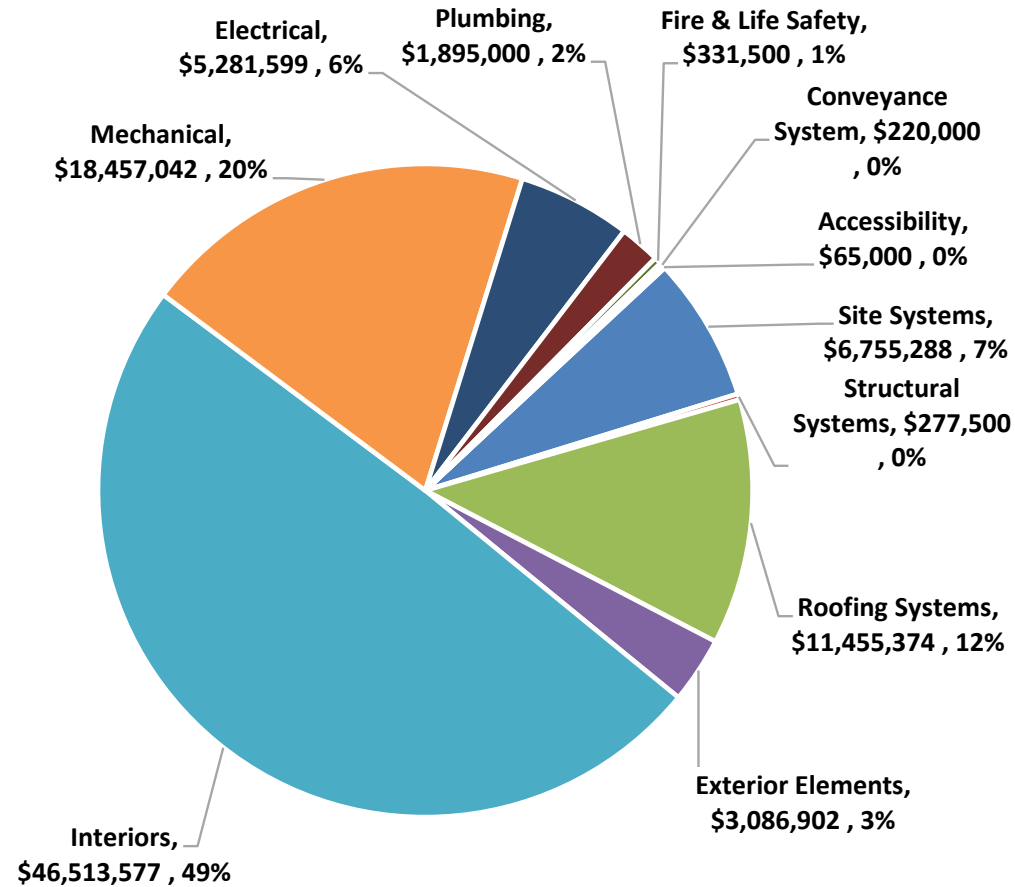
Expenditures by Category



- Capital Renewal expenditures in 2025 includes most of the the interior renewal expenditures, which the timing of these expenditures is not as critical as renewal of building systems or components and could potentially allow for flexibility for alternatives .

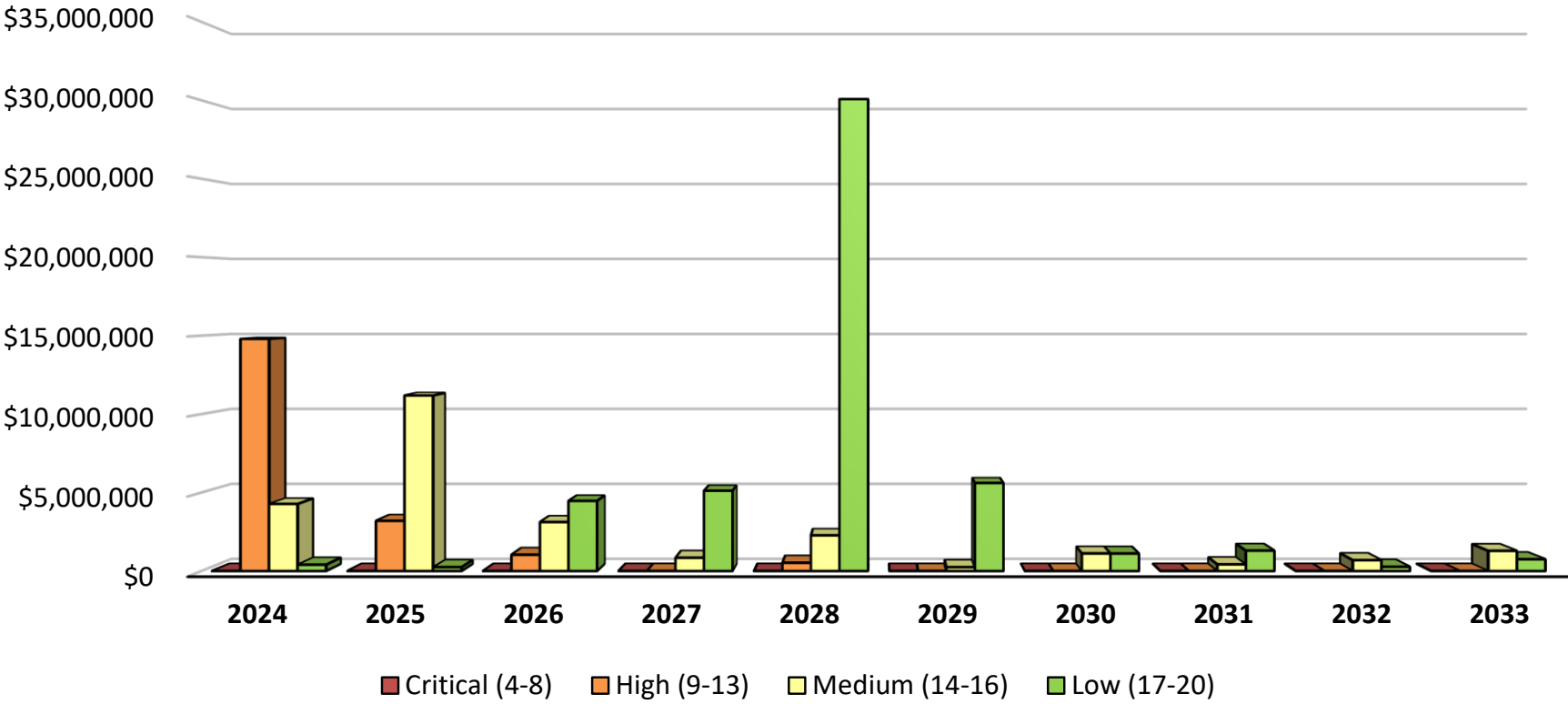
Building Assessment- Axias

Expenditures by System



Building Assessment- Axias

Expenditures by Risk



Building Assessment- Axias

□ Facility Condition and Facility Needs Index

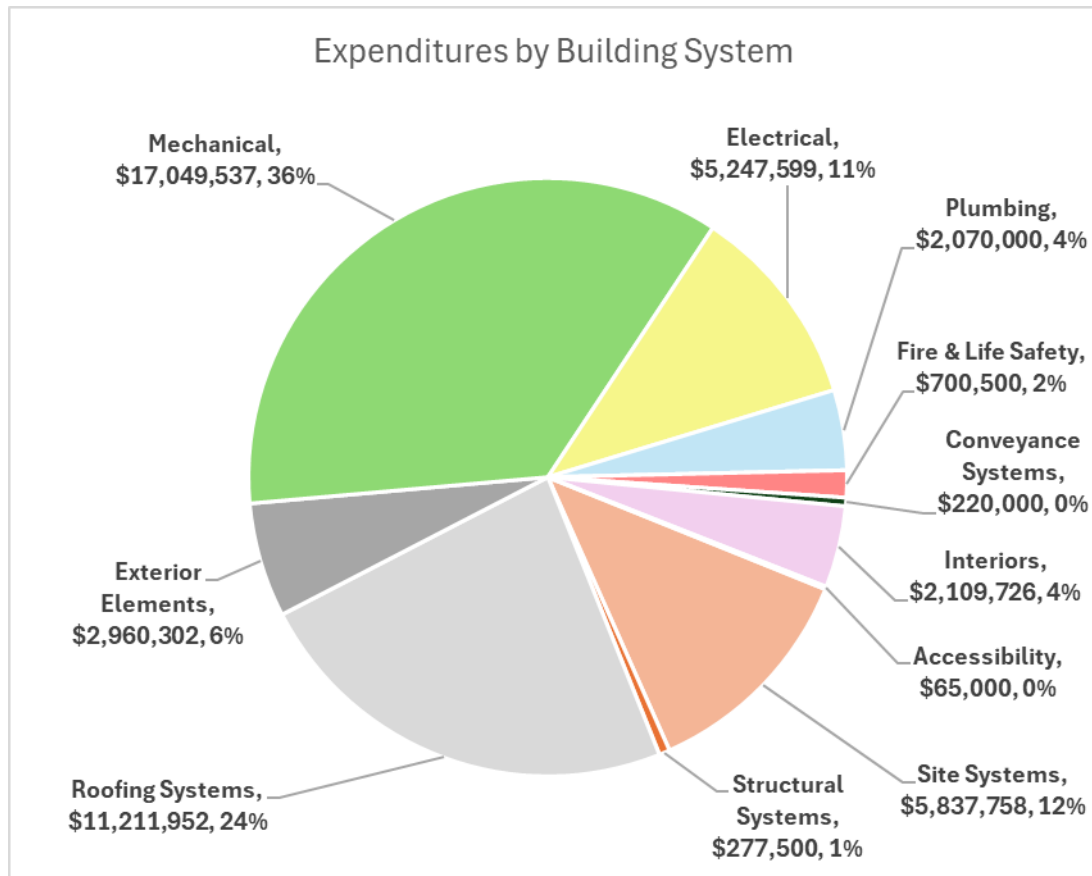
| Facility | Current FCI | 10-Year FCNI | Current FCI | 10-Year FCNI |
|--------------------------|-------------|--------------|---------------|--------------|
| Brevard Elementary | 0.10 | 0.47 | Fair | Poor |
| Brevard Middle School | 0.10 | 0.42 | Below Average | Poor |
| Brevard High School | 0.16 | 0.64 | Below Average | Renew |
| Davidson River School | 0.01 | 0.33 | Excellent | Poor |
| Pisgah Forest Elementary | 0.01 | 0.38 | Excellent | Poor |
| Rosman Elementary | 0.06 | 0.45 | Fair | Poor |
| Rosman Middle & High | 0.10 | 0.42 | Below Average | Poor |
| TC Henderson Elementary | 0.09 | 0.54 | Fair | Renew |
| Plant Operations | 0.04 | 0.27 | Good | Poor |
| Morris Education Center | 0.02 | 0.21 | Good | Poor |

Step 1 Investment Work Group Plan

- Reviewed draft with the Work Group to prepare the recommended Step 1 phase
 - Pulled critical needs, deferred maintenance and high priority projects into Step 1 phase
 - Budgets for interiors are estimates and interiors that make sense as part of the Step 1 were pulled in with the critical project needs.

Step 1 Investment Work Group Plan

Breakdown of Step 1 phase construction only cost



| Facility | Expenditures |
|--------------------------|----------------------|
| Brevard Elementary | \$4,687,788 |
| Brevard Middle School | \$4,339,430 |
| Brevard High School | \$17,823,962 |
| Davidson River School | \$717,084 |
| Pisgah Forest Elementary | \$3,025,833 |
| Rosman Elementary | \$4,452,310 |
| Rosman Middle & High | \$10,336,991 |
| TC Henderson Elementary | \$1,861,080 |
| Plant Operations | \$401,156 |
| Morris Education Center | \$178,240 |
| TOTAL | \$47,823,874* |

*Costs exclude design fees, insurance, permits, CM fees, etc.

Summary Step 1 - Investment

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Step 1 Investment Next Steps

- Both boards review and agree to the focus project list for Step 1 and authorize a project scoping session with Axias, school facility staff and county staff (fire marshal, building inspections, capital projects staff).
 - ▣ Some projects may be in current year scopes or FY 25 annual request and can be removed, others may be completed by school maintenance staff in regular work schedules
 - ▣ Look at grouping like projects and projects that need to be done together (ie- roof replacement and roof mounted HVAC)
- County staff schedule general obligation bond sale to fund the investment in Step 1 round of projects as soon as possible.
 - ▣ 90 Days for financial process, but would need to be on LGC agenda by October 2024 will then have to wait for FY 24 audit (unlikely before Dec). Includes bond agency meetings, etc.
 - ▣ If projects funded with bonds are to start in 2024, will need agreement from both boards on the projects by July 1 at the latest to start the bond sale process and have financing to work from in 2024. A delay will result in financing no earlier than Spring 2025.

Step 2- Refresh

Beyond Step 1- Investment, the two boards will need to work together on Step 2- Refresh

- Interiors are budgeted into the assessment across all school
- Will need to identify priorities for interior renovation and work out a funding plan
- Upgrades could be prioritized and defer other interior renovations
- Options for project upgrades as discussed by BOE- BHS cafeteria updating or new building, Alternative energy like RES Geothermal, RHS football field turf **Note- only maintaining existing field is in Step 1**
- School functionality assessment for recommendations on interior changes that enhance education support could be another Step 2 option

Step 3- Ongoing Collaboration

- Projects beyond Step 1 can be prioritized for annual capital requests by the Board of Education (FY 24 \$3 million in annual capital funding) or grouped for financing purposes like Step 1 and worked into the Capital Plan such as Bond Sale Tranche 2.
- Basing multi- year capital planning on building assessment in the future will make sure that major building system needs are maintained over time moving forward. Plan a joint assessment every 5-7 years to keep current long range capital plan for the two boards to work from.
- Documentation retention on buildings to have historical information (plans etc need to be kept)

Best Practices From Retired Professionals

Steve Wyatt

Dr. Bo Caldwell

Adjournment

Copies of Handouts, Slides and Additional Information on funding and project development can be found at:

www.transylvaniacounty.org/transylvania-county-special-projects