

FOR ACTION

INDEPENDENT SCHOOL DISTRICT 273 Regular Meeting, June 16, 2014

SUBJECT: TEN-YEAR ALTERNATIVE FACILITIES FUNDING PLAN

Be It Resolved, That

The School Board

Approve the ten-year alternative facilities funding plan as attached.

BACKGROUND INFORMATION

The administration and district architects, WOLD Architects and Engineers, have been reviewing the district's ten-year deferred maintenance plan, including revisiting the maintenance needs identified in the 2012 facility inventory, as well as learnings gained from the last two years of projects.

The goal of the original ten-year plan was to address critical asset preservation needs throughout the district, focusing primarily on exterior issues including roofing, building envelope, and parking and paving issues. The original plan did not, however, make significant investments at either the Edina Community Center (ECC) or transportation buildings (other than paving). This was directly related to the district's desire to continue to consider the long-term approach to each of these buildings within the district. Also, the original plan did not fund all deferred maintenance needs.

Since the original plan was approved two years ago, multiple factors have changed or arisen:

- A reorganized Buildings and Grounds Department, including a new leadership structure and working in concert with district architects, has identified additional facility needs
- Mechanical approaches on some projects have been greater than the originally estimated
- ECC maintenance needs, not part of the original plan's scope, need to be addressed
- Summer construction costs are significantly higher than anticipated
- Building user expectations are higher
- New, more urgent issues (i.e. leaking roofs, damaged areas, etc.) need to be considered

As a result of these changes over the last two years, the current fixed funding of \$10 million a year will not allow the district to catch up on deferred maintenance needs in the district.

The administration recommends revising the ten-year plan and combining it with a deferred maintenance component in a future bond referendum. The revised ten-year plan would continue the \$10 million a year for the next two years. After two years, the district would increase by \$5 million annually (i.e. \$15 million total revenue). This deferred maintenance plan will be funded through an alternative facilities levy and bonding.

The alternative facilities process timeline set by the Minnesota Department of Education requires the district to submit a two-year and a ten-year alternative facilities plan to the state annually in May. This plan may be revised on an annual basis.