

School Board Meeting:

June 25, 2018

Subject:

RESOLUTION APPROVING SW METRO
INTERMEDIATE SCHOOL DISTRICT
NO. 288'S LONG-TERM FACILITY
MAINTENANCE PROGRAM BUDGET AND
AUTHORIZING THE INCLUSION OF A
PROPORTIONATE SHARE OF THOSE
PROJECTS IN THE DISTRICT'S
APPLICATION FOR LONG-TERM
FACILITY MAINTENANCE REVENUE

Presenter:

**Gary Kawlewski, Director of
Finance and Operations and
Scott Thielman, Superintendent**

SUGGESTED SCHOOL BOARD ACTION:

Action required

DESCRIPTION:

As a part of the Long-Term Facilities Maintenance revenue legislation, school district cooperatives were also given the authority to utilize the revenue program. The revenue has a flow thru component similar to lease levy authority. Although it is an equalized revenue, the state aid component is already being maximized with our own LTFM application so this request is all levy authority. This is the third year of the SW Metro request. We would again, levy and collect the taxes on behalf of the coop and then forward the funds onto the coop for their use with their facilities. The additional amount would be a part of our total tax levy that we would approve in the fall of 2018 for taxes payable in 2019. The funds would be forwarded to the coop for use in the 2019-20 school year. A unique provision of the legislation is that all member districts of the coop must pass the resolution annually by June 30 or the coop loses the entire ability to levy LTFM revenue for that year. This is an annual approval similar to the LTFM provisions for our own school system.

The uses of the funds are similar to our authority and the SW Metro application contains the following types of deferred maintenance expenditure requests:

- Mechanical system updates
- Roofs
- Building envelope upgrades (windows, doors, etc.)
- Plumbing
- Interior surfaces (carpet, painting, etc.)

The coop is looking to collect \$250,000, up from \$200,000, from their member districts. Our portion would be \$14,024, up from \$9,099. This is an increase of \$5,015. The current tax impact projection on a \$200,000 home would be \$.76 per year. This is a \$.24 per year increase for a BHM District's residential homestead property.

As a member district in a coop, we have a part-ownership in the facilities that are owned by the coop. As a steward of public facilities, we have an obligation to maintain those facilities in good repair for the health and safety of our students who attend those facilities. The obvious challenge is that although technically revenue neutral to our budget, it is one more competing interest for our tax dollars that we levy to use across our other facilities and for our educational program needs.

We recommend approval of the attached resolution to allow LTFM levy authority for the SW Metro Coop.

ATTACHMENT(S):

- Members Annual Long-Term Facility Maintenance Resolution-2017
- SW Metro LTFM plan and member costs pay 19
- LTFM 10-year expenditure plan Pay 2019