Osseo Area Schools

# MEMO

**TO:** Dr. Kim Hiel, Superintendent
**FROM:** John Morstad, Executive Director of Finance and Operations
Dale Carlstrom, Director of Facilities Operations
**SUBJECT:** Long-Term Facilities Maintenance 10-Year Plan Approval
**DATE:** 6/23/2026

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**Recommendation**

We recommend that the school board approve the FY 2028 Long-Term Facility Maintenance (LTFM) Ten-Year Plan. M.S. 123B.595 requires that school boards approve LTFM plans annually by July 31. Four required documents are included in the board materials:

1. LTFM ten-year revenue projection
2. LTFM ten-year expenditure plan
3. FY 2028 application for LTFM revenue - Statement of Assurances (to be signed by Superintendent)
4. Board resolution

**Background**

Approval by the school board ensures that LTFM revenue is included in the pay 2027 preliminary levy for school board approval in September 2026 and, subsequently, the final pay 2027 levy approval in December 2026.

Along with the annual levies, bonds that were sold in 2024 will provide for projects to be completed in the summer of 2024, 2025 and 2026. An updated bond repayment schedule is calculated into the revenue plan.

**History**

In cooperation with the school board over several months during FY 2016, Osseo Area Schools strategically designed a long-term facilities maintenance plan that enables the district to accelerate necessary infrastructure maintenance on items such as roofs; mechanical, electrical, and plumbing systems; flooring; parking lots and sidewalks; and building exteriors. We know that a safe and healthy learning environment is a key element of effective schools. The facilities that our students and staff experience every day have an important impact on teaching and learning.

**Administrative Services**
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LTFM is one of the funding mechanisms made available to school districts to maintain the community investment in school facilities, grounds, and infrastructure. LTFM is a particularly critical component of funding because it is designed specifically to address deferred maintenance needs. LTFM includes costs for Health and Safety such as fire safety, indoor air quality, and asbestos abatement. The other major capital funding source available to school districts, Operating Capital, is used primarily to purchase new curriculum resources, equipment, musical instruments, student furniture, and technology.

**Next Steps**
(Consistent with timelines/actions discussed at previous school board work sessions and meetings)

| Date | Action |
|---|---|
| June 23, 2026 | School Board approves annual ten-year revenue and expenditure plan |
| September 29, 2026 | School Board approves preliminary tax levy for FY 2028 (Pay 2027) |
| November 10, 2026 | LTFM Summer 2026 project update |
| December 15, 2026 | School Board approved final tax levy for FY 2028 (taxes payable in 2027) |
| December 2026 – May 2027 | School Board awards bids for summer 2027 projects |

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