

School Board Meeting:

May 22, 2023

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:

**Ryan Tangen, Director
Finance and Operations
Scott Thielman, Superintendent**

SUGGESTED SCHOOL BOARD ACTION:

Action required

DESCRIPTION:

As a part of the Long-Term Facilities Maintenance (LTFM) revenue legislation, school district cooperatives and intermediate districts are also given the authority to utilize the revenue program. 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. The revenue has a flow-thru component similar to a lease levy authority meaning we would levy and collect the property taxes on behalf of SW Metro and then forward the funds to them for their use. This amount will be a part of our total property tax levy to be approved in the fall of 2023 for taxes payable in 2024 for the 2024-25 school year. The LTFM process for cooperatives/intermediate districts is the same as we follow for our district with one additional requirement; legislation requires all member districts of the cooperative/intermediate district to pass an annual resolution by June 30th approving the request or the cooperative loses the ability to levy LTFM revenue for that year. This is the seventh year SW Metro has requested LTFM levy authority.

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

- Health and safety projects and assessments
- Fire testing and monitoring
- Building envelope repair
- Grounds repairs and/or replacements
- HVAC preventative maintenance
- Plumbing and Electrical maintenance
- Flooring and painting

SW Metro is proposing to collect \$127,065 from their member districts. Our portion would be \$17,023.95, an increase of \$3,508.83 from last year's total of \$13,515.12. The current tax impact projection on a \$200,000 home would be \$.58 per year. This is a \$.02 increase per year for a BHM residential homestead property.

As a member district in a cooperative/intermediate district, we have a part-ownership in the facilities that are owned by the cooperative/intermediate district. 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 this request is technically revenue neutral to our budget, it is one more competing interest for property taxes levied against BHM properties in addition to our levy for maintaining our facilities and educational program needs.

We recommend approval of the attached resolution to allow 2024-25 LTFM levy authority for the SW Metro Intermediate School District no. 288.

ATTACHMENT(S):

- SWM LTFM Levy Resolution Pay 24
- SWM FY 25 LTFM 10-Year Expenditure Plan