

School Board Meeting:

May 28, 2019

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
Finance and Operations
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 fourth year of the SW Metro request. We would, again, levy and collect the taxes on behalf of the co-op and then forward the funds onto the co-op 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 2019 for taxes payable in 2020. We would forward the funds to the co-op for use in the 2020-21 school year. A unique provision of the legislation is that all member districts of the co-op must pass the resolution annually by June 30 or the co-op 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 use of the funds is 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 co-op is looking to collect \$275,000, up from \$250,000, from their member districts. Our portion would be \$23,995, up from \$14,024. This is an increase of \$9,971. The current tax impact projection on a \$200,000 home would be \$1.20 per

year. This is a \$.45 per year increase for a BHM District's residential homestead property.

As a member district in a co-op, we have a part-ownership in the facilities that are owned by the co-op. 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 co-op.

ATTACHMENT(S):

- LTFM Resolution-Pay 2020
- Pay 2020 levy allocation