



## MEMORANDUM

**TO:** ISD 110 School Board

**FROM:** Pam Carman, Director of Finance & Operations  
Tim Bisek, Director of Buildings & Grounds

**DATE:** July 27, 2026

**SUBJECT:** Fiscal Year 2028 Long-Term Facilities Maintenance (LTFM) Ten-Year Plan

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### Executive Summary

Attached for review and approval is the District's Fiscal Year 2028 Long-Term Facilities Maintenance (LTFM) Ten-Year Plan, including the required ten-year revenue and expenditure projections.

The plan reflects the District's current assessment of anticipated facility maintenance needs and long-range capital priorities. Because the plan is reviewed and updated annually, projects, costs, and priorities may change as facility conditions, financial circumstances, and Board direction evolve.

The proposed expenditure plan includes a preliminary planning assumption for a potential Middle School Indoor Air Quality (IAQ) project in Fiscal Year 2029. Inclusion of the project preserves the District's ability to continue evaluating long-term facility needs and complete the planning necessary for future consideration. Approval of the LTFM Plan does not authorize construction, financing, or the issuance of bonds.

Administration anticipates returning to the Board later this fall with additional information and recommendations regarding the Middle School cooling system and potential long-term improvements.

No decision regarding the Middle School IAQ project or future financing is requested as part of the approval of the Fiscal Year 2028 LTFM Plan.

## **Annual LTFM Planning Requirement**

Under Minnesota Statutes Section 123B.595, school districts are required to annually adopt a ten-year LTFM Plan and submit the Board-approved plan to the Minnesota Department of Education (MDE) by July 31 for commissioner approval.

The plan identifies anticipated facility maintenance needs and establishes long-range funding assumptions, including whether projects may be financed through annual LTFM revenues, bonding, or a combination of funding sources.

Larger projects, including IAQ projects exceeding \$100,000, require additional engineering documentation, project narratives, cost estimates, and financing information for MDE approval. Including a project in the ten-year plan allows the District to begin the planning and approval process while retaining flexibility regarding project scope, timing, and financing.

## **Middle School IAQ Planning Assumption**

As previously discussed with the Finance Committee, administration has included a preliminary \$12.0 million Middle School IAQ Project in Fiscal Year 2029 (Summer 2028) of the LTFM Ten-Year Expenditure Plan.

The project estimate is based on preliminary construction cost assumptions and is included solely for long-range planning. It does not authorize construction or the issuance of bonds and does not establish a required project or financing timeline.

Including the project preserves the District's ability to:

- Further evaluate the Middle School's immediate and long-term mechanical system needs;
- Complete the engineering and documentation necessary for MDE review;
- Coordinate immediate equipment investments with a potential long-term IAQ solution;
- Evaluate the potential use of remaining IAQ funds; and
- Consider alternative project scopes, timelines, and financing strategies.

The Board will retain full discretion regarding the scope, timing, and financing of any future Middle School IAQ project.

## **Current Condition of the Middle School Cooling System**

The inclusion of the preliminary Middle School IAQ project reflects the condition of the District's existing cooling system and the need to preserve future planning flexibility.

The Middle School cooling system includes three chillers and six compressors. Following the failure of a second compressor on July 6, 2026, only four of the six compressors remain operational. Two chillers are operating well beyond their expected useful life, and the system has limited redundancy. While the building remains operational, an additional compressor failure during periods of elevated temperatures and humidity could significantly reduce the system's ability to adequately cool and dehumidify occupied instructional spaces.

Based on preliminary discussions with SiteLogIQ and the District's mechanical consultants, administration anticipates that a minimum investment of approximately \$250,000-\$350,000 may be necessary by spring 2027 to maintain reliable building operation while longer-term solutions continue to be evaluated.

Maintaining appropriate temperature and humidity is important not only for occupant comfort, but also for protecting District facilities, technology, building systems, and overall indoor environmental quality.

## **Next Steps**

Administration will continue evaluating the Middle School's immediate mechanical needs together with potential long-term facility improvements. This work will include further engineering review, project cost refinement, evaluation of available funding sources, and coordination with the Minnesota Department of Education as appropriate.

Administration anticipates returning to the School Board during the fall with additional information and recommendations regarding the Middle School cooling system and any future capital improvement options. Any future recommendation to proceed with engineering, construction, or financing would require separate School Board consideration and approval.

## **Recommendation**

Administration recommends approval of the Fiscal Year 2028 Long-Term Facilities Maintenance Ten-Year Plan.

Approval of the plan:

- Satisfies the District's annual statutory planning requirement.
- Authorizes submission of the Board-approved plan to MDE.
- Reflects the District's current long-range planning assumptions.
- Preserves flexibility as future facility needs continue to be evaluated.
- Does not authorize construction, project financing, or issuance of bonds.

## **Attachments:**

- Fiscal Year 2028 Ten-Year Revenue Projection
- Fiscal Year 2028 Ten-Year Expenditure Plan