

Agenda Item III-C: Ten-Year Long-Term Facilities Maintenance Plan
Presented by: Amy Skaalerud, Executive Director of Finance and Business Services

Background:

The funding for the long-term facilities maintenance program (LTFM) comes primarily from levy revenue along with a small portion received as state aid. The levy portion will be part of the total levy that the Board will approve in December. This program was effective on July 1, 2016, and replaced the previous alternative facilities/deferred maintenance and health and safety levies.

Long term facilities maintenance funds can be used for expenditures for increasing accessibility of school facilities (ADA), approved health and safety expenditures in accordance with Minnesota Statute 123B.57, and eligible projects necessary to prevent further erosion of facilities. In accordance with MDE guidelines an eligible project must be work performed on an existing district-owned facility and LTFM funds cannot be used to modify or remodel existing spaces with the exception of remodeling for gender-neutral single user restrooms. LTFM funds also cannot be used to increase space or for new construction.

MDE requires that the Board annually approve a ten-year long-term facilities maintenance plan which must be submitted to MDE by July 31. The 2027-2028 annual LTFM project budget is proposed to be set at \$7,750,000. In addition, the district receives \$5,269,761 in LTFM revenue that is allocated to the debt service fund to cover the annual principal and interest payments on the district's 2015A Alternative Facilities Bonds, 2022B Facilities Maintenance Bonds, and 2023A Facilities Maintenance Bonds. These bonds were issued to fund HVAC projects throughout the district as well as recent improvements at Apollo High School. In total, this brings the proposed LTFM revenue for 2027-2028 to \$13,019,761.

A preliminary list of proposed projects for 2027-28 is attached. The Ten-Year Revenue and Expenditure worksheets required by MDE are attached.

This information has been reviewed by the Board Finance and Audit Committee.

Administration Recommendation:

No action is required.