

# WHAT THE BOARD NEEDS TO KNOW

## Intermediate District 287

RESPONSIVE. INNOVATIVE. SOLUTIONS.

### District 287 Long-Term Facilities Maintenance (LTFM) 10 Year Plan – 2026-27 Talking Points

April 10, 2025

#### Author

Brian Schultz, Executive Director of Business Services

#### Background

- This is the beginning of the LTFM approval process. Our costs will go on member district 2026 levies and fund expenses in FY27 or future year projects (funds are held in a restricted reserve for LTFM project costs if unspent) – this is done early due to timing of levy process.
- Since intermediate districts do not have a dollar limit in statute, District 287 & BDAC have agreed to maintain a stable levy amount (approx. \$6.2M) between our combined LTFM levy and lease levy as a limit.
  - This helps keep a stable and consistent levy for member district taxpayers
  - Allows District 287 the flexibility to increase LTFM funds when our lease levy decreases, which is occurring in FY27. If we need additional lease levy funds in the future, we would reduce our LTFM levy to continue to maintain a stable levy amount for member districts.
  - District 287 gets a funding source to maintain aging buildings while giving member districts a neutral impact to their budgets.
- The proportionate share allocated to member districts is determined using 1/3<sup>rd</sup> APU's and 2/3<sup>rd</sup>s on a 3-year weighed program usage formula.

#### FY27 & Future Expenditure Plan Details

- FY27 Health and Safety Expenditures - \$148,676
- FY27 Deferred Maintenance Expenditures - \$108,000 (unspent funds will be held in a restricted reserve)
- FY27 Debt Service Payments on - \$781,620
  - 2017B Facilities Maintenance Bonds – used to renovate Ann Bremer Education Center
  - 2022A Facilities Maintenance Bonds – used for multiple projects throughout the district (roofing, HVAC, boilers, lighting, parking lots, windows and foundations)
- Future projects in the next 2 to 5 years – roof replacement at NEC and DSC, update building automation systems at WEC and DSC, parking lot replacement at the DSC, district wide parking lot maintenance/sealcoating, and HVAC unit replacement at WEC.

#### Approval Process

- District 287 School Board approved the 10 Year Application and Member District Allocation on April 10, 2025.
- Each member district school board will act (approve a LTFM resolution) on including their proportionate share of District 287's 10 Year Plan in their Long-Term Facilities Maintenance Levy.
- By July 31, 2025, all 12 board approvals and supporting documents must be submitted to MDE.