

Work Session

Monday, October 9, 2023 7:00 PM

Waconia Public Schools - District Office - Conf Rm A, 512 Industrial Blvd.,
Waconia, MN 55387

1. **Superintendent Updates**

Presenter: Brian
Gersich,
Superintendent

2. **Facilities Planning Discussion**

Presenter: Ra Chhoth,
Director of Finance &
Operations

Facility Funding & Long-Term Plans



WACONIA
PUBLIC SCHOOLS ISD 110



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Facility Assessment



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Building Assessment

ASSESSMENT HEADLINES

- 6 months of targeted assessments
- 960,000 SQFT of facilities reviewed
- 425 different types of assets logged
- Visualizations created for all major systems
- Created digital repository for all assets and systems

With the objective being:

Give the district the information required to make sure that all re-investment into buildings is justifiable, quantifiable, planned, and of the utmost priority

16 CATEGORIES OF FACILITY ASSESSMENT

Accessibility

Pathogen Mitigation

Life Safety Systems

Security Systems

Exterior Envelope

Grounds

Hazardous Materials

Interior Finishes

Mechanical Systems

Electrical Systems

Plumbing Systems

Controls and Energy Management

Capital Equipment

Technology Systems

Utility Service Improvements

Programming & Space Utilization

Comprehensive Asset Assessment

- System report cards, predicted remaining life
- Replacement / upgrade cost estimates
- Advanced prioritization

Indoor Environment Assessment


- Indoor air quality, light, sound, temperature, humidity assessments

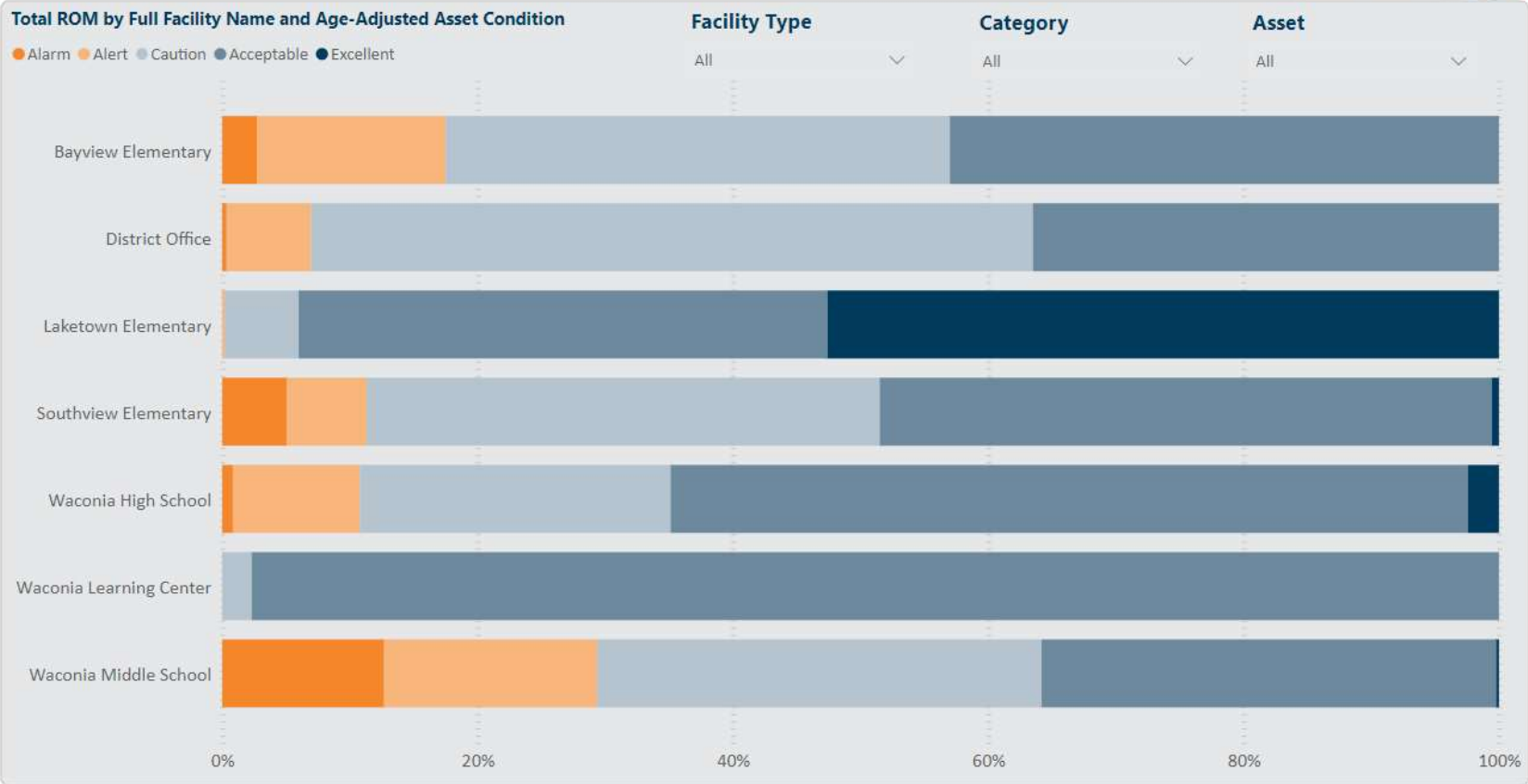
Facility Optimization

- Identification of utility and operational cost savings opportunities

DISTRICT WIDE FACILITY ASSESSMENT

Facility Condition Assessment - Summary

[Facility Compare](#)
[Summary By Size](#)
[Facility Detail](#)


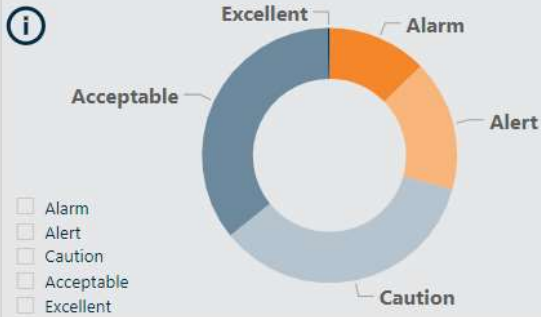


BUILDING DASHBOARD SUMMARY

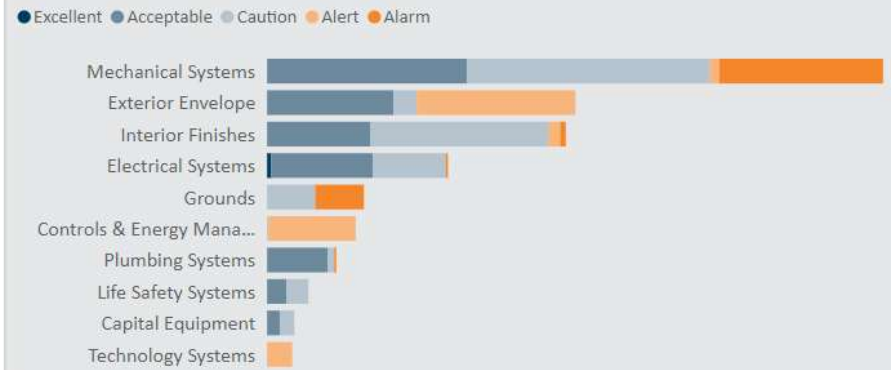
Asset Summary - Waconia Middle School

Facility Detail i

Replacement Cost by Age-Adjusted Asset Condition



%GT Rough Order of Magnitude Replacement Cost by Category and Age-Adjusted Asset Condition



Asset Description	Category	Area Served/Located	Avg Life Expectancy	Age of Asset	% of Life Expectancy	Projected Remaining Years	Asset Condition Assessment	Age-Adjusted Asset Condition	Concerns / Issues / Notes
1994 Chilled Water Distribution Piping	Mechanical Systems	1994 Areas with Cooling	50	29	58%	26	Acceptable	Acceptable	
1994 Domestic Piping Distribution	Plumbing Systems	1994 Area	50	29	58%	26	Acceptable	Acceptable	
2007 - 2012 Built-Up Roofing	Exterior Envelope	Roof Areas 7-28	30	16	53%	17	Acceptable	Acceptable	See roofing report.
2007 Chilled Water Distribution Piping	Mechanical Systems	2007 Areas	50	16	32%	34	Acceptable	Acceptable	
2007 Chilled Water Pumps	Mechanical Systems	Boiler Room	30	16	53%	17	Acceptable	Acceptable	Fed from 3 chillers on roof, serve CW system

BUILDING MAPS

HVAC Map - 01

Maps

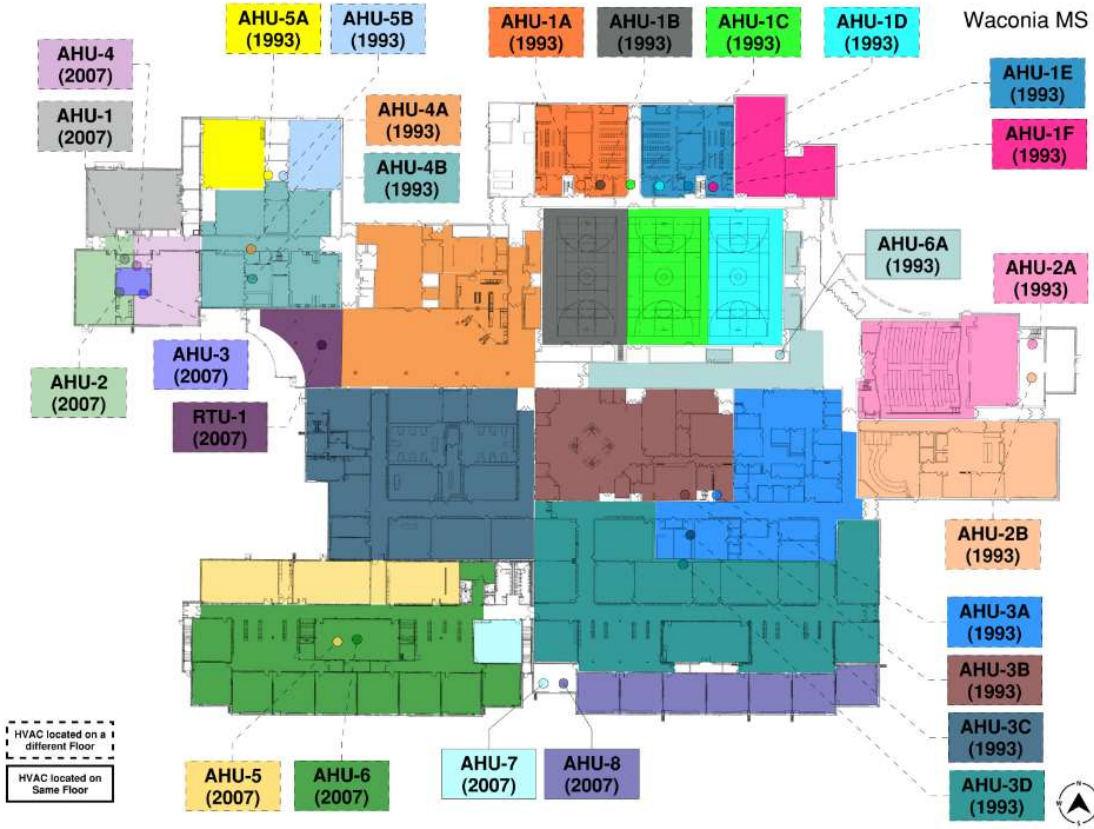
- Floor Plan - 01
- Floor Plan - 02
- Age - 01
- Age - 02

Systems

- HVAC - 01**
- HVAC - 02
- HVAC System - 01
- HVAC System - 02
- Heating - 01
- Heating - 02
- Cooling - 01
- Cooling - 02
- Flooring - 01
- Flooring - 02
- Ceilings - 01
- Ceilings - 02
- Windows - 01
- Windows - 02
- Casework - 01
- Casework - 02

IEQ

- Space CO2 - 01
- Space CO2 - 02
- Sound Levels - 01
- Sound Levels - 02
- Light Levels - 01
- Light Levels - 02



WHAT DO THE ASSESSMENTS DO?

The comprehensive nature of the assessments allow the district to prioritize projects by:

- Asset life expectancy
- Current asset condition
- Building location
- Interconnectivity to other systems
- Educational impact
- Community perception
- Project cost
- Project funding source

The background is a dark blue gradient with a complex, layered geometric pattern of white and light blue wireframes. These wireframes form various rectangular and cubic shapes, some appearing to recede into the distance, creating a sense of depth and architectural structure. The overall effect is a modern, technical, and digital aesthetic.

Solutions Development

SOLUTIONS PRIORITIZATION

All assets in Caution, Alert, and Alarm have had potential design solutions and estimates created

Working with the district and PMA, all these assets have been cataloged by potential project year, funding type and cost, and risk to building operation.

HIGH PRIORITY ITEMS OVERVIEW

High School

- 2001 condensing unit failures
- Challenges with dated steam boiler and distribution systems
- Leaking at entrance canopy
- Gym floor resurfacing
- Original boiler burner replacement

Middle School

- Aging HVAC air handling units
- Aging HVAC terminal equipment
- Aging air-cooled chillers with old refrigerant
- Re-roofing considerations and opportunities
- Damaged exterior doors and façade near loading dock
- Parking lot needs with restoration and replacement

Bayview

- High CO2 readings in classrooms with opportunity for recommissioning
- Single-pane windows from 1950-1960s
- Aging electrical equipment
- Old wooden playground with safety concerns
- Inoperable shut-off valves on plumbing system

Southview

- Flooding steam tunnels and boiler room
- 1961 steam boiler
- Single-pane windows from 1960s
- High CO2 readings in classrooms with opportunity for recommissioning
- Failing compressors on air-cooled chiller

Laketown

- Façade integration concerns between brickwork and metal panelling
- Moisture control concerns in gym

10-YEAR PLANNING – HIGH SCHOOL

High School	\$	25,833,450
2025	\$	15,641,200
EXT.1 - East Canopy Repair	\$	7,200
EXT.2 - Building Envelope Maintenance - Allowance	\$	17,250
INT.5 - Gym Floor Refinish	\$	80,500
M.1c - Classroom Ventilation Upgrades - AHU Replacement w/ Chilled Water and Hot Water Conversion	\$	8,920,000
M.2c - Safari Island Ventilation Upgrades - AHU Replacement w/ Chilled Water and Hot Water Conversion	\$	1,760,000
M.3c - Specialty Classroom Ventilation Upgrades - AHU Replacement w/ Chilled Water and Hot Water Conversion	\$	4,720,000
M.7 - Boiler Burner Replacement	\$	136,250
2028	\$	174,250
S.1 - Security Camera Upgrade	\$	84,500
S.2 - Access Control Systems	\$	89,750
2029	\$	78,000
E.1 - Variable Speed Drives/Ventilation Control	\$	78,000
2034	\$	9,940,000
M.5 - Boiler Plant Replacement	\$	9,940,000

10-YEAR PLANNING – MIDDLE SCHOOL

Middle School	\$	19,470,150
2025	\$	703,500
G.1 - Full Reconstruction of Lots - East Side Drives	\$	335,000
G.2 - Reclaim and Repave Lots - North Side Drives	\$	280,000
M.8 - Domestic Hot Water Heater Replacement	\$	88,500
2028	\$	17,908,650
EXT.3a - Roof Replacement - Areas 1,2,3	\$	5,226,900
EXT.4 - Roof Replacement - Areas 4,5,6	\$	1,086,750
INT.3 - Luxury Vinyl Tile Replacement - 1993	\$	205,000
M.1 - 1993 Central System Replacements - AHU-1A,1B,1C,1D,1E,1F,6A	\$	4,700,000
M.2 - 1993 Air Handler Replacements - 2A,2B,3A,3B,3C,3D,4A,4B,5A,5B	\$	6,690,000
2029	\$	694,750
E.1 - Variable Speed Drives/Pump Control	\$	36,000
EXT.1 - Exterior Door Replacement - Single, Metal Doors	\$	95,250
M.5 - Make-Up Air Unit Replacements	\$	172,500
M.6 - Rooftop Unit Replacement - RTU-1	\$	391,000
2032	\$	163,250
S.1 - Security Camera Upgrade	\$	90,250
S.2 - Access Control Systems	\$	73,000

10-YEAR PLANNING – BAYVIEW ELEMENTARY

Bayview Elementary	\$ 5,441,900
2025	\$ 80,900
EXT.4.1 - Exterior Façade Repairs - 2025 Allowances	\$ 80,900
2026	\$ 336,000
EXT.1 - Window Replacement - 1955, 1961, 1969	\$ 253,000
M.2 - Rooftop Unit Replacement - RTU-10	\$ 83,000
2027	\$ 541,000
M.3 - Condensing Unit Replacement - 2007	\$ 541,000
2028	\$ 772,000
C.1b - Energy Management and DDC - Study & Allowance	\$ 146,500
G.1 - Re-route Bus Drop Off	\$ 258,000
M.5 - Domestic Hot Water Heater Replacements	\$ 74,000
P.1 - Shut-off Valve Replacement	\$ 22,500
P.2 - Domestic Water Piping Replacement - 1955 and 1961	\$ 271,000
2030	\$ 662,000
E.1 - Upgrade Main Electrical Service and Switchgear	\$ 662,000
2031	\$ 626,000
E.2 - Upgrade Electrical Distribution System	\$ 626,000
2032	\$ 99,000
S.1 - Security Camera Upgrade	\$ 67,750
S.2 - Access Control Systems	\$ 31,250
2033	\$ 428,000
EQUIP.1 - 1969 Corridor Lockers	\$ 428,000
2034	\$ 1,897,000
M.1 - Steam Boiler Replacement	\$ 1,897,000

10-YEAR PLANNING – SOUTHVIEW ELEMENTARY

Southview Elementary	\$	1,497,000
2028	\$	1,497,000
C.1b - Energy Management and DDC - Study & Allowance	\$	130,000
EXT.1 - Window Replacement - 1961 and 1969	\$	471,000
G.1 - Full Reconstruction of Lots - South Playground Area	\$	309,000
P.1 - Domestic Water Piping Replacement - 1961 and 1969	\$	587,000

10-YEAR PLANNING – LAKETOWN & DISTRICT OFFICE

Laketown Elementary	\$	172,475
2025	\$	145,000
G.1 - Parking Lot Repair - Crack Fill and Coat	\$	145,000
2026	\$	27,475
EXT.1 - Exterior Brick Repair - Loading Dock	\$	27,475
District Office	\$	1,162,000
2025	\$	655,000
M.1b - Rooftop Unit Replacement w/ VAV System Upgrade- RTU-6	\$	655,000
2032	\$	354,000
G.1 - Reclaim and Repave Lots - East and West Lots	\$	354,000
2033	\$	153,000
S.1 - Security Camera Upgrade	\$	56,000
S.2 - Access Control Systems	\$	97,000

POTENTIAL TEN YEAR RE-INVESTMENT PLAN

- SitelogiQ have identified \$68 million in maintenance needs over the next ten years
- A sample ten-year plan of that investment has been created
- It shows a large amount being deferred from year to year – but that can be okay!
- There are lots of different ways to structure that investment and how to tackle needs

School Name	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
High School	\$15,560,700	\$0	\$0	\$3,689,500	\$78,000	\$0	\$0	\$0	\$0	\$9,940,000	\$ 29,268,200
Middle School	\$703,500	\$0	\$0	\$21,243,650	\$694,750	\$136,000	\$0	\$828,250	\$0	\$0	\$ 23,606,150
Bayview Elementary	\$80,900	\$336,000	\$541,000	\$4,138,975	\$0	\$662,000	\$626,000	\$99,000	\$428,000	\$1,897,000	\$ 8,808,875
Southview Elementary	\$0	\$0	\$0	\$5,114,100	\$0	\$0	\$0	\$0	\$0	\$0	\$ 5,114,100
Laketown Elementary	\$145,000	\$27,475	\$0	\$277,500	\$0	\$0	\$0	\$0	\$0	\$0	\$ 449,975
District Office	\$655,000	\$0	\$0	\$575,750	\$0	\$0	\$0	\$354,000	\$153,000	\$0	\$ 1,737,750
Project Totals	\$ 17,145,100	\$ 363,475	\$ 541,000	\$ 35,039,475	\$ 772,750	\$ 798,000	\$ 626,000	\$ 1,281,250	\$ 581,000	\$ 11,837,000	\$ 68,985,050

Available LTFM	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$1,050,000	\$1,050,000	\$ 5,300,000
IAQ	\$16,055,000	\$0	\$0	\$6,966,500	\$0	\$136,000	\$0	\$0	\$0	\$9,940,000	\$ 33,097,500
Parking Lots	\$760,000	\$0	\$0	\$309,000	\$0	\$0	\$0	\$354,000	\$0	\$0	
Deferred LTFM	\$ (69,900)	\$ (36,525)	\$ 141,000	\$ 27,363,975	\$ 122,750	\$ 262,000	\$ 226,000	\$ 527,250	\$ (469,000)	\$ 847,000	\$ 28,914,550
Referendum				\$ 28,914,550							

10 YEAR MODELS – ALL INFRASTRUCTURE

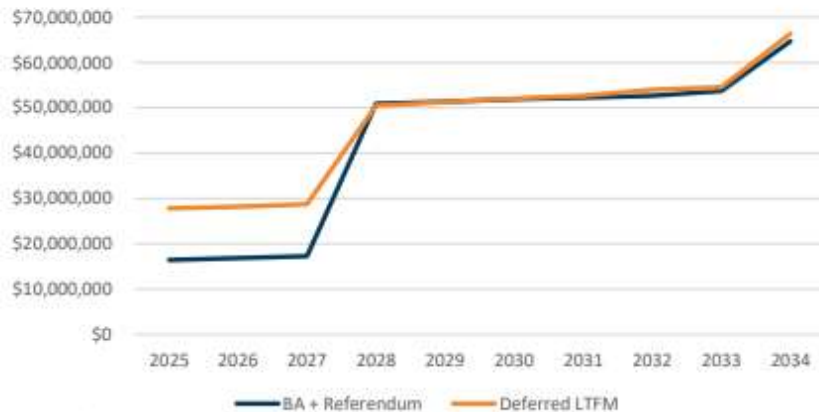
"Pay as you go"



Board Authority



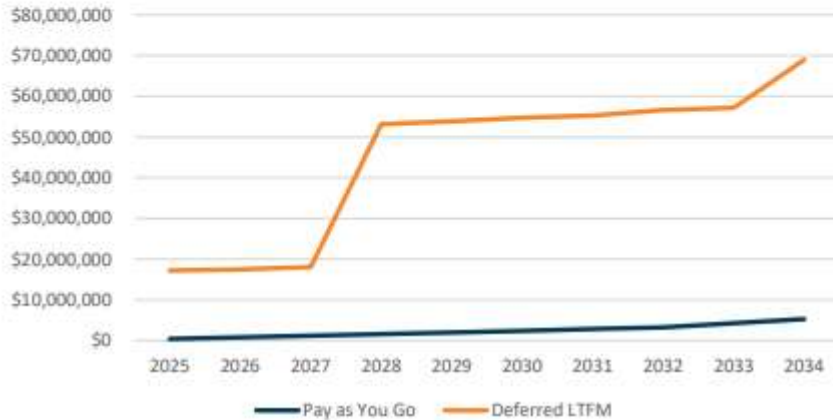
BA + Referendum



- These models show when all existing items are due for replacement
- These models include all infrastructure and some cosmetics, such as floors, doors etc.
- About \$28 million is shown as needed initially
- Pay as you go creates about a \$60 million gap
- Board Authorized works creates about a \$30 million gap
- Board Authority plus a referendum in 2028 keeps the district on plane
- No allowances for increased capacity needs or programmatic changes to the buildings

10 YEAR MODELS – ALL INFRASTRUCTURE

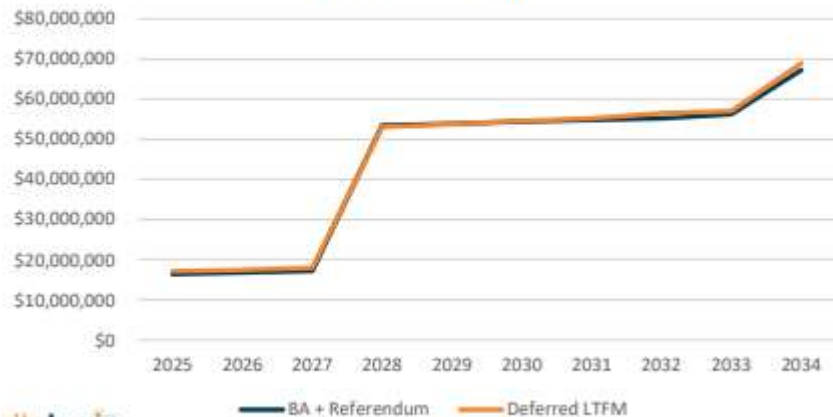
"Pay as you go"



Board Authority



BA + Referendum



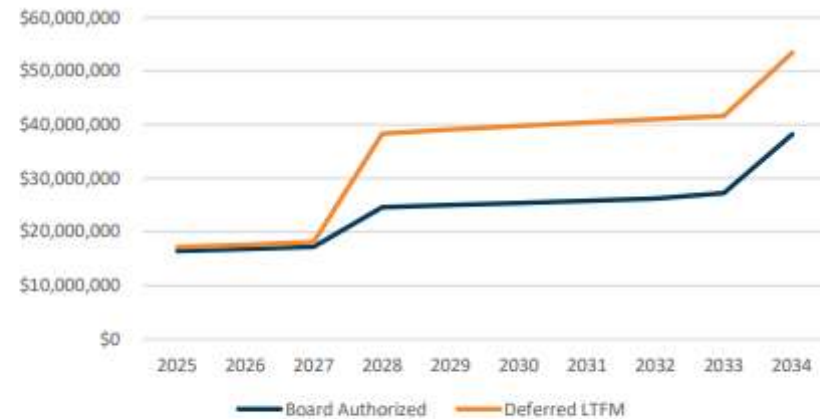
- These models look at when items are due but then pushes nonessential items into a referendum in 2028 reducing initial 28 million need to 18 million
- These models include all infrastructure and some cosmetics, such as floors, doors etc.
- Pay as you go creates about a 65 million gap
- Board Authorized works creates about a 30 million gap
- Board Authority plus a referendum in 2028 keeps the district on plane
- No allowances for increased capacity needs or programmatic changes to the buildings

10 YEAR MODELS – JUST CRITICAL INFRASTRUCTURE

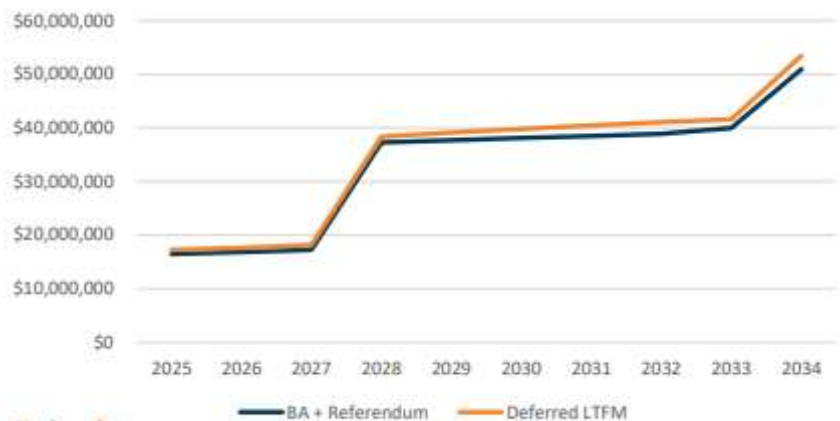
"Pay as you go"



Board Authority



BA + Referendum



- These models look at just critical infrastructure and no cosmetics
- BA + Referendum shows the best route through ensuring critical infrastructure is managed
- This pushes items into a 2028 referendum that we think we can "make last" until then
- A lot of items will go unattended, but we believe the fabric and systems of the building will be able to last until 2028
- No allowances for increased capacity needs or programmatic changes to the buildings

IS THIS NORMAL?

Should districts be able to fund projects with LTFM regular revenue?

- No – it just isn't enough
- ASHRAE suggests investment of \$10 / square ft – LTFM budget accounts for \$0.61 / square ft

What do districts do about this deficit?

- Utilize all levers available (IAQ, bond against LTFM, bonds, energy savings projects)
- Capitalize on debt drops for tax neutral reinvestment
- Try not to get too far behind

Examples

- Every district faces this problem
- Orono - 2008, 2016 referendum, currently doing IAQ projects
- Tracy - \$18 million IAQ and 7 million bond in 2022
- Shakopee – 2 IAQ projects we have done plus large bonds

Potential 2025 Project

All plans start with these projects

WHY THESE PROJECTS

- All investment plans start with these projects because;
 - They are quantifiably the higher priority items
 - They are critical infrastructure
 - They fall under board authorization
 - They fit under certain funding options

POTENTIAL 2025 PROJECT

High School			X	EXT.1	East Canopy Repair	This opportunity includes select repairs of the east entrance vestibule to ensure no a complete moisture barrier around the vestibule.	LTFM	2025	\$7,200
			X	EXT.2	Building Envelope Maintaince - Allowance	This opportunity includes a small allowance to address deteriorating caulking and damaged brick at select locations around the building.	LTFM	2025	\$17,250
	X		X	M.1c	Classroom Ventilation Upgrades - AHU Replacement w/ Chilled Water and Hot Water Conversion	This opportunity includes replacing the original AHUs with new AHUs and a central chiller serving the classroom pods. Chiller infrastructure such as chilled water lines, acoustical barriers, and controls will be provided. The new air handlers will be provided with additional capacity to meet code compliant ventilation rates and improved energy efficiency. The AHUs will also be converted to hot water, with new hot water mains extended to the units. The multi-zone ductwork configuration and steam boilers will remain.	IAQ	2025	\$8,920,000
	X		X	M.2c	Safari Island Ventilation Upgrades - AHU Replacement w/ Chilled Water and Hot Water Conversion	This opportunity includes replacing the original AHUs with new AHUs and a central chiller serving the Safari Island area. Chiller infrastructure such as chilled water lines, acoustical barriers, and controls will be provided. The new air handlers will be provided with additional capacity to meet code compliant ventilation rates and improved energy efficiency. The AHUs will also be converted to hot water, with new hot water mains extended to the units.	IAQ	2025	\$1,760,000
	X		X	M.3c	Specialty Classroom Ventilation Upgrades - AHU Replacement w/ Chilled Water and Hot Water Conversion	This opportunity includes replacing the original AHUs with new AHUs and a central chiller serving the central classrooms. Chiller infrastructure such as chilled water lines, acoustical barriers, and controls will be provided. The new air handlers will be provided with additional capacity to meet code compliant ventilation rates and improved energy efficiency. The AHUs will also be converted to hot water, with new hot water mains extended to the units.	IAQ	2025	\$4,720,000
	X		X	M.7	Boiler Burner Replacement	This opportunity includes replacing the boiler burner on one of steam boilers.	LTFM	2025	\$136,250
Middle School			X	G.1	Full Reconstruction of Lots - East Side Drives	This opportunity includes replacing the parking lots and drives with subgrade restoration and new asphalt on east side of the building. This excludes the guest parking and round about in front of the main entrance as that was repaired in 2023.	TA	2025	\$335,000
	X		X	G.2	Reclaim and Repave Lots - North Side Drives	This opportunity includes a reclaim and/or repave of the parking lots and drives on the north side of the building.	TA	2025	\$280,000
	X		X	M.8	Domestic Hot Water Heater Replacement	This opportunity includes replacing both, original hot water heaters with new units.	LTFM	2025	\$88,500

POTENTIAL 2025 PROJECT

Bayview Elementary	X		X	EXT.4.1	Exterior Façade Repairs - 2025 Allowances	This opportunity includes an allowance to address on-going envelope maintenance such as sealant replacement, tuckpointing, select brick replacement, etc.	LTFM	2025	\$80,900
Lakewood Elementary	X		X	G.1	Parking Lot Repair - Crack Fill and Coat	This opportunity includes an allotment to crack fill and coat the primary parking lot and drives around the building.	TA	2025	\$145,000
District Office	X		X	M.1b	Rooftop Unit Replacement w/ VAV System Upgrade- RTU-6	This opportunity includes replacing RTU-6 and installing a new RTU and VAV system. New ductwork, VAV boxes with reheat, controls, and other associated equipment would be provided throughout the space.	IAQ	2025	\$655,000

POTENTIAL 2025 PROJECT

IAQ

- **HS** - M.1c - Classroom Ventilation Upgrades - AHU Replacement w/ Chilled Water and Hot Water Conversion
- **HS** - M.2c - Safari Island Ventilation Upgrades - AHU Replacement w/ Chilled Water and Hot Water Conversion
- **HS** - M.3c - Specialty Classroom Ventilation Upgrades - AHU Replacement w/ Chilled Water and Hot Water Conversion
- **District Office** - M.1b - Rooftop Unit Replacement w/ VAV System Upgrade- RTU-6

LTFM

- **HS** - EXT.1 - East Canopy Repair
- **HS** - EXT.2 - Building Envelope Maintenance - Allowance
- **HS** - INT.5 - Gym Floor Refinish
- **HS** - M.7 - Boiler Burner Replacement
- **MS** - M.8 - Domestic Hot Water Heater Replacement
- **Bayview** - EXT.4.1 - Exterior Façade Repairs - 2025 Allowances
- **Southview** - EXT.1 - Window Replacement - 1961 and 1969

TA

- **MS** - G.2 - Reclaim and Repave Lots - North Side Drives
- **Laketown** - G.1 - Parking Lot Repair - Crack Fill and Coat

2025 CONSTRUCTION TIMELINE

- Summer 2025 – Construction Starts
- Spring 2024 – Equipment Prepurchase
 - Some electrical and HVAC equipment is delayed by 60 weeks
- Mechanical Design Starts -Jan 2024
- Contract Agreement by Dec – 2023
 - Earlier means the process can start and bidding/ equipment can be ordered at better rates

General Facility Funding - PMA



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PMATM
SECURITIES

July 24, 2023

ISD 110
Waconia Public School District

Financial Planning Discussion

Michael Hart

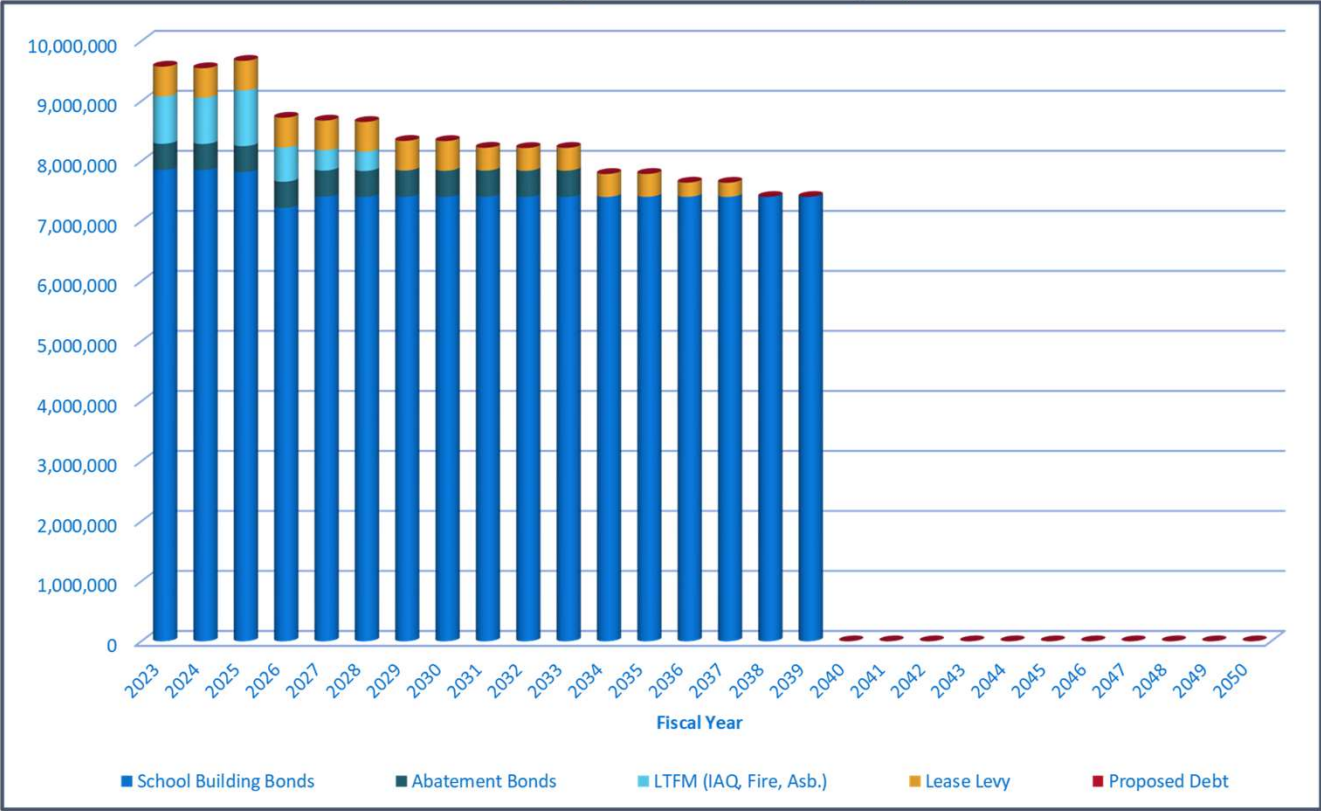
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Outstanding Bond Debt

Bond Summary (All Debt with Direct Tax Impact)





Outstanding Bond Debt Payments

Bond Summary (All Debt by Category)

Fiscal Year	School Building Bonds		Abatement Bonds		LTFM (+)		LTFM		Capital Facilities		Lease Levy		Less: Debt Excess	Levy
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed		
2023	7,854,138	-	435,960	-	789,390	-	651,840	-	147,709	-	496,452	-	180,560	10,194,929
2024	7,852,694	-	434,595	-	769,755	-	654,360	-	150,124	-	492,453	-	571,374	9,782,607
2025	7,818,412	-	433,125	-	928,725	-	650,370	-	-	-	491,773	-	394,461	9,927,943
2026	7,221,487	-	436,800	-	569,730	-	651,630	-	-	-	496,608	-	393,225	8,983,029
2027	7,408,492	-	435,015	-	338,310	-	652,050	-	-	-	494,719	-	355,186	8,973,400
2028	7,404,239	-	433,125	-	321,300	-	651,840	-	-	-	494,546	-	353,355	8,951,695
2029	7,406,234	-	438,008	-	-	-	651,210	-	-	-	493,887	-	352,420	8,636,918
2030	7,403,662	-	437,168	-	-	-	650,108	-	-	-	494,166	-	339,818	8,645,285
2031	7,407,022	-	436,013	-	-	-	653,783	-	-	-	380,930	-	339,637	8,538,109
2032	7,405,499	-	434,543	-	-	-	651,578	-	-	-	379,574	-	339,873	8,531,320
2033	7,404,344	-	438,008	-	-	-	648,900	-	-	-	379,530	-	339,665	8,531,117
2034	7,403,399	-	-	-	-	-	-	-	-	-	383,074	-	339,650	7,446,823
2035	7,405,709	-	-	-	-	-	-	-	-	-	382,088	-	296,136	7,491,661
2036	7,405,545	-	-	-	-	-	-	-	-	-	237,000	-	296,228	7,346,317
2037	7,404,561	-	-	-	-	-	-	-	-	-	236,250	-	296,222	7,344,589
2038	7,404,561	-	-	-	-	-	-	-	-	-	-	-	296,182	7,108,378
2039	7,404,574	-	-	-	-	-	-	-	-	-	-	-	296,182	7,108,391
2040	-	-	-	-	-	-	-	-	-	-	-	-	296,183	-
	127,014,569	-	4,792,358	-	3,717,210	-	7,167,668	-	297,833	-	6,333,050	-	6,076,358	143,542,512

2 Near Term Changes

- ▶ Reduction in School Building Bond and LTFM (+) Bond Payments
- ▶ Upcoming Final Payment on Capital Facilities Bonds



Financing Options

Non-Voter Approved Options

- LTFM
- LTFM (+) – **New Revenue/Tax Impact**
- Capital Facilities/Equipment Bonds
- Abatement Bond – **New Revenue/Tax Impact**
- Lease Levy– **New Revenue/Tax Impact**

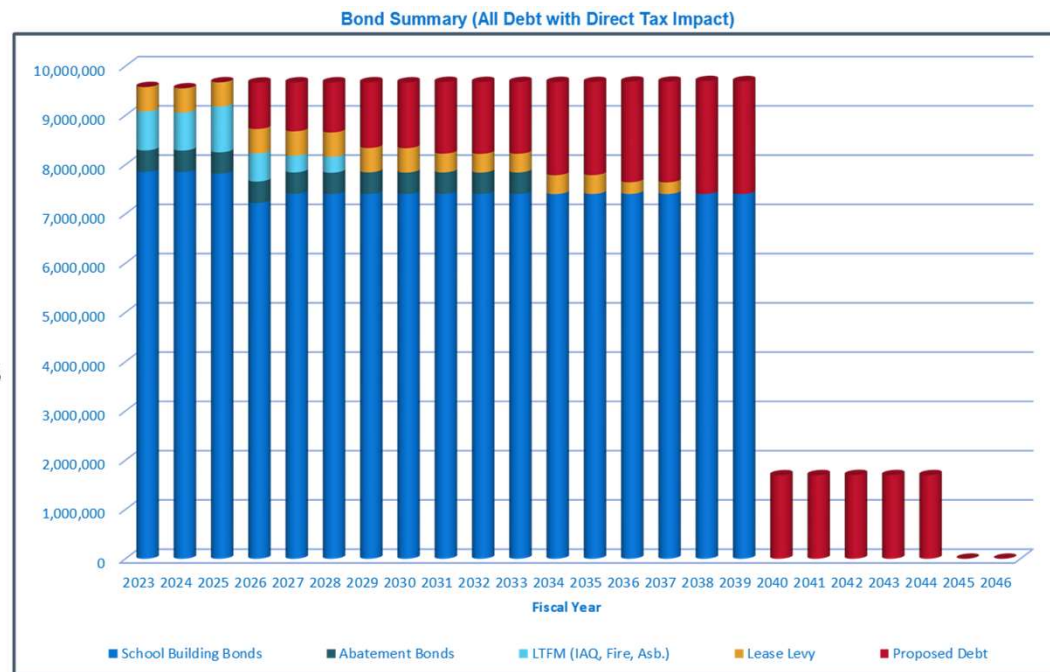
Voter Approved

- School Building Bonds



Tax Neutral Bond Example

- ▶ \$17,380,000 Project
- ▶ 20 years
- ▶ Wraparound payment structure
- ▶ Current rates plus 0.75%
- ▶ Keeps current debt service levy
- ▶ No assumed debt equalization





School Building Bonds

- ▶ Voter Approved
- ▶ Most flexibility in project and bond structure
- ▶ Creates Tax Impact
- ▶ 30 years maximum term
- ▶ MDE Review and Comment required for projects over \$2,000,000
- ▶ Ag2School Credit applies



Long Term Facilities Maintenance Plus (+)

Eligible uses include:

Indoor Air Quality

Fire Suppression

Asbestos Abatement

- ▶ Additional revenue beyond \$380 / pupil
 - ▶ Creates Tax Impact
- ▶ Revenue limited only by costs of eligible projects
- ▶ Projects >\$100,000 per site per year
- ▶ Revenue used for Pay-As-You-Go or Bonding
- ▶ No voter approval



Abatement Bonds

Eligible uses
include:

Parking Lot projects

- ▶ No voter approval; requires public hearing
- ▶ Creates new revenue source = tax impact
- ▶ Bonds limited to 15 years under most circumstances
- ▶ Review and comment required for projects over \$2,000,000



Lease Purchase with Lease Levy

Eligible uses include:

Instructional space

Additions limited to 20% of original building footprint

No new buildings for K-12 (Early Childhood buildings are eligible)

School Storage

- ▶ No voter approval
- ▶ Requires MDE approval
- ▶ Lease levy maximum of \$212 per APU
- ▶ Max of \$957,350 (\$621,451 currently used)
- ▶ Creates tax impact
- ▶ Higher Interest Rates (annual appropriation)
- ▶ No Ag2School Credit



Capital Facilities Bonds

Eligible uses include:

Improve and repair buildings and sites

Health and safety improvements

Energy Modifications

Security improvements

- ▶ Utilizes existing operating capital revenues
 - ▶ \$962,240 for FY 2024
- ▶ No voter approval (must allow of petition period)
- ▶ Maximum 15 years on Bonds
- ▶ No tax impact on most properties
 - ▶ Ag land will see a tax decrease due to Ag2School Credit



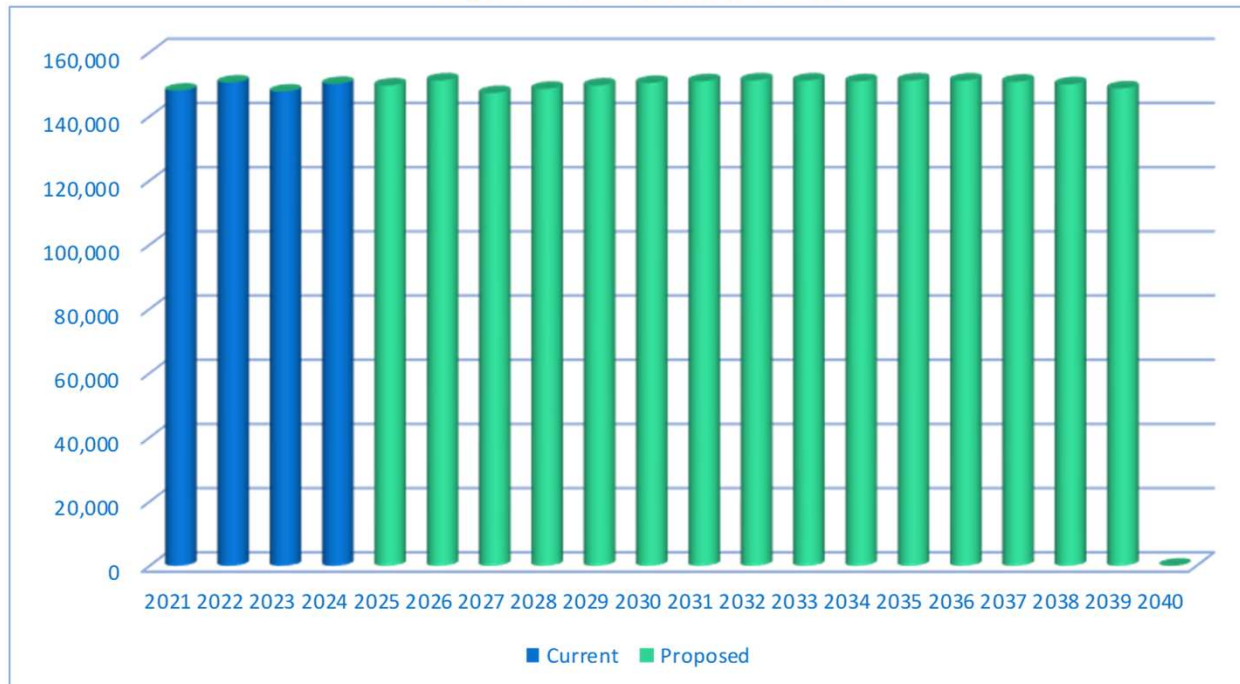
Capital Facilities Bonding Example

Proposed Bond Size	\$ 1,510,000
Available Project Amount	\$ 1,480,000
Proposed Bond Term	15
Est. All Inclusive Cost	4.56%

Current rates as of 5-31-2023 plus .75%

Operating Capital Revenue	\$ 962,240
FY 2025 Bond Payments	\$ 149,625
Available General Fund Operating Capital Revenues	\$ 812,615

Capital Facilities Bond Summary





Capital Facilities Bonding

Advantages

- ▶ Allows for larger set of projects in near term
- ▶ Low cost of financing
- ▶ No Tax Impact
- ▶ Tax reduction for agricultural land
- ▶ No voter approval

Disadvantages

- ▶ Uses future maintenance revenues to make bond payments
- ▶ Limited uses of the revenue

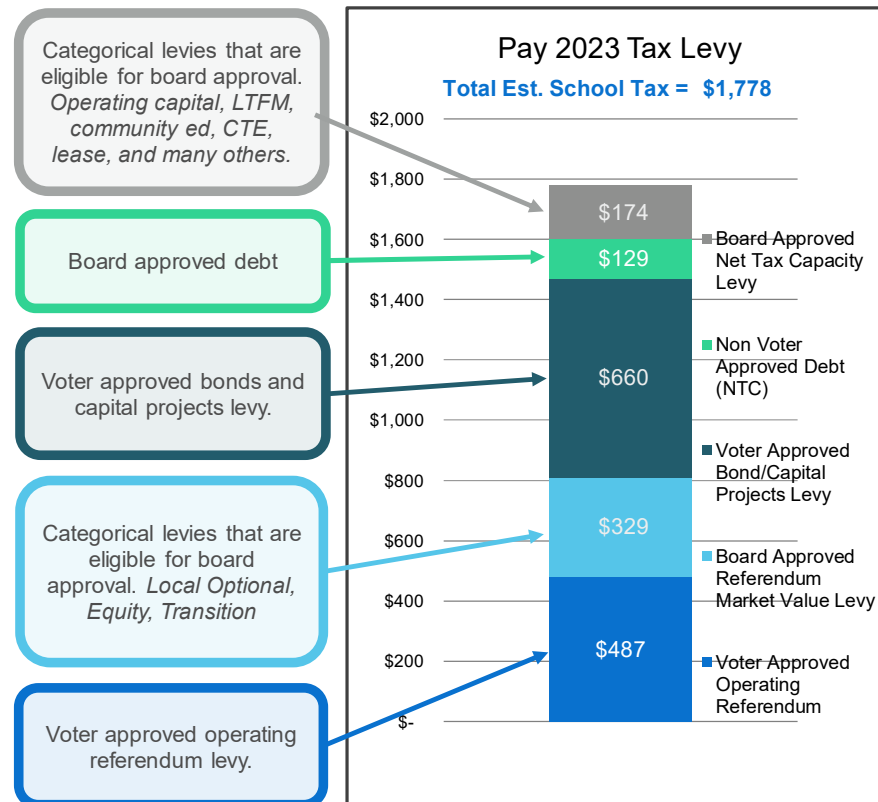


Residential School Taxes

Waconia Public School District

Pay 2023 Tax Levies for Residential Homestead

Home Value = \$400,000





Total School Taxes Comparison

Categorical levies that are eligible for board approval. *Operating capital, LTFM, community ed, board approved bonds, CTE, lease, and many others.*

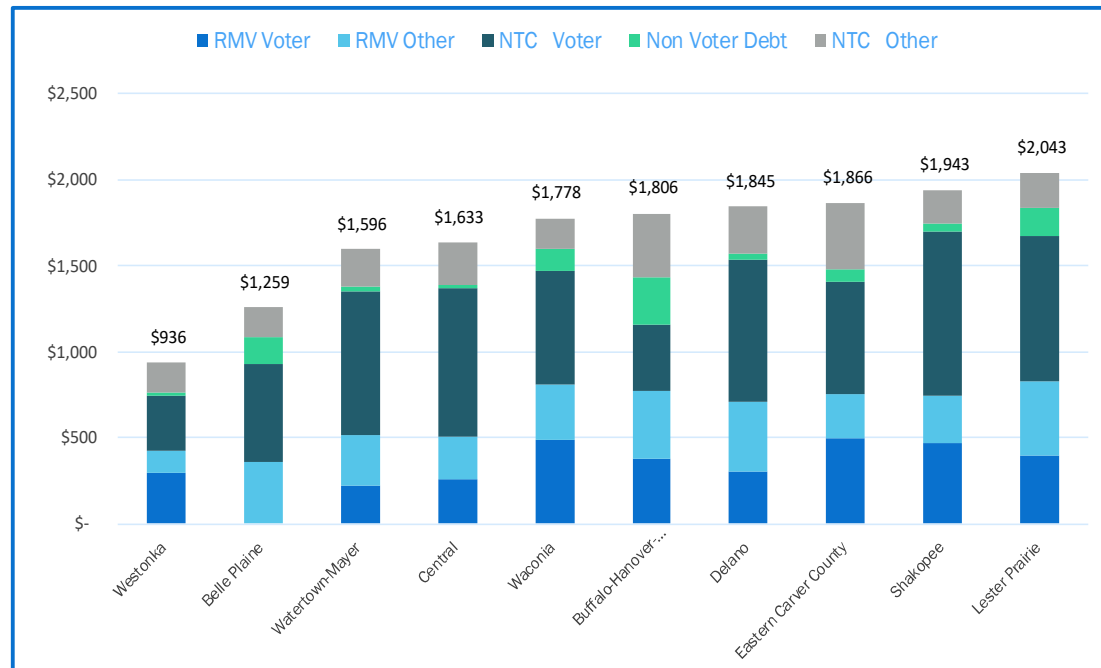
Board approved debt.

Voter approved bonds and capital projects levy.

Categorical levies that are eligible for board approval. *Local Optional, Equity, Transition*

Voter approved operating referendum levy.

Pay 2023 Tax Levies for Residential Homestead



*Chart assumes a home value of \$400,000.

2025 Project Specific Funding



WACONIA
PUBLIC SCHOOLS ISD 110



site*logiq*



ISD 110 LTFM Financial Status

- ▶ District receives approximately \$1,250,000 annually in LTFM Funds
 - ▶ \$650,000 each year allocated to payments from 2017 Bond issue
 - ▶ \$600,000 left in General Fund to fund LTFM projects/expenses
- ▶ ISD 110 issued LTFM (+) bonds in 2016 to fund projects at that time



Outstanding Bond Debt Payments

Bond Summary (All Debt by Category)

Fiscal Year	School Building Bonds		Abatement Bonds		LTFM (+)		LTFM		Capital Facilities		Lease Levy		Less: Debt Excess	Levy
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed		
2023	7,854,138	-	435,960	-	789,390	-	651,840	-	147,709	-	496,452	-	180,560	10,194,929
2024	7,852,694	-	434,595	-	769,755	-	654,360	-	150,124	-	492,453	-	571,374	9,782,607
2025	7,818,412	-	433,125	-	928,725	-	650,370	-	-	-	491,773	-	394,461	9,927,943
2026	7,221,487	-	436,800	-	569,730	-	651,630	-	-	-	496,608	-	393,225	8,983,029
2027	7,408,492	-	435,015	-	338,310	-	652,050	-	-	-	494,719	-	355,186	8,973,400
2028	7,404,239	-	433,125	-	321,300	-	651,840	-	-	-	494,546	-	353,355	8,951,695
2029	7,406,234	-	438,008	-	-	-	651,210	-	-	-	493,887	-	352,420	8,636,918
2030	7,403,662	-	437,168	-	-	-	650,108	-	-	-	494,166	-	339,818	8,645,285
2031	7,407,022	-	436,013	-	-	-	653,783	-	-	-	380,930	-	339,637	8,538,109
2032	7,405,499	-	434,543	-	-	-	651,578	-	-	-	379,574	-	339,873	8,531,320
2033	7,404,344	-	438,008	-	-	-	648,900	-	-	-	379,530	-	339,665	8,531,117
2034	7,403,399	-	-	-	-	-	-	-	-	-	383,074	-	339,650	7,446,823
2035	7,405,709	-	-	-	-	-	-	-	-	-	382,088	-	296,136	7,491,661
2036	7,405,545	-	-	-	-	-	-	-	-	-	237,000	-	296,228	7,346,317
2037	7,404,561	-	-	-	-	-	-	-	-	-	236,250	-	296,222	7,344,589
2038	7,404,561	-	-	-	-	-	-	-	-	-	-	-	296,182	7,108,378
2039	7,404,574	-	-	-	-	-	-	-	-	-	-	-	296,182	7,108,391
2040	-	-	-	-	-	-	-	-	-	-	-	-	296,183	-
	127,014,569	-	4,792,358	-	3,717,210	-	7,167,668	-	297,833	-	6,333,050	-	6,076,358	143,542,512

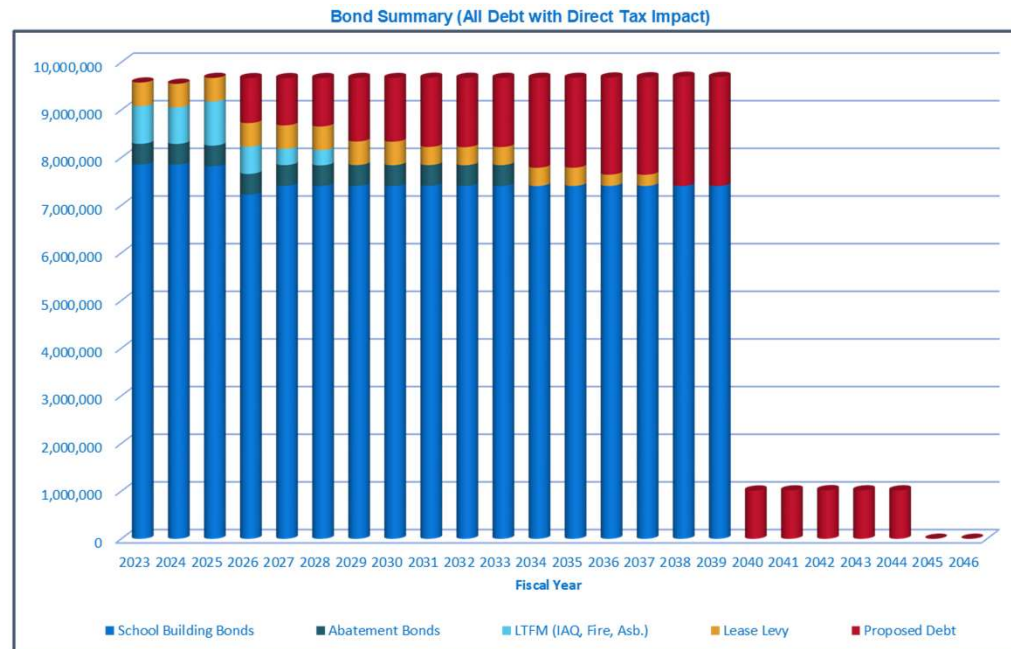
Current LTFM (+) Bonds
As this pays off, taxes are reduced.

Current LTFM Bonds
As this pays off, funds are freed up in LTFM portion of general fund.



LTFM (+) IAQ Project Bond

- ▶ \$16,055,000 Project
- ▶ 20 years
- ▶ Wraparound payment structure
- ▶ Current rates plus 0.75%
- ▶ Keeps current debt service levy
- ▶ No assumed debt equalization





Financing Timeline

- ▶ If pursuing tax neutral finance plan, authorization needs to be in place by Summer 2024
 - ▶ Construction schedule may dictate different timeline
- ▶ May want to consider two bond issue strategy
 - ▶ More precise bond size after bids received
 - ▶ IRS Arbitrage/Rebate advantages
 - ▶ Limit unnecessary interest expense during design
 - ▶ Potential Con: Risk of rising interest rates



Questions?

site*logi*Q



Contact Us



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Week of September 4th

Update on District Wide Facilities Assessments and Board Meeting

Background and Context

- SiteLogIQ is the District's Facilities Planning and Implementation Partner, specializing in assisting districts understand their building needs, plan for the future, and implement facilities improvements.
- SiteLogIQ were engaged early 2023 to review all of the district's facilities (960,000 sq.ft.)
- SiteLogIQ have categorized and assessed 425 different types of assets across the facilities and created a digital repository of all systems, so that the district can plan for the future.

Goal of Assessments

Give the district the information required to make sure that any re-investment into buildings is justifiable, quantifiable, planned, and of the upmost priority.

Methodology

- SiteLogIQ provides comprehensive assessments based on asset age, existing condition, industry measured life expectancy and district input into day-to-day operation.
- Assets are logged into categories ranging from Alert-Excellent
- Assets in Alert and Alarm should be considered for replacement in the immediate/short term future as they are showing signs of failure or are failing.
- Assets in Caution should be considered for the medium term or as preventative maintenance.
- Assets in Excellent or Acceptable are new or younger assets in good operational condition
- These assets are then further weighted by further factors such as;
 - whether they are critical infrastructure
 - do they have a direct student impact
 - health and safety
 - code concerns
- This provides a set of data to;
 - rank highest priority needs across the buildings
 - create long term plans for the future
 - justify and qualify each re-investment
 - help reduce building risk
- SiteLogIQ then works with the district to create ten year plans with this data, along with cost estimates for each project to allow for boards to consider re-investment and mitigate building risk.

District Findings

The purpose of the board session on Facilities is to dive into the assessment findings, the ranking of all projects, and what infrastructure needs will need to be considered in the short to ten year term.

- SitelogIQ have categorized assets into “critical infrastructure” (items that are day to day essential for running the buildings) and “all infrastructure”.
- Ten year plans have been created to show re-investment into “critical infrastructure” and “all infrastructure”
- These plans have been created utilizing three funding sources;
 - Regular LTFM – this is the funding assigned to the district each year to “maintain” critical aspects of the building. This budget has approximately \$650k per year available, with about \$400k not assigned specifically each year to respond to building needs. It is enough to do “oil changes” but not enough for when “the transmission goes”.
 - Board Authority – There are two types of board authorized levies available to boards for facilities projects. These are Health and Safety Indoor Air Quality Projects (some HVAC, asbestos abatement and fire safety), and parking lot projects (tax abatement). In certain circumstances, Boards have the ability to levy for these projects. This is very commonly done across the state.
 - Referendum – items that are too expensive for LTFM or do not qualify under board authority have to go out to referendum.
- Each plan looks at what items are needed, when they are needed, how far can they be delayed, and then what funding source can be applied.
- PMA – the district’s financial advisors will also be present to guide the financial conversation.
- The District has an opportunity to substantially re-invest into the facilities without tax increases.

Monday’s Meeting

- SitelogIQ will go through:
 - their assessments
 - prioritization
 - cost estimates for work
 - critical/all infrastructure ten year plans
- PMA will go through:
 - What types of investment the district can make
 - Any tax impact/tax neutral opportunities
 - Investment timelines and debt deadlines

**3. Discuss Potential School Board Grievance
Committee**



MEMORANDUM

TO: Waconia ISD 110 School Board
FROM: Brian Gersich, Superintendent
DATE: October 9, 2023
SUBJECT: Board Committee for Grievances

At its work session, the Board will discuss the possibility of having a board committee structured with the purpose of hearing potential grievances as outlined in some employee agreements. Two examples are included below for reference which included the statement that having a committee designated by the board to hear the appeal at this level, and report its findings and recommendations to the school board.

Should the board decide to have a committee in place, it would perhaps be beneficial to identify the composition of that committee in advance and include it in the school board handbook for future reference.

Waconia Educators Association Language:

Section 6. School Board Review: The school board may review any decision issued by the Superintendent under Level III or IV of this procedure or at the request of the Association provided the school board or its representative notify the parties of its intention to review within ten (10) days after a decision at Level IV has been rendered. The school board may affirm, reverse or modify such decision and at the option of the school board, a committee or representative(s) of the board may be designated by the board to hear the appeal at this level, and report its findings and recommendations to the school board. The school board shall then render its decision within fifteen (15) days after notification of its intent to review. In the event the grievance is not resolved, the grieving party may appeal the decision to the next level.

Principal Contract Language:

Section 6. School District Review: The School District reserves the right to review any decision issued under Level I or Level II of this procedure at the request of the grievant or at its own instance provided the School District or its representative notify the parties of its intention to review within ten (10) days after a decision in Level I or Level II has been rendered. In the event the School District reviews a grievance under this Section, the School District reserves the right to affirm, reverse or modify such decision and at the option of the School District, a committee or representative(s) of the district may be designated by the School District to hear the appeal at this level, and report its findings and recommendations to the School District. The School District shall then render its decision.