



Board of Education Regular Meeting  
Wednesday, July 15, 2020

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Agenda Item I-N: Ten-Year Long-Term Facilities Maintenance Plan

Presented by: Amy Skaalerud, Executive Director of Finance and Business Services

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**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. This new 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. 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 has to be submitted to MDE by July 31. The 2021-2022 LTFM project budget is set at \$7,500,000. In addition, the District receives an additional \$2,783,622 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 which were issued to fund HVAC projects already completed at Westwood, Clearview, Madison, McKinley, Roosevelt, North, South, and Apollo. These two items bring the total LTFM revenue for 2021-2022 to \$10,283,622. This revenue comes in a combination of state aid and levy. The levy portion will be part of the total levy that the Board will approve in December.

A copy of the resolution as well as the revenue and expenditure spreadsheets are attached.

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**Administration Recommendation:**

The Administration recommends approval of the Resolution Relating to the Ten-Year Long Term Facilities Maintenance Plan.