

ADMINISTRATIVE REPORT

DATE: July 14, 2022
TOPIC: 7.1 - 10-year Long Term Facility Maintenance Plan
PRESENTER: Dan Pyan, Executive Director of Finance and Operations
REFERENCE TO POLICY/STATUTE: Policy 701

A. PURPOSE OF REPORT

- a. Long Term Facility Maintenance revenue is generated through a combination of levy and aid.
- b. LTFM revenue is used to repair and replace existing structures and lands, it may not be used for new construction.
- c. Repairs include roofs, parking lots, heating and ventilation systems, and classrooms, auditoriums, and other facilities.
- d. Revenue is generated with a combination of bonding, aid, and pay as you go levy.
- e. The Minnesota Department of Education requires School Board to annually approve a 10-year LTFM plan.
- f. Attached is South Washington County Schools' plan for the next ten years.

B. RECOMMENDATION

- a. Administration recommend approval of the attached plan.





Division of School Finance
400 NE Stinson Blvd.
Minneapolis, MN 55413

Fiscal Year (FY) 2024 Application for Long-Term Facilities Maintenance Revenue Statement of Assurances

ED-02477-08
Due: July 31, 2022

General Information: Minnesota school districts, intermediate school districts, cooperative districts, applying for Long-Term Facilities Maintenance revenue (LTFM) under Minnesota Statutes 2021, section 123B.595 must annually complete the Application for Long-Term Facilities Maintenance Revenue – Statement of Assurances (ED-02477). The application must be submitted to the Minnesota Department of Education (MDE) by July 31, 2022. Submit to [Sarah C. Miller](mailto:Sarah.C.Miller@mde.state.mn.us) (MDE.Facilities@state.mn.us) along with other required LTFM documentation. **Do not mail a hard copy. Please email this form with other required documentation.**

Identification Information


Name of District or Cooperative: South Washington County Schools	District Number and Type: 0833	Date Submitted: 07/18/22
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Statement of Assurances

1. All estimated expenditures included in the attached Ten-Year Plan Expenditure spreadsheet under Health and Safety and entered into the MDE Health and Safety data submission system are for allowed health and safety uses under Minnesota Statutes 2021, section 123B.595, subd. 10, paragraph (a), clause (3), Minnesota Statutes 2021, section 123B.57, subd. 6, and the MDE Long-Term Facilities Maintenance Guide for Allowable Expenditures, Section E, Health and Safety Qualifying Criteria, and Section F, Additional Requirements Regarding Health and Safety. None of the estimated expenditures included in the attached Ten-Year Plan Expenditure spreadsheet under Health and Safety and entered into the MDE Health and Safety System are for uses prohibited under Minnesota Statutes 2021, section 123B.595, subd. 11.
2. All estimated expenditures included in the attached Ten-Year Plan Expenditure spreadsheet under Accessibility and Deferred Maintenance are for allowed uses under Minnesota Statutes 2021, section 123B.595, subd. 10, paragraph (a), clauses (1) and (2), and the MDE Long-Term Facilities Maintenance Guide for Allowable Expenditures, Section C, Deferred Maintenance Qualifying Criteria or Section D, Disabled Access Qualifying Criteria. None of the estimated expenditures included in the attached Ten-Year Plan Expenditure spreadsheet under Accessibility and Deferred Maintenance are for uses prohibited under Minnesota Statutes 2021, section 123B.595, subd. 11.
3. All actual expenditures to be reported in Uniform Financial Accounting and Reporting Standards (UFARS) for FY 2024 under Finance Codes 347, 349, 352, 358, 363 and 366 will be for allowed health and safety uses under Minnesota Statutes 2021, section 123B.595, subd. 10, paragraph (a), clause (3), Minnesota Statutes 2021, section 123B.57, subd. 6, and the MDE Long-Term Facilities Maintenance Guide for Allowable Expenditures, Section E, Health and Safety Qualifying Criteria, and Section F, Additional Requirements Regarding Health and Safety. None of the actual expenditures reported in these finance codes will be for uses prohibited under Minnesota Statutes 2021, section 123B.595, subd. 11.
4. All actual expenditures to be reported in UFARS for FY 2024 under Finance Codes 367, 368, 369, 370, 379, 380, 381, 382, 383 and 384 for Accessibility and Deferred Maintenance will be for allowed uses under Minnesota Statutes 2021, section 123B.595, subd. 10, paragraph (a), clauses (1) and (2), and the MDE Long-Term Facilities Maintenance Guide for Allowable Expenditures, Section C, Deferred Maintenance Qualifying Criteria or Section D, Disabled Access Qualifying Criteria. None of the actual expenditures reported in these finance codes will be for uses prohibited under Minnesota Statutes 2021, section 123B.595, subd. 11.
5. The district will maintain a description of each project funded with long-term facilities maintenance revenue that will provide enough detail for an auditor to determine the cost of the project and if the work qualifies for revenue (Minn. Stat. 127A.411, subd. 3[2021]).
6. The district’s plan includes provisions for implementing a health and safety program that complies with health, safety and environmental regulations and best practices, including indoor air quality management and mandatory lead in water testing, remediation and reporting (Minn. Stat. 121A.335 [2021]). ***The district’s ten-year plan does not include a request for a second-time project cost for: (1) replacement of an existing mechanical ventilation system to the current Minnesota State Mechanical Code/American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) guidelines; or, (2) to provide a level of approximately 15 Cubic Feet per Minute (CFM) per person.***

Certification of Statement of Assurances

Signature – Must be signed by Superintendent or Cooperative Director:	Name – Superintendent or Cooperative Director (Please print) Julie Nielsen	Date: 07/18/22
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 Division of School Finance 400 NE Stinson Blvd Minneapolis, MN 55413		Long-Term Facility Maintenance Ten-Year Expenditure Application (LTFM) - Fund 01 and Fund 06							
Instructions: Enter estimated, allowable LTFM expenditures (Fund 01 and/or Fund 06 only) under Minnesota Statutes 2021, section 123B.595, subd. 10. Enter by Uniform Financial and Accounting Reporting Standards (UFARS) finance code and by fiscal year in the									
District Info.		Enter Information		District Info.		Enter Information			
District Name:	South Washington County Schools	Date:	7/11/2022						
District Number:	833	Email:	dpyan0@sowashco.org						
District Contact Name:	Dan Pyan								
Contact Phone #	651-425-6260								
Fiscal Year (FY) Ending June 30									
Expenditure Categories		2022 (base year)	2023	2024	2025	2026	2027	2028	2029
Health and Safety - this section excludes project costs in Category 2 of \$100,000 or more for which additional revenue is requested for Finance Codes 358, 363 and 366.									
Finance Code	Category (1)								
347	Physical Hazards	\$192,135	\$192,135	\$192,135	\$192,135	\$192,135	\$192,135	\$192,135	\$192,135
349	Other Hazardous Materials	\$65,000	\$65,000	\$63,000	\$63,000	\$63,000	\$63,000	\$63,000	\$63,000
352	Environmental Health and Safety Management	\$490,087	\$502,087	\$546,490	\$546,490	\$546,490	\$546,490	\$546,490	\$546,490
358	Asbestos Removal and Encapsulation	\$22,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
363	Fire Safety	\$405,778	\$405,778	\$189,000	\$189,000	\$189,000	\$189,000	\$189,000	\$189,000
366	Indoor Air Quality	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Health and Safety Capital Projects		\$1,175,000	\$1,175,000	\$1,000,625	\$1,000,625	\$1,000,625	\$1,000,625	\$1,000,625	\$1,000,625
Health and Safety - Projects Costing \$100,000 or more per Project/Site/Year									
Finance Code	Category (2)								
358	Asbestos Removal and Encapsulation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363	Fire Safety	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
366	Indoor Air Quality	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Health and Safety Capital Projects \$100,000 or More		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remodeling for Approved Voluntary Pre-K under Minnesota Statutes, section 124D.151									
Finance Code	Category (3)								
355	Remodeling for prekindergarten (Pre-K) instruction approved by the commissioner.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Remodeling for Approved Voluntary Pre-K Projects		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accessibility									
Finance Code	Category (4)								
367	Accessibility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Accessibility Projects		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Capital Expenditures and Maintenance Projects									
Finance Code	Category (5)								
368	Building Envelope	\$100,000	\$0	\$0	\$0	\$0	\$0	\$1,500,000	\$2,700,000
369	Building Hardware and Equipment	\$880,000	\$1,220,000	\$850,000	\$300,000	\$1,475,000	\$2,425,000	\$3,025,000	\$1,300,000
370	Electrical	\$2,345,000	\$920,000	\$3,000,000	\$5,250,000	\$250,000	\$250,000	\$250,000	\$250,000
379	Interior Surfaces	\$2,135,000	\$6,305,000	\$7,285,000	\$7,680,000	\$6,410,000	\$11,730,000	\$5,410,000	\$8,885,000
380	Mechanical Systems	\$7,100,000	\$5,005,000	\$6,335,000	\$1,470,000	\$4,500,000	\$4,800,000	\$7,250,000	\$3,400,000
381	Plumbing	\$0	\$650,000	\$350,000	\$250,000	\$500,000	\$450,000	\$250,000	\$250,000
382	Professional Services and Salary	\$965,000	\$965,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000
383	Roof Systems	\$5,950,000	\$5,650,000	\$0	\$2,500,000	\$4,150,000	\$200,000	\$3,350,000	\$1,720,000
384	Site Projects	\$5,625,000	\$775,000	\$4,634,375	\$5,084,375	\$5,284,375	\$2,284,375	\$784,375	\$3,584,375
Total Deferred Capital Expense and Maintenance		\$25,100,000	\$21,490,000	\$23,504,375	\$23,584,375	\$23,619,375	\$23,189,375	\$22,869,375	\$23,139,375
Total Annual 10-Year Plan Expenditures		\$26,275,000	\$22,665,000	\$24,505,000	\$24,585,000	\$24,620,000	\$24,190,000	\$23,870,000	\$24,140,000

 DEPARTMENT OF EDUCATION		Division of School Finance 400 NE Stinson Blvd Minneapolis, MN 55413		Projects Only	ED - 02478-08
Instructions: Enter estimated, allowable LTFM expenditures (Fund 01 and/or Fund 06 only) under Minneells provided.					
District Info.		Enter Information			
District Name:	South Washington County Schools				
District Number:	833				
District Contact Name:	Dan Pyan				
Contact Phone #	651-425-6260				
Expenditure Categories		2030	2031	2032	
Health and Safety - this section excludes project costs in Category 2 of \$100,000 or more for which additional revenue is requested for Finance Codes 358, 363 and 366.					
Finance Code	Category (1)				
347	Physical Hazards	\$192,135	\$192,135	\$192,135	
349	Other Hazardous Materials	\$63,000	\$63,000	\$63,000	
352	Environmental Health and Safety Management	\$546,490	\$546,490	\$546,490	
358	Asbestos Removal and Encapsulation	\$10,000	\$10,000	\$10,000	
363	Fire Safety	\$189,000	\$189,000	\$189,000	
366	Indoor Air Quality	\$0	\$0	\$0	
Total Health and Safety Capital Projects		\$1,000,625	\$1,000,625	\$1,000,625	
Health and Safety - Projects Costing \$100,000 or more per Project/Site/Year					
Finance Code	Category (2)				
358	Asbestos Removal and Encapsulation	\$0	\$0	\$0	
363	Fire Safety	\$0	\$0	\$0	
366	Indoor Air Quality	\$0	\$0	\$0	
Total Health and Safety Capital Projects \$100,000 or More		\$0	\$0	\$0	
Remodeling for Approved Voluntary Pre-K under Minnesota Statutes, section 124D.151					
Finance Code	Category (3)				
355	Remodeling for prekindergarten (Pre-K) instruction approved by the commissioner.	\$0	\$0	\$0	
Total Remodeling for Approved Voluntary Pre-K Projects		\$0	\$0	\$0	
Accessibility					
Finance Code	Category (4)				
367	Accessibility	\$0	\$0	\$0	
Total Accessibility Projects		\$0	\$0	\$0	
Deferred Capital Expenditures and Maintenance Projects					
Finance Code	Category (5)				
368	Building Envelope	\$3,000,000	\$4,000,000	\$0	
369	Building Hardware and Equipment	\$300,000	\$300,000	\$550,000	
370	Electrical	\$1,750,000	\$1,750,000	\$250,000	
379	Interior Surfaces	\$2,385,000	\$4,085,000	\$435,000	
380	Mechanical Systems	\$10,900,000	\$10,900,000	\$19,400,000	
381	Plumbing	\$250,000	\$250,000	\$250,000	
382	Professional Services and Salary	\$1,050,000	\$1,050,000	\$1,050,000	
383	Roof Systems	\$0	\$0	\$0	
384	Site Projects	\$3,784,375	\$784,375	\$784,375	
Total Deferred Capital Expense and Maintenance		\$23,419,375	\$23,119,375	\$22,719,375	
Total Annual 10-Year Plan Expenditures		\$24,420,000	\$24,120,000	\$23,720,000	

FY 24 Long-Term Facilities Maintenance (LTFM) Ten-Year Revenue Projection				Revised 5/04/2022																
833 <= Type in School District Number																				
SOUTH WASHINGTON COUNTY SCHOOL DIST					Change only															
<i>Calculations for Ten Year Projection</i>				Pay 22	if requiring levy adjustments	Payable 2022 LLC Certification	Current Estimate													
	LLC #	FY 2022	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032							
1	Type your district number in cell A2 (Minneapolis = 1.2)																			
2	Type APU, health and safety and alternative facilities project, and bond estimates in lines 6a, 14, 16b to 18, 20, 21, 26, 27 and 50b																			
3	Type debt excess, intermediate/coop district, and revenue reduction data in lines 13, 15, 23, 31, and 33																			
4	Look-up data from following tabs																			
5	Initial Formula Revenue																			
6	Current year APU	57	20,538.20	20,353.50	20,601.40	20,601.40	20,601.40	20,601.40	20,601.40	20,601.40	20,601.40	20,601.40	20,601.40							
6a	Additional Pre-K Pupil Units (line 19 of Pre-K application)																			
6b	Total Adjusted Pupil Units = (6) + (6a)																			
7	District average building age (uncapped)	451	34.48	34.75	35.75	36.75	37.75	38.75	39.75	40.75	41.75	42.75	43.75							
8	Formula allowance		\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00							
9	Building age ratio = (Lesser of 1 or (7) / 35)	452	0.99286	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000							
10	Initial revenue = (6) * (8) * (9)	453	7,688,563	7,679,085	7,828,532	7,828,532	7,828,532	7,828,532	7,828,532	7,828,532	7,828,532	7,828,532	7,828,532							
11	Added revenue for Eligible H&S Projects > \$100,000 / site																			
12	Debt service for existing Alt facilities H&S bonds (1B) - gross before debt excess	702																		
13	Debt Excess related to Debt service for existing Alt facilities H&S bonds (1B)	756																		
14	Debt service for portion of existing Alt facilities bonds from line (22) attributable to eligible H&S Projects > \$100,000 per site (1A)	701																		
15	Debt Excess related to Debt service for portion of existing Alt facilities bonds attributable to eligible H&S Projects > \$100,000 per site (1A)	755																		
16a	Existing Net debt service for LTFM bonds for eligible new H&S projects > \$100,000 / site = (principal + interest)*1.05 - portion of bond paid by initial revenue from "IAQFAA Bonds" tab																			
16b	New debt service for LTFM bonds for eligible new H&S projects > \$100,000 / site = (principal + interest)*1.05 - portion of bond paid by initial revenue																			
17	Net debt service for LTFM bonds for eligible new H&S projects > \$100,000 / site = (principal + interest)*1.05 - portion of bond paid by initial revenue = (16a) + (16b)	767																		
18	Pay as you go revenue for eligible new H&S projects > \$100,000 / site	455																		
19	Total additional revenue for eligible H&S projects >\$100,000 / site (12) - (13) + (14) -(15) + (17) + (18)	456																		
	Added revenue for Pre-K remodeling (for VPK approvals only)																			
20a	Net debt service for bonds approved for Pre-K remodeling	768																		
20b	Pay as you go for projects approved for Pre-K remodeling	457																		
20c	Total Pre-K revenue																			
20d	Total New Law Revenue (10) + (19) + (20c)	458		7,679,085	7,828,532	7,828,532	7,828,532	7,828,532	7,828,532	7,828,532	7,828,532	7,828,532	7,828,532							
	Old Formula revenue																			
21	Old formula Health & Safety revenue (these should match the pay as you go amounts entered into the Health & Safety Data Submission System through FY 2024)	459	946,239	1,175,000	1,000,625	1,000,625	1,000,625	1,000,625	1,000,625	1,000,625	1,000,625	1,000,625	1,000,625							
22	Old formula alt facilities debt revenue (1A) - gross before debt excess	701		1,336,281	12,253,369	12,033,394	10,468,631	10,048,999	10,095,908											
23	Debt Excess allocated to line 22	755		55,899																
24	Old formula alt facilities debt revenue (1A) - debt excess	765		1,280,383	12,253,369	12,033,394	10,468,631	10,048,999	10,095,908											
25	Old formula alt facilities net debt revenue (1B) = (12) - (13)	766																		
26	Old formula alt facilities pay as you go revenue (1A)	460		7,731,239	9,364,375	11,114,375	14,444,375	10,669,375	17,139,375	17,959,375	14,544,375	16,559,375	17,369,375							
27	Old formula alt facilities pay as you go revenue (1B) > \$500,000 (these should match the pay as you go amounts entered into the Health & Safety Data Submission System through FY 2023)	463																		
27a	LTFM "H&S >100K per site" bonds	767																		
27b	LTFM "other" bonds for 1A hold harmless	769		2,225,078	3,919,164	3,919,164	3,919,164	3,919,164	10,182,414	14,032,502	17,098,187	15,865,329	15,111,639							

