

Capital Projects Fund

Board Work Session

August 9, 2007

Presentation Objectives

- Building inventory
- Revenue sources
 - statutory adjustments and uses
- Demonstrate past use of funds
- 2008 proposed budget
- Setting 2008 budget priorities

Capital Projects Fund

Building Inventory

Building Inventory

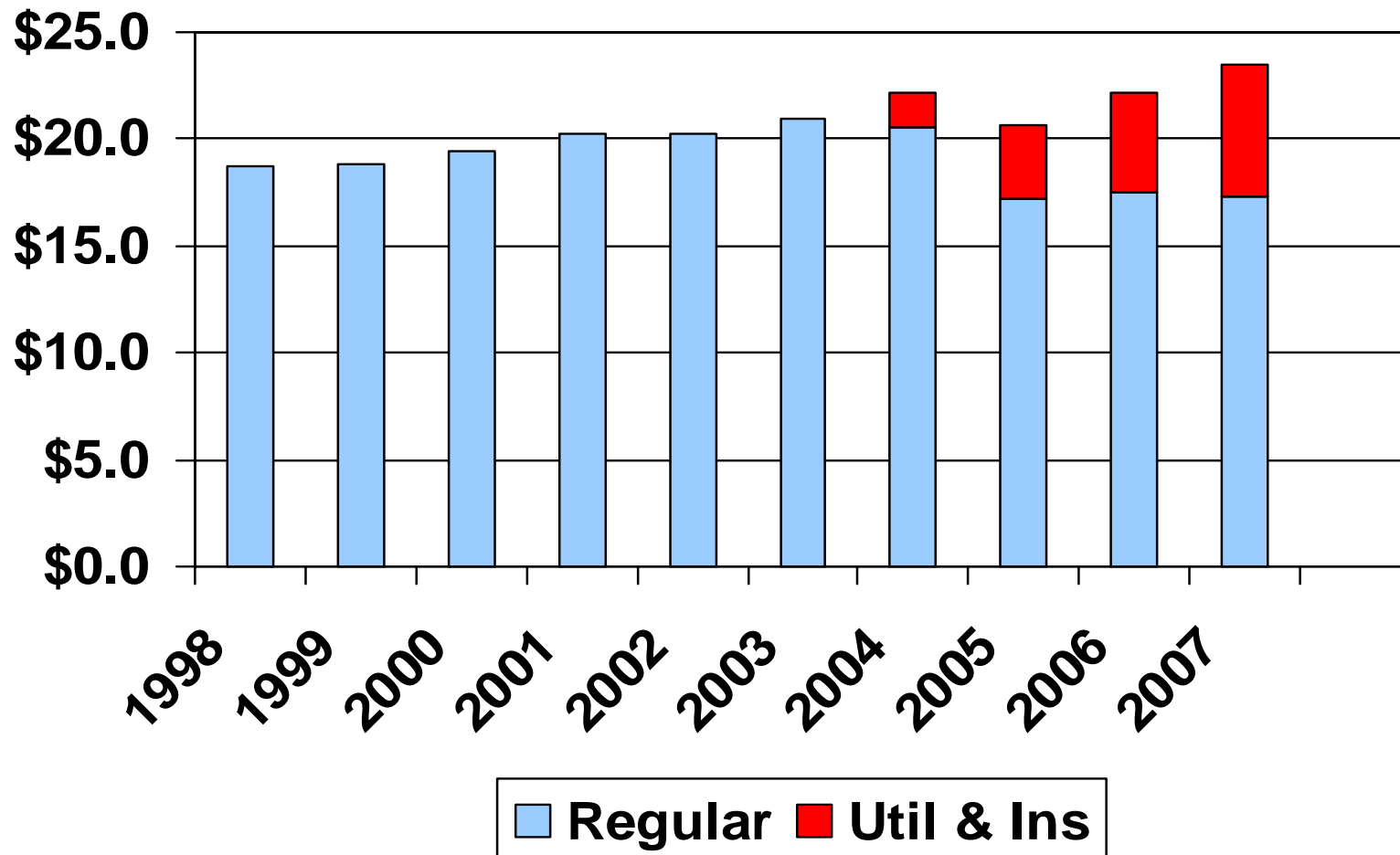
- 64 buildings, 5.5 million sq. ft., 902 acres
 - 54 school buildings
 - Other – Grile, Nutrition Center, M & O, warehouse & media services, facilities construction, transportation north & south, natatorium, construction trades, auto center
- Average age 50
 - 15 built before 1950
 - 12 built in 50's
 - 17 built in 60's
 - 17 built in 70's (newest Miami in 1976)
 - Construction Trades (87), Natatorium (96), Nutrition Center (06)
- Historical cost \$229.4 million

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Revenue

History of CPF Revenue

(in millions)

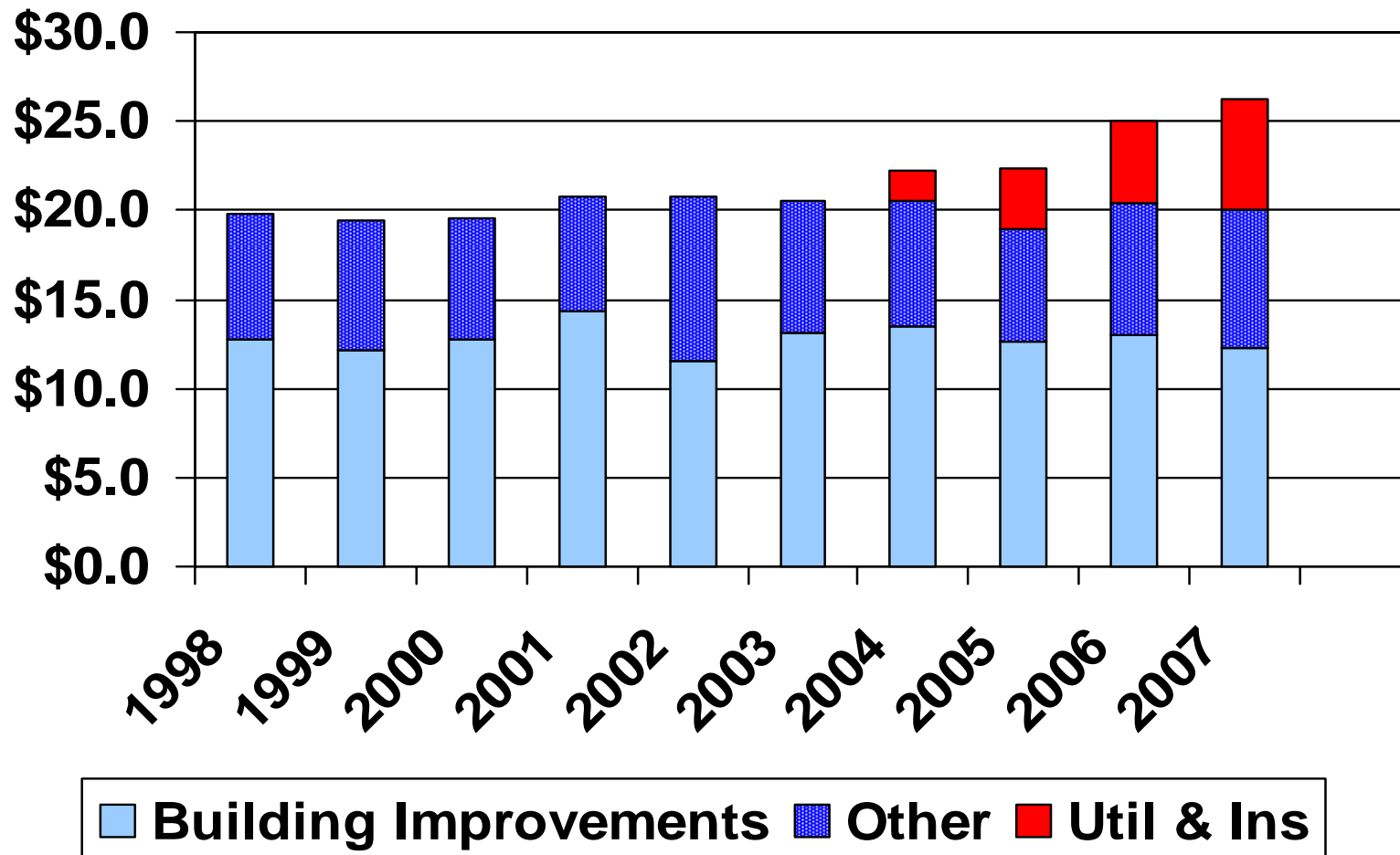


Capital Projects Fund

Expenditure History

History of CPF Plans

(in millions)



**Capital Fund
Changes**

**FWCS Building
Inventory 2007**

Pension Bond tax neutrality started - 2005 Utilities & Insurance added to CPF tax rate - 2004			
	2000		Nutrition Center
CPF reduced for Racial Balance Fund - 1989 Capital Projects Fund replaced CBF - 1987	1990		Natatorium
	1980		Auto Center
	1970		17 new buildings
	1960		17 new buildings
	1950		12 new buildings
	1940		1 new building
Cumulative Building Fund (CBF) - 1948	1930		3 new buildings
	1920		10 new buildings
	1910		Anthris Career Center
	1900		
	1890		
	1880		
	1870		
	1860		
	1850		

56

Racial Balance Impact

Beginning 1989

- New fund to only FWCS after PQEI
(Parents for Quality Education Through Integration)
desegregation settlement
- Established tax rate to support racial balance in district
- Adding rate was tax neutral by reducing CPF rate
- 2007 revenue estimated \$7.8 million

Racial Balance

Purpose

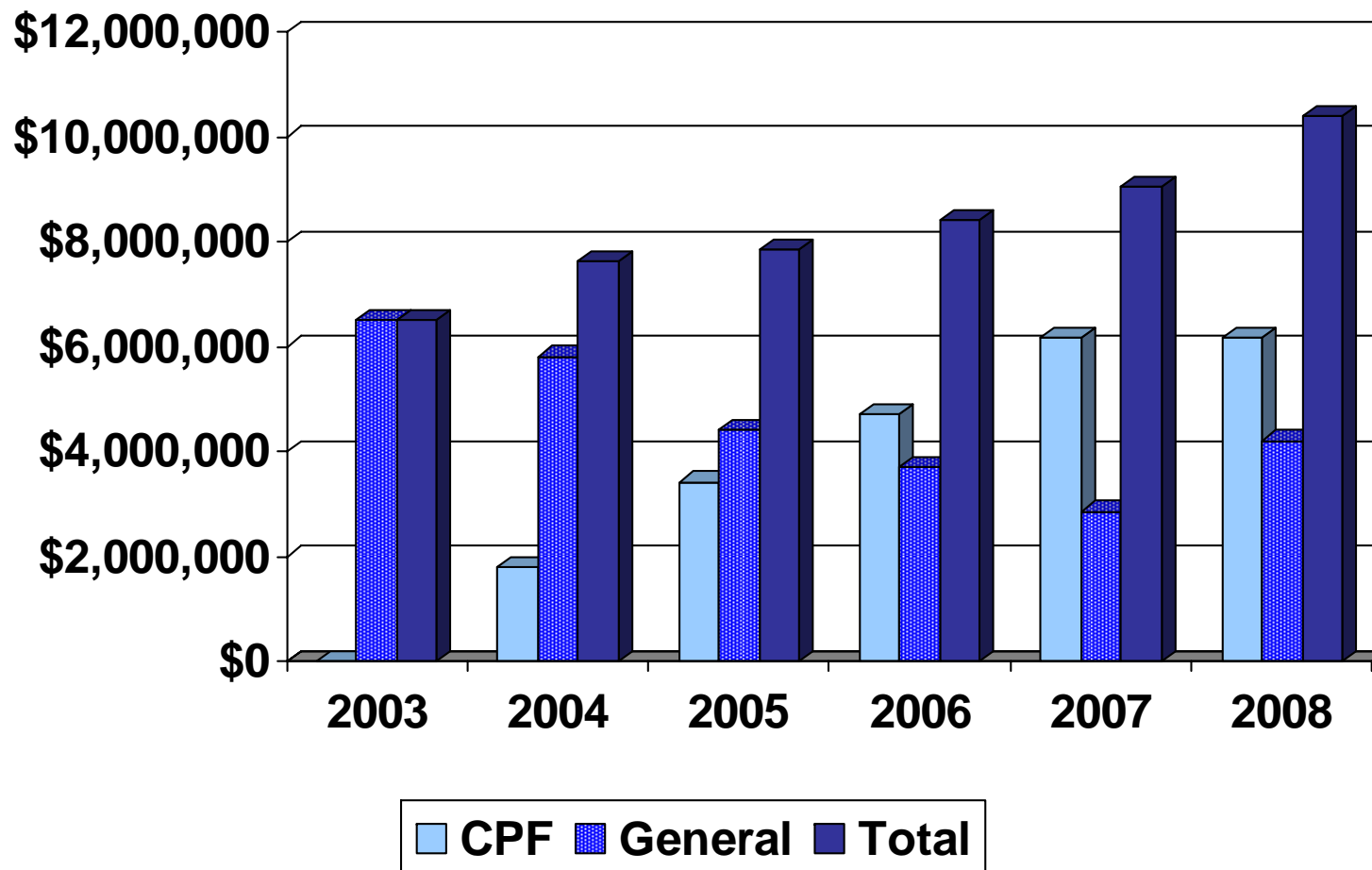
- Provide funds for racial balance, to increase educational opportunities
 - Magnet programs
 - And moving services to follow the child at all schools as a result of expanding the choice program
 - Case managers, conflict managers, resource teachers
- Cannot pay for transportation

Utilities & Insurance Impact

Beginning 2004

- No impact to CPF projects
- Legislature allowed higher CPF tax rate to support increased costs of utilities & insurance
 - State unable to adequately fund General Fund during difficult economic times
- Now provides \$6.2 million of property tax
 - Not available for any other use

Major Expenditures - Utilities & Insurance



Pension Bond Impact

Beginning 2005

- Legislature required retirement severance and post retirement health benefits be actuarially funded
 - Some Indiana districts provided large, unmanageable benefits and sought relief
 - Allowed bond issues to comply
 - Debt payments required to be tax neutral

FWCS Retirement Severance

- Contractual benefit provided about \$1.7 million per year from General Fund
 - Average teacher severance \$22,357
 - Average administrator severance \$49,430
- Actuary study conducted
- \$104 million liability over 40 years at time of study, but not all employees will retire from FWCS
- \$40 million bond issue provided compliance, annual debt about \$3.5 million
- Annual tax neutrality
 - Bus Replacement \$.8
 - CPF \$2.7

Around the State

- District in southern Indiana had individual promises greater than \$350,000
- A school district 1/3 our size had an unfunded liability of \$144,000,000
- A large Indiana district (smaller than FWCS) had an unfunded liability of \$180,000,000
- Some school districts only solved severance issue and not health

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Processes

Statutory Processes

- 3 Year Plan approved by board
 - Setting Priorities
 - Assessment data from MSKTD (2005) & MGT (2006) studies
 - Maintenance & Operations input
 - Roof & HVAC replacement schedules
 - Elimination of steam heat
 - Safety and security
 - Energy efficiency
 - Distractions from learning
- Architects required for projects over \$100,000
- Sealed bids required for projects over \$75,000
- Common wage hearing

Facilities Assessments

- MSKTD Study in 2005
 - Assessed infrastructure only
 - Mechanical, masonry, electrical, plumbing, fire alarm systems, windows, ADA
 - Assessment data reviewed by architects and engineers and building scores determined
- MGT Study in 2006
 - Review of infrastructure
 - Assessed educational suitability of buildings
 - Classroom sizes, suitability of classroom spaces for type of education being delivered, technology, media center
 - safety, adjacencies, site, clinics, food service, counseling

State CPF Budget Lines

- | | |
|--|--|
| 1. Land | 10. Maintenance |
| 2. Professional Services | 11. School Sports Facilities |
| 3. Educational Spec. Dev. | 12. Insurance |
| 4. Building Acquisition,
Construction,
Improvement | 13. Other Staff Services |
| 5. Rental | 14. Technology |
| 6. Purchase of Equipment | 15. Allocation for Future
Projects |
| 7. Emergency Allocations | 16. Transfer to Repair &
Repl. Fund |
| 8. Utilities | 17. Interest transferred to
General Fund. |
| 9. Equipment | |

Capital Projects Fund

Priorities & Budget Lines

Line 4 Priorities: Roofs

2008 = \$1.575 million

- 20-year replacement plan
 - Roofs next on plan but in good condition are delayed
 - Roofs later on plan but in need are moved up
- Replacement plan is of school roof sections not entire roofs
- \$500 million project included roofs according to this replacement schedule

Washington Center Roof replacement



Line 4 Priorities: HVAC

Heating, Ventilation, Air Conditioning

2008 = \$1.9 million

- Replacement plan based on expected useful life of equipment
 - Boilers, chillers, air handlers, roof top units, condensers, fan units
- Equipment next on plan but in good condition is delayed
- Equipment later on plan but in need is moved up
- Does not include complete replacement of mechanical systems

Snider New chillers



Line 4 Priorities: Steam Heat

- Only at Elmhurst, Lakeside, Harrison Hill, Ward (Franke Park just replaced)
- Remaining steam heat systems are all very old (youngest 48 years old)
- Steam heat systems require much more maintenance than hot water systems
- Requires replacement of boiler tubes, univents, piping from boiler to univents

Line 4: Site, Traffic & Safety

2008 = \$855,000

- Playgrounds
- Parking lots
- Bus lanes
- Traffic improvements
- Sidewalk and access improvements
- Parent pick-up lanes



Price
New asphalt playground

Towles Expanded bus lane and parking



Line 4: School Programmatic Needs & General Building Systems (GBS) 2008 = \$690,000

- Examples
 - Restroom partitions, plumbing fixtures
 - Drinking fountains
 - Blinds
 - Flooring
 - Lockers
 - White boards
 - Gym bleachers
 - Doors & hardware



**Miami
New rest room
urinals**



**Blackhawk
New gym bleachers**

Line 4: Guaranteed Energy Savings Contracts

- Statute allows projects that generate energy savings (General Fund savings) paid back over 10 years to be financed and paid from CPF
- Installed energy efficient lighting and mechanical systems
- Projects financed:
 - 1998 \$1,145,782 (last payment 2007)
 - 1999 \$1,485,213 (last payment 2008)
 - 2000 \$1,897,385 (last payment 2009)
 - 2002 \$1,737,794 (last payment 2011)
- 2008 budget \$730,000

CPF Other Line Items

(2008 budgets)

Line 1: Land \$350,000

Line 4: General Repairs \$1.5 million

Skilled Craft Employees \$1.6 million

Mechanical/Electrical \$845,000

Asbestos Removal \$320,000

ADA Projects \$320,000

School Sports Facilities \$245,000

Line 6: Equipment \$950,000 (desks, cafeteria tables, office equipment, printers)

Line 7: Emergency Allocation \$600,000

Line 9: Building & Equipment Repair \$150,000

Line 13: Technology \$2.8 million (equipment, maintenance agreements, repair & installation technicians)

Capital Projects Fund

Examples of
Major Projects
in Line 4

Line 4: Major CPF Projects

Indian Village

- 1999 \$600,000
 - Replaced heating, electrical, & mechanical systems
 - Added air conditioning
- 2000 \$1,100,000
 - Added classrooms
 - Replaced all windows and exterior doors
 - Improved traffic flow and added parking
- 2001 \$1,990,000
 - Added cafeteria, media center, art & music rooms
 - Renovated existing classrooms (casework, ceilings, flooring)



**Indian Village
New windows & exterior doors**



Indian Village
New main entrance doors and canopy
Parking and traffic improvements



Line 4: Major CPF Projects Model for Comprehensive Renovation

Kekiongga

- 2004 \$2,950,000
 - Replaced 1960 steam heating system
 - Upgraded electrical system
 - Installed new hot water modular boilers
 - Installed new classroom ventilators
 - Installed new mechanical piping
 - Added air conditioning
 - Replaced window system



Kekionga
New window system



**Kekionga
New modular boilers**



Kekionga
New electrical panel boards

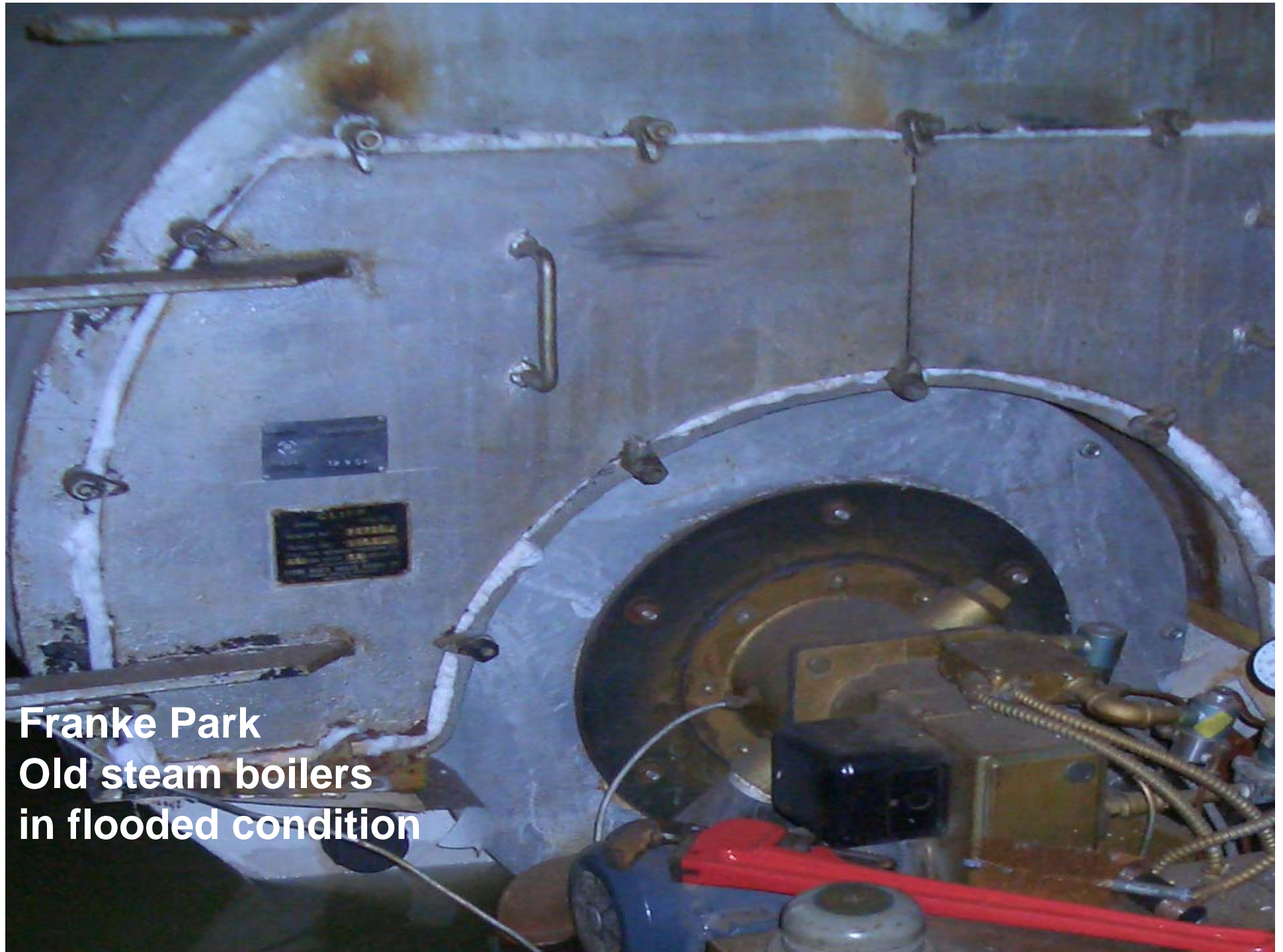
Line 4: Major CPF Projects

Model for Comprehensive Renovation

Franke Park

– 2007 \$2,233,000

- Replaced 1960 steam heating system
- Upgraded electrical system
- Installed new hot water modular boilers
- Installed new classroom ventilators
- Installed new mechanical piping
- Added air conditioning
- Replaced window system



**Franke Park
Old steam boilers
in flooded condition**

Franke Park
New modular boiler





**Franke Park
New unit ventilator piping in a classroom**



Franke Park
New air conditioning condenser



Franke Park
Before window system replacement



**Franke Park
Window system replacement**

**Franke Park
Window system
replacement**



History of Major Projects

Projects over \$1 million

- **Grile (61-80)**
 - Built 31 new buildings
 - Closed Hanna, Hamilton, Rudisill, Smart, Harmar, Anthony Wayne
- **Anthis (80-90)**
 - Built Auto Center, Anthis
 - Closed Hillcrest, Franklin, Riverside, Slocum, South Calhoun, Spec. Ed. Ctr., Hoagland
- **Coats (91-94)**
 - Renovated South Side (bond issue)
 - Renovated Holland, Brentwood, Shambaugh, Lakeside, South Wayne, North Side, Northrop, Geyer (CPF)
- **Fowler-Finn (94-03)**
 - Renovated North Side (bond issue)
 - Renovated Wayne, Snider, Kekionga, Elmhurst, Northwood, Lincoln, Price, Portage, Northcrest, Indian Village (CPF)
 - Replaced North Side Pool (CPF)
- **Robinson (03-present)**
 - Built Nutrition Center (bond issue)
 - Renovated Towles, Kekionga, South Side Natatorium, Franke Park (CPF)
 - Proposed 10-year Long-Range Facility Plan

Capital Projects Fund

2008 Proposed Budget

2008 CPF Property Tax Levy

	Tax Rate	Expected
Levy (State sets rate)	\$.2234	\$17,967,402
+Utilities & ins. (State sets rate)	.0768	6,176,797
-Pension bond tax neutrality	(.0336)	(2,702,349)
Total Property Tax Levy	\$.2666	\$21,441,850

2008 CPF Sources

	Tax Rate	Expected
Total Property Tax Levy	\$.2666	\$21,441,850
Miscellaneous revenue:		
North Side Bond – land reimbursement		1,500,000
Auto excise, commercial vehicle excise tax, financial institutions tax		2,057,555
Total Revenue		\$24,999,405
Est. Cash Balance 12/31/07		1,129,595
Total Sources		\$26,129,000

Capital Projects Fund Expenditure Budget Overview

	Expected
Improvements & Replacements	\$22,649,974
-Pension Bond tax neutrality	<u>(2,700,000)</u>
=Total Improvements & replacements	19,949,974
Utilities & Insurance	6,179,026
Total Expenditures	\$26,129,000

Capital Projects Fund

Expenditure Budget Comparison

	2007	2008
Improvements & Replacements	\$19,951,859	\$19,949,974
Utilities & Insurance	6,179,026	6,179,026
Total expected budget	\$26,130,885	\$26,129,000

Proposed Capital Projects Detail

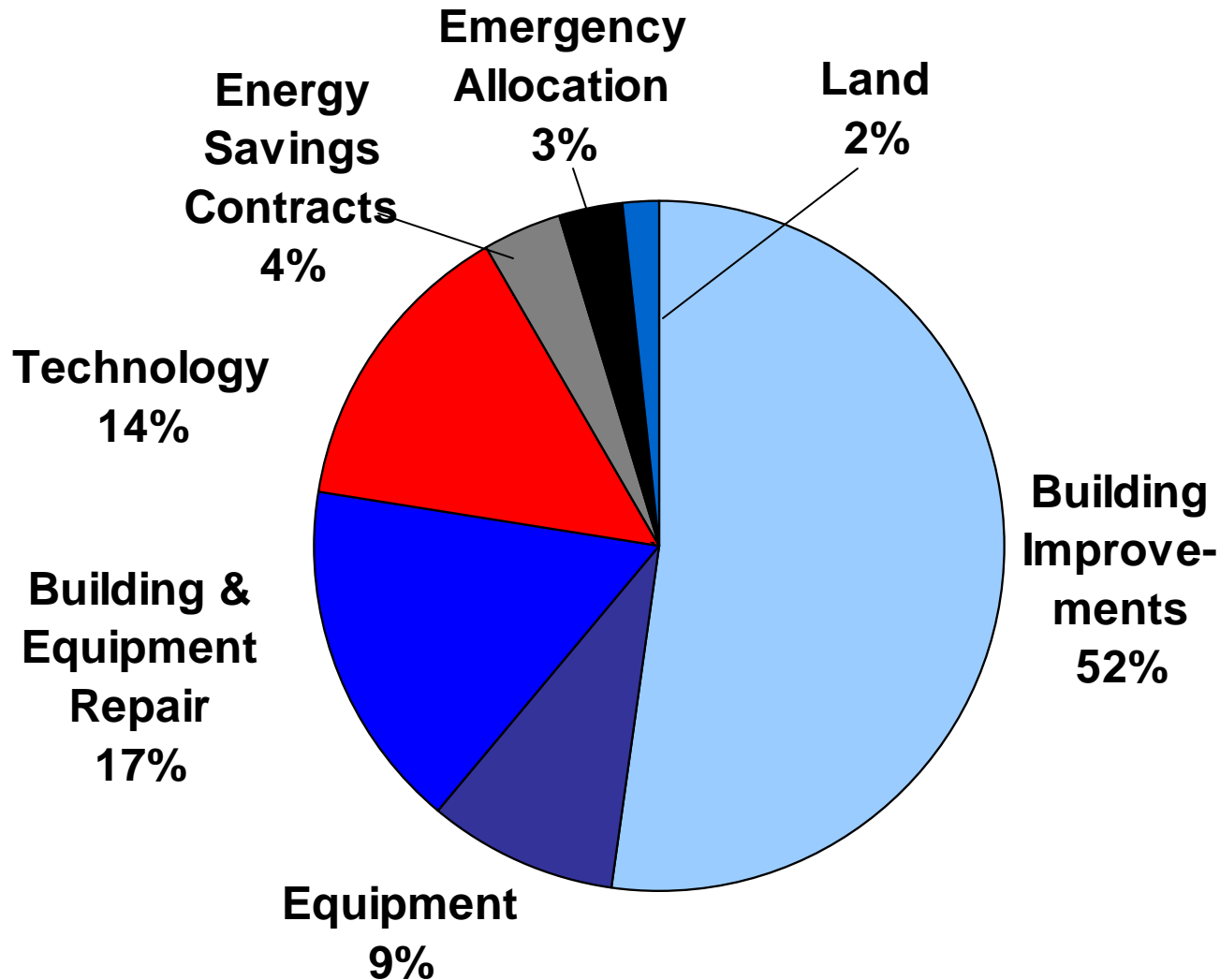
	2007	2008
Improvements & Replacements:		
Building Improvements	\$9,696,100	\$10,428,974
Equipment	2,800,759	1,750,000
Building & Equipment Repair	3,299,000	3,307,600
Technology	2,656,000	2,783,400
Energy Savings Contracts	890,000	730,000
Emergency Allocation	240,000	600,000
Land	370,000	350,000
	\$19,951,859	\$19,949,974

2008 Building Improvements

Professional Services	\$ 125,000
Unidentified school future project	3,553,974
Roof Replacement	1,575,000
Site	355,000
General Building Systems	550,000
Mechanical/Electrical	845,000
HVAC Replacement	1,900,000
Traffic/Safety	500,000
School Programmatic Needs	140,000
Hazardous Materials	320,000
A.D.A. Projects	320,000
School Sports Facilities	245,000
	<hr/>
	\$ 10,428,974

2008 Capital Projects Plan

\$19,949,974



CPF Impact to Taxpayer

- CPF represents 19% of FWCS property tax, 8% of total rate (all units in district)
- Average homeowner \$85,290 reassessed at \$99,500
 - Gross CPF tax \$137
 - Reduced by PTRC & Homestead Credits
 - = Net estimated \$78
 - \$56 Capital Projects
 - \$22 utilities & insurance

Capital Projects Fund

Setting 2008 Priorities

Priority by Building Condition Score

1. Ward
2. Weisser Park
3. Nebraska
4. Lane
5. Jefferson
6. Elmhurst
7. Harris
8. Harrison Hill
9. Lakeside
10. Snider

Lakeside Middle School

Built 1959 – 48 years old



As proposed in \$500 million project

\$15,426,763
Project costs with inflation

Lakeside Middle School



General Improvements

Improved to like new
Fire sprinklers added
ADA improvements

Site

Resurface existing parking
Improve pedestrian/vehicular
circulation

* If critical and budget permitting

Educational Spaces

Additional art and music room storage
Enlarged existing general classrooms
Kitchen renovation*
New gymnasium
Additional vocational space
New distance learning room
Expanded clinic
Expanded teaching collaboration areas
New parent /community room
Expanded administration & support space*

Infrastructure

Add air conditioning	Replace roof
HVAC improvements	Add elevator
Upgrade curtain wall and/or add walls to open concept rooms	
Telecomm system upgrades	
Plumbing piping replacement	

As proposed for 2008 CPF (only red items)

\$15,426,763
Project costs with inflation

Lakeside Middle School



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HVAC improvements	Add elevator
Upgrade curtain wall	
Telecomm system upgrades	
Plumbing piping replacement	

* If critical and budget permitting

Lakeside Middle School

Infrastructure Needs \$4.2 million

- Steam heating system – beyond its expected useful life - \$3.2 million
- Windows all single pane glass – \$490,000
- Existing plumbing systems – \$270,000
- Electrical and fire alarm - \$240,000

Capital Projects Fund

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