

**Salem City Schools**  
**Capital Improvement Plan (CIP) for 2020-2025 and Projects for FY 2019**  
**October 9, 2018**

**Summary of Issue:**

This report is to request the Board to:

1. Approve the proposed projects for FY 2019 from the 6/30/18 year-end balance and the funding of these projects (Capital Reserve) (Attachment A with Appendix 1 for IT & Finishes lists)
2. Approve the proposed projects for FY 2019 from the 6/30/18 year-end balance and the funding of these projects (Meals Tax) (Attachment B)
3. Approve the proposed 2020-2025 Six Year CIP (Attachment B)

**Background:**

Salem's school buildings require on-going major maintenance projects on a regular basis due to age. In recent years this has included such things as roofing replacement, heating and air conditioning work, building renovations, door and window updates, classroom upgrades and similar.

In addition, the division has used capital reserve funds traditionally to replace buses every year, supplement its technology budget, and replace major cafeteria equipment on a planned regular basis to even out future necessary outlays. With the balance available from this past fiscal year, the projects in attachment A are the requests from the Division on how to use these funds.

There are 4 categories of how a fund balance is to be reported in the Capital Projects Fund for financial reporting purposes within the statement:

1. **Restricted Fund Balance** - restricted by external creditors (debt covenants) grantors, contributors
2. **Committed Fund Balance** - amounts that can only be used pursuant to constraints imposed by legislation, resolution, or ordinance and the constraints can only be removed by the same method
3. **Assigned Fund Balance** - amounts that are constrained by the government's *intent to be used for specific purposes*, but neither restricted or committed
4. **Unassigned Fund Balance** - any residual fund balance not in the first 3 categories.

On November 28, 2011, City Council approved a 2% tax rate increase on the Meals Tax for the City, and dedicated the proceeds to go to School Capital Projects. The tax became effective February 1, 2012. With the balance available from the past fiscal year, the projects in attachment B are the requests from the Division on how to use these funds.

**Policy Reference:**

FB, Facilities Planning

**Fiscal Impact:**

At this time, \$1,006,289 of the unallocated capital reserve funding will be categorized in Assigned Fund Balance with the remaining being categorized as Unassigned Fund Balance. The total projects anticipated during the current fiscal year from capital reserve are listed in Attachment A.

\$537,062 of the unallocated meals tax funding will be categorized in Assigned Fund Balance. The total projects anticipated during the current fiscal year from capital reserve are listed in Attachment B.

The total project requests in the CIP for the six year period FY 2020-2025 are \$61,288,720 per Attachment C.

**Recommended Motion:**

Move approval of the projects for FY 2019 using funding from the 6/30/2018 year-end balance and funding from the 6/30/2018 meals tax balance with a request that City Council appropriate funding from these year end fund balances as required, and move approval of the FY 2020-2025 CIP.

Salem City Schools		10/9/2018
CIP Requests from Principals and Central Administrators - FY 2018 Fund Balance		
		Attachment A
Capital reserve balance at 6/30/2018 - UNAUDITED		\$1,456,289
Less: amount to be held for contingencies - (approximately 1% of total budget)		(\$450,000)
Available for FY 19 projects/future AE/construction		\$1,006,289
Name of Project	Notes	Estimated Cost
Choir Robes for SHS	It has been many years - in some cases, decades - since new Choir robes and costumes were purchased.	\$29,660.00
Cafeteria Tables at SHS	Replacement tables (6).	\$9,000.00
Science Department Balances at SHS	Balances have been bought in a very ad hoc manner in recent years. By the time the entire department is able to be replaced, the "new" balances have become old balances again. It's time that an entire set be purchased for the department.	\$20,100.00
Paint/Sand Gym Floor at SHS	In need of a complete refurbishment.	\$26,000.00
Final Payment of Partial Roof Replacement at GW Carver	Bids came in higher than what was budgeted. This funding will enable us to continue to use CIP funds to complete that facility need.	\$57,000.00
New Steps/Ramp to Trash Dumpster at West	Metal ramp is deteriorating and rusting away. Holes in areas. Dangerous to dump trashcans.	\$5,000.00
Replace Scoreboards in Main Gym at ALMS	Scoreboards in main gym are a source of continual issues - including at times both being out of sync (i.e. in a basketball game, different times on each clock). Vendor has stated that both are so old that repair parts are no longer stocked.	\$10,000.00
Special Education Bus	Replacement of older model special needs bus.	\$100,000.00
Transportation Office and Lot Updates	To address the current condition of the exterior of the building: several shingles of the siding are missing or broken, window sills are rotted and contain holes that allow the elements to cause more deterioration, and old windows that are drafty. Updating and improving protection from weather will reduce the use of interior climate control (\$30,000). Lot grading and paving are to address rain pooling in the parking lot where buses are kept (\$60,000).	\$90,000.00
Graphic Arts Tech Update at SHS	End of service life 8 year old Apple computers in SHS graphics lab should be upgraded.	\$38,905.00
2018 Tech Infrastructure Upgrades & Computer Replacements	Infrastructure needs and equipment replacements across Division (Appendix 1).	\$126,000.00
Division Painting/Flooring Needs	Painting/Flooring needs for Division throughout school year & summer 2019 (Appendix 1).	\$169,800.00
Landscaping Part IV	Ongoing landscaping upgrades at each school - ALMS.	\$15,000.00
Local Match for Security Grant	If we receive the grant we have to provide a 25% local match. Max grant is \$100,000 (or \$25,000) but we don't need full funding to have match available.	\$5,000.00
Boiler Replacement at Central Office	Boiler has been leaking and is over 40 years old. City recommends replacing and this is in progress now to ensure it's in place before it's needed in the Fall. This funding will cover the maintenance account this is currently coming from.	\$30,000.00
General Roof Improvements	Funding for a roofing study and general roof repairs for the division.	\$40,000.00
Tag Out/Lock Out Updates	City Request - Company to label electrical panels and circuit panels; update processes and procedures to adhere to new regulations (~\$10,000 per bldg).	\$80,000.00
East Salem HVAC Work	Condensation has caused issues. Cleaning, reinsulating and re-installment now and over Christmas Break.	\$19,324.00
Field House Washer	Machines were failing. One was replaced with operating funds in prior year but they need 2.	\$10,000.00
Elevator Opener Assembly Replacement at ALMS	The elevator equipment upgrade is needed since the existing door operator is old, worn and all equipment and parts are obsolete.	\$16,000.00
SHS HVAC Updates	Motor Controller Heat Exchanger (HVAC) 2 Units. Needs to be completed in Winter/Spring of 2019. Works with the Chiller and needs replacement.	\$46,000.00
Fencing for Schools	Fencing at East between trailer park and main playground as well as fencing at West. A safety audit recommendation. This would be a black vinyl chain link fence - 6 feet high.	\$33,500.00
Pre K Playground Set plus Fencing at GW Carver	Safety concerns of current playground equipment being too high and dangerous for the VPI aged children.	\$30,000.00
		\$1,006,289
	(Over)/Under Budget	\$0

Bal at  
10/1/18  
Minus Meals  
Tax FINAL

**Current Tech Infrastructure & Equipment Replacements Requests**

<b>Name of Project</b>	<b>Notes</b>	<b>Estimated Cost</b>
1- Network Storage System Replacement	The storage servers used for primary storage (G & H Drives plus all drives used by all our servers) is 5 years old. The annual maintenance costs at this point are punitively high (~\$20,000). Replacement with system designed for a 7-10 year cycle.	\$ 100,000
2- LCD Projectors	Continued replacement - Existing projectors were all installed at the same time and are reaching end of life and are dying with regularity	\$ 26,000
		<b>\$ 126,000</b>

**Current Finishes/Flooring Requests**

<b>Name of Project</b>	<b>Notes</b>	<b>Estimated Cost</b>
1- Painting at SHS	All block walls in need of paint including ECE, 274A, Chris King's office, gym walls, boys PE office bathroom, 277	\$ 20,000
2- Paint around windows at Carver	Paint is chipping around windows and looks bad.	\$ 4,000
3- Paint 4 classrooms at West	Continue working on painting rooms	\$ 4,000
4- Blinds in 8 Rooms at West	Blinds are broken and inoperable. In some they are completely off windows	\$ 4,800
5- Flooring in 4 Rooms at West - Library, TDT, AP Office, Teacher lunchroom; Speech room, 3rd/4th hallway	Carpet very badly stained and coming apart in areas. Carpet original to addition in 1985.	\$ 10,000
6- Flooring at West - Speech room, 3rd/4th hallway	Carpet very badly stained and coming apart in areas. Carpet original to addition in 1985.	\$ 6,000
7- Paint stairwells, 6th/7th & 8th grade hallways at ALMS	Eye sore which is noticeable to all. Takes away from the positive learning environment and school pride which we seek to promote and foster.	\$ 20,000
8- Paint gym at East	Entire gym needs to be painted. Has not been painted in at least 15 yrs. Walls have holes and unpainted places where old/dated gym equipment was removed.	\$ 6,000
9- Paint Cafeteria, beams & Ceiling at East	Entire cafeteria needs painting. Has not been painted in at least 15 yrs.	\$ 10,000
10- Paint hallways and stair wells at East	Hallways have had spot painting throughout the last 15 yrs., but the stair wells have not been painted in at least 15 yrs.	\$ 25,000
11- Painting of Tennis Light Poles at SHS	In need of painting	\$ 10,000
12- Division Painting Needs	Various needs that come up throughout the year	\$ 20,000
13- SHS Tile Work	Café Serving Line & Field House - \$15,000 each	\$ 30,000
		<b>\$ 169,800</b>

Salem City Schools		10/9/2018
18-19 CIP Requests for Meals Tax Usage		
		Attachment B
Meals tax balance at 6/30/2018 - UNAUDITED		\$537,062.12
Less: amount to be held for SHS Renovation in Unassigned Fund Balance		\$0
Available for FY 19 projects/future AE/construction		\$537,062.12
Name of Project	Notes	Estimated Cost
SHS Building Project - Local	To continue funding the local account for the HS renovation project to cover furniture, fixtures, etc.	\$482,062
SHS Chiller	To replace both starters.	\$55,000
<b>Total</b>		<b>\$537,062</b>
<b>(Over)/Under Budget</b>		<b>\$0.00</b>

Bal at Aug Bd  
Mtg Plus Addition  
in Sept

Current Balance in SHS Building Project - Local	\$1,542,761.71
Add-on for FY 18 from Above	\$482,062.12
<b>New balance for SHS Renovations</b>	<b>\$2,024,823.83</b>

Salem City Schools												10/9/2018			
Six Year Capital Improvement Plan (CIP) for FY 2020-2025															
October 2018 School Board Meeting												Attachment C			
Inflation factor															
1.03														TBD=Date To Be Determined	
	<b>YR 1</b>	<b>YR 2</b>	<b>YR 3</b>	<b>YR 4</b>	<b>YR 5</b>	<b>YR 6</b>					<b>Total</b>				
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>TBD</b>				<b>FY 2020-2025</b>	<b>Comments</b>			
<b>WHERE THE FUNDING WILL COME FROM:</b>															
Bond Funds	\$53,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$53,000,000			
State Construction Funds												\$0			
Capital Reserve Funds Available Now												\$0			
Future Capital Reserve Funds (below)	\$2,881,890	\$1,512,864	\$989,177	\$1,259,963	\$780,702	\$864,124						\$8,288,720			
Other Funding Already Appropriated												\$0			
Cafeteria Fund Balance												\$0			
	\$55,881,890	\$1,512,864	\$989,177	\$1,259,963	\$780,702	\$864,124						\$61,288,720			
												\$61,288,720			
<b>WHERE THE FUNDING WILL BE SPENT:</b>															
	<b>YR 1</b>	<b>YR 2</b>	<b>YR 3</b>	<b>YR 4</b>	<b>YR 5</b>	<b>YR 6</b>					<b>Total</b>				
<b>Category 1: Recurring Projects</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>TBD</b>				<b>FY 2020-2025</b>				
General System-Wide Roof Replacement on Regular Schedule (West first on list - installation in 1994)		\$184,481 FCR	\$190,015 FCR	\$195,715 FCR	\$201,586 FCR	\$207,634 FCR						\$979,431			
Two School Buses Annually	\$233,398 FCR	\$240,400 FCR	\$247,612 FCR	\$255,040 FCR	\$262,691 FCR	\$270,572 FCR						\$1,509,713			
School Technology-Infrastructure	\$30,000 FCR											\$30,000		Blade Servers used to store School data	
School Technology-Computer Replacement	\$262,691 FCR	\$270,572 FCR	\$278,689 FCR	\$287,050 FCR	\$295,662 FCR	\$304,532 FCR						\$1,699,196		On-going replacements	
School Technology-General - Other Computer/Smart Board Replacement	\$100,000 FCR	\$100,000 FCR										\$200,000			
Cafeteria/Kitchen Equipment Replacement	\$18,448 FCR	\$19,001 FCR	\$19,571 FCR	\$20,158 FCR	\$20,763 FCR	\$21,386 FCR						\$119,327		On-going replacements	
Division Vehicle Replacement		\$35,000 FCR										\$35,000			
<b>Category 2: Future standalone projects</b>															
HVAC Control Updates - East, then Carver, then ALMS **	\$50,000 FCR	\$75,000 FCR	\$75,000 FCR									\$200,000			
West Salem Chiller Replacement of Fan Coil Units (East/West) **	\$190,000 FCR											\$190,000			
East Salem Air Handler Replacement		\$330,000 FCR			\$54,000 FCR							\$330,000			
												\$54,000			

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1.03										TBD=Date To Be Determined			
	YR 1 FY 2020	YR 2 FY 2021	YR 3 FY 2022	YR 4 FY 2023	YR 5 FY 2024	YR 6 FY 2025	TBD	Total FY 2020-2025	Comments				
Fieldhouse Renovation	\$624,048	FCR						\$624,048					
Remodel Room 250 at SHS for CTE Expansion **	\$50,000	FCR						\$50,000					
Band Instrument Replacement **			\$60,000	FCR			\$60,000	FCR				\$120,000	
Cover/Remove tiles on the walls in the main hallways @ East **	\$25,000	FCR										\$25,000	
Full Roof Replacement West **	\$600,000	FCR										\$600,000	
Professional Development Room @ AIIMS **			\$20,000	FCR								\$20,000	
AIIMS Phase 2 **					\$400,000	FCR						\$400,000	
Carpet: Central Office- new flooring, asbestos abatement **	\$35,000	FCR	\$35,000	FCR								\$70,000	
GPS for Buses **				\$50,000	FCR							\$50,000	
Calculator Replacement at Secondary levels	\$10,530	FCR			\$20,000	FCR						\$30,530	
Resurface Track at SHS	\$375,369	FCR										\$375,369	
Repave Tennis Courts at SHS				\$113,290	FCR							\$113,290	
Alignment Rack Lift	\$18,406	FCR										\$18,406	
Alignment Machine for Auto Service **				\$15,000	FCR							\$15,000	
Commercial Dishwasher Installation for CTE (Culinary) Program			\$18,410	FCR								\$18,410	
Grand Piano & Risers at SHS **					\$28,000	FCR						\$28,000	
Resurface Track at ALMS **	\$100,000	FCR										\$100,000	
Lockers in PE locker rooms at ALMS **			\$75,000	FCR								\$75,000	
Half Wall & Various renovations of interior at AIIMS **	\$11,000	FCR										\$11,000	
Salary Study **	\$32,000	FCR										\$32,000	
Rider Floor Scrubbers (2)	\$16,000	FCR										\$16,000	
South Flooring Stain Updates **	\$10,000	FCR										\$10,000	
Auditorium Door Replacement at ALMS	\$15,000	FCR										\$15,000	
East Salem Playground Play Set Replacement			\$50,000	FCR								\$50,000	
Extending sidewalk from exit 5 to 6 at GW Carrver	\$20,000	FCR										\$20,000	

Salem City Schools											10/9/2018	
Six Year Capital Improvement Plan (CIP) for FY 2020-2025												
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1.03											TBD=Date To Be Determined	
	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	TBD		Total	Comments		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025			FY 2020-2025			
Fire Alarm System Replacement at ALMS	\$30,000	FCR							\$30,000			
Dodge Caravan SXT (used) - special needs transportation	\$25,000	FCR							\$25,000			
Category 3: Future Projects which might become part of a school-wide renovation												
									\$0			
Category 4: School-Wide Renovations TBD												
Salem High School Multi-Phase Renovation (Timeline, cost and phasing to be based on upcoming concept plans and funding availability) Salem High Memo line only-not in totals	\$53,000,000	BD							\$53,000,000	Original cost is based on the 2006 Facility Study. Escalated price as of CIP time Oct 2016 was \$39,825,702		
		\$54,590,000	\$56,227,700	\$57,914,531	\$59,651,967	\$61,441,526				To show inflation costs only		
Category 5: Partial School Renovations												
West Salem Elementary School Improvements					\$0	BD			\$0	(1)		
East Salem Elementary School Improvements							\$0	BD	\$0			
Totals	\$55,881,890	\$1,512,864	\$989,177	\$1,259,963	\$780,702	\$864,124		\$0	\$61,288,720			
									Cross footing	\$61,288,720		
(1) Classroom improvements were completed in 2009 and 2010 and future improvements to other areas such as cafeteria, kitchen, libraries and offices will need to have revised cost estimates prepared at a future date												
<b>Notes:</b>												
All items in <b>BOLD ITALICS</b> have been inflation adjusted based on School Board guidance in prior years (by 3%)												
** = Formal quotes needed; internal estimates used for illustration/planning purposes												
Legend: FCR=Future Capital Reserve												
BD = Bond Issues by City												
CR=Capital Reserve												