Salem City Schools Capital Improvement Plan (CIP) for 2022-2027 and Projects for FY 2021 October 13, 2020

Summary of Issue:

This report is to request the Board to:

- Approve the proposed projects for FY 2021 from the 6/30/2020 year-end balance and the funding of these projects (Capital Reserve) (Attachment A with Appendix 1 for CTE Improvements & Appendix 2 for Finishes/Flooring lists)
- 2. Approve the proposed projects for FY 2021 from the 6/30/2020 year-end balance and the funding of these projects (Meals Tax) (Attachment B)
- 3. Approve the proposed projects for FY 2021 from the 6/30/2020 year-end balance of the Cafeteria fund and the funding of these projects (Attachment C)
- 4. Approve the proposed 2022-2027 Six Year CIP (Attachment D)

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, 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.

Over the past several years, the division has been growing the reserves in the cafeteria fund from positive year-end balances. The State recommends we keep a minimum three (3) months expenditures in reserves at all times, and we have in excess of that with the balance at the end of FY 2020. We recommend funding the cafeteria capital needs from the reserve balances in the Cafeteria fund as listed in attachment C.

Policy Reference:

FB, Facilities Planning

Fiscal Impact:

At this time, \$1,905,293 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.

\$529,805 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.

\$81,000 of the unallocated cafeteria reserves funding will be categorized in Assigned Fund Balance. The total projects anticipated during the current fiscal year from cafeteria reserves are listed in Attachment C.

The total project requests in the CIP for the six-year period FY 2022-2027 are \$42,088,077 per Attachment D.

Recommended Motion:

Move approval of the projects for FY 2021 using funding from the 6/30/2020 year-end balance, funding from the 6/30/2020 meals tax balance and funding from the 6/30/2020 year-end cafeteria fund balance with a request that City Council appropriate funding from these year end fund balances as required, and move approval of the FY 2022-2027 CIP.

	Salem City Schools	10/13/2020
CIP Requests from Principa	Is and Central Administrators - FY 2020 Fund Balance	
		Attachment A
Capital reserve balance at 6/30/2020 - UNAUDITED		\$2,355,293
Less: amount to be held for contingencies - (approximat	ely 1% of total budget)	(\$450,000)
Available for FY 21 projects/future AE/construction		\$1,905,293
Name of Project	Notoo	Estimated Cost, if
Name of Project	<u>Notes</u>	<u>known</u>
Replacement of Fan Coil Units at East	HVAC needs from the City	\$700,000.00
Additional Funds for ALMS Roof	Bids came in higher than available budget	\$239,000.00
		φ200,000.00
COVID-19 Contingency	One-time costs associated with COVID-19, not covered by other funding sources	\$152,228.00
Furniture for classrooms at SHS	Continue head start on purchasing furniture for new building	\$130,000.00
Flooring Updates for classrooms at SHS	Removing carpet and polishing concrete in classrooms as part of renovations	\$120,000.00
CTE Improvements	See Appendix 1 for list	\$98,513.00
	The tiles are outdated and replacements to match cannot be located. Tiles are	
O	missing in various locations. They appear grimy and are difficult to clean due to	¢75 000 00
Cover/Remove Tiles on Walls in Main Hallways at East	years of wear and tear	\$75,000.00
HVAC Control Updates at Carver	HVAC needs from the City Recurring purchase every few years. Returning students increasing and offered to	\$75,000.00
	6th grade means a need for more instruments on top of replacing those beyond	
Band Instrument Replacement for SHS & ALMS	repair	\$60,000.00
Replace old analog cameras at SHS	Aging equipment (48 cameras)	\$50,000.00
Dryers at SHS Fieldhouse (2)	To replace 30 year old equipment	\$30,000.00
Finishes/Flooring Updates	See Appendix 2 for list	\$29,054.00
Operable Wall Project Rooms 23, 25 & Room 18, 20 at	Will create a flexible learning space in the building so that teachers can teach from	* *** *** **
West	a one classroom environment to a multi-age classroom environment Constant problems with old hand dryers or with breakage/mess associated with	\$28,498.00
Dyson Blade hand dryers in all bathrooms at SHS	paper towel dispensers (20 dryers)	\$23,000.00
Rider Floor Scrubbers (2)	To make floor cleaning more efficient and safer (South & Carver)	\$16,000.00
	Our custodial equipment has reached the end of its life span. We are requesting	\$10,000.00
	to replace our equipment with the following: Nobles model BR2500 Buffer;	
1 Buffer Machine and 2 Scrubber Machines at ALMS	Advance by Niflfisk model BA 5321/D (2 of these)	\$15,000.00
Repair G.W. Carver Elementary sign (main entrance sign)	Bricks are loose or missing. The material is chipping/flaking	\$15,000.00
10 Flights of Track Hurdles at SHS	Hurdles have gotten old and it's time to replace them	
		\$14,000.00
SHS Big Gym Padding for Walls Additional Surveillance Cameras for Outside of Building	For student safety The safety team did an audit and determined the need for additional surveillance	\$10,000.00
at South	cameras to be installed for safety (10 cameras)	\$10,000.00
	If we receive the grant we have to provide a 25% local match. Grant requested is	
	\$200,000 so \$50,000 local match max. \$40,000 remaining in current account.	* /~ ~~~~~
Local Match for Security Grant	Only need \$10,000	\$10,000.00
Carport for Corner of 4th & College	To replace carport that was previously there	\$5,000.00
		\$1,905,293
		· · · · · · · · · · · · · · · · · · ·
	(Over)/Under Budget	\$0

		10/13/2020	Ар	pendix 1
	Current C	TE Improvement Requests	E	stimated
	Name of Project	Notes	E	Cost
1-	Locker Room updates in Auto Tech & Auto Body at SHS	To provide updates to locker room areas	\$	30,000
2-	New tables and Cabinets for Auto Tech at SHS	The tables, cabinets and the shelving in the shop are in poor condition and need to be replaced. Quote includes removing existing and installation	\$	24,386
3-	4 X 8 - CNC Plasma Table - Arclight Dynamics Arc Pro X 9600 System at SHS	The current CNC plasma table is antiquated and needs to be brought up to current standards	\$	20,717
4-	Flooring Installation in Locker Room for Auto Tech & Auto Body at SHS	The floor in the locker room for Auto Tech and Auto Body was torn up and never replaced. The surface is uneven and the adhesive is exposed with no paint. Rubber flooring option	\$	5,000
5-	Commercial Dishwasher Installation for CTE (Culinary) Program at SHS	To update equipment for student instruction	\$	18,410
			\$	98,513

10/13/2020 Appendix 2 **Current Finishes/Flooring Requests** Estimated Name of Project Notes Cost \$ 1-Replace Carpet with Tile in Guidance at Carver Replace carpet in guidance suite 20,000 2-Replace lighting in the Gym at East Old lighting does not provide adequate light. Would like to replace with \$ 4,800 energy saving lighting for long term impact. Tile Remainder of Front Office Area at East Front office area currently has 3 difference types of flooring, including 3-\$ 3,000 carpet that is difficult to clean. Consistent no wax flooring would be more sanitary, easier to maintain and would give a much better first impression at East Salem. We already have the tile - it would need to be laid. 4-Re-tile Foyer Area of School at West The tile needs to be replaced due to heat causing warping. It is \$ 1,254 currently a tripping hazard \$ 29,054

	Salem City Schools		10/13/2020
20	-21 CIP Requests for Meals Tax Usage		
		At	tachment B
Meals tax balance at 6/30/2020 -	L UNAUDITED	\$	529,805.46
Less: amount to be held for SHS	Renovation in Unassigned Fund Balance		-
Available for FY 21 projects/future	AE/construction	\$	529,805.46
Name of Project	Notes	Est	imated Cost
	To continue funding the local account for the HS renovation project to		
SHS Building Project - Local	cover furniture, fixtures, etc.		\$529,805
	Total		\$529,805
	(Over)/Under Budget		\$0.00

Historical Data:	
2016 Fund Balance Transfer	\$1,356,587.00
South Salem Reserves Transferred	\$89,507.00
2017 Fund Balance Transfer	\$34,446.00
Adt'l State Revenue after FY 19 Budget Adoption	\$100,000.00
2018 Fund Balance Transfer	\$482,062.00
2019 Fund Balance Transfer	\$650,756.00
Transfer from City for Roof	\$1,395,760.00
	\$4,109,118.00
A & E Design Services Expense, G & H Construction Expense and	
related expenses	(\$2,864,571.00)
Current Available Balance in SHS Building Project - Local	\$1,244,547.00
Current Balance in SHS Building Project - Local	\$1,244,547.00
Add-on for FY 20 from Above	\$529,805.46
Pending New Balance Available for SHS Renovations	\$1,774,352.46

Salem City So	10/13/2020	
20-21 CIP Requests for Cafeter	ria Fund Balance Usage	
	Attachment C	
Cafeteria fund balance at 6/30/2020 - UNAUDITED		\$ 723,142.77
Less: amount to be held for approximately 3 months exp	enditures in Unassigned Fund Balance	(500,000.00)
Available for FY 21 projects/equipment needs/construction	\$ 223,142.77	
Name of Project	Notes	Estimated Cost
Dishwasher and garbage disposal at SHS		\$15,000
Double Stack Oven at East		\$9,000
Buffet Line at ALMS		\$5,500
Smallwares		\$1,500
Re-do Flooring in Café Area at SHS		\$20,000
Digital Signage at Café Front Area at SHS		\$5,000
Re-do Cafeteria Floors at West		\$25,000
	Total	\$81,000
	(Over)/Under Budget	\$142,142.77

Salem City Schools Six Year Capital Improvement Plan (CIP) for FY 2022-2027												10/13/2			
	October 2020 School Board Meeting												Attachme	ent D	
hafte the sector of															
Inflation factor													TBD=Date To		
1.03													Be Determined		
	<u>YR 1</u> FY 2022		<u>YR 2</u> FY 2023		<u>YR 3</u> FY 2024		<u>YR 4</u> FY 2025		<u>YR 5</u> FY 2026		<u>YR 6</u> FY 2027		<u>TBD</u>	<u>Total</u> FY 2022-2027	Comments
WHERE THE FUNDING WILL COME FROM:	112022		<u>r r 2023</u>		1 2024		1 2023		1 1 2020		<u>1 1 2021</u>			1 2022-2027	oonmenta
Bond Funds	\$27,000,000		\$0		\$0		\$0		\$0		\$0			\$27,000,000	Adjusted to reflect actual Bond Issue
City Funding	\$1,395,760		\$0		\$0		\$0		\$0	1	\$0			\$1,395,760	Adjusted to reflect actual City transfer Adjusted to reflect actual funds
Schools Funding State Construction	\$2,713,358		\$0		\$0		\$0		\$0		\$0			\$2,713,358	available for project
Funds														\$0	
Capital Reserve Funds Available Now														\$0	
Future Capital Reserve Funds (below) Other Funding Already	\$1,504,165		\$1,894,140		\$3,460,888		\$1,781,911		\$1,214,118	8	\$997,142			\$10,852,364	
Appropriated														\$0	
Cafeteria Fund Balance	\$19,571 \$32,632,854		\$20,158 \$1,914,298		\$20,763 \$3,481,651		\$21,386 \$1,803,297		\$22,028 \$1,236,146		\$22,689 \$1,019,831			\$126,595 \$42,088,077	
	\$32,032,634		\$1,914,298		\$3,461,051		\$1,603,297		\$1,230,140		\$1,019,831			\$42,088,077	
					1										
WHERE THE FUNDING WILL BE SPENT:															
Category 1: Recurring	<u>YR 1</u>		<u>YR 2</u>		<u>YR 3</u>		<u>YR 4</u>		<u>YR 5</u>		<u>YR 6</u>			Total	
Projects	<u>FY 2022</u>		FY 2023		FY 2024		FY 2025		FY 2026		FY 2027		<u>TBD</u>	FY 2022-2027	
General System-Wide Roof Replacement on Regular Schedule (West first on list -															
installation in 1994) Two School Buses	\$380,000	FCR	\$300,000	FCR	\$309,000	FCR	\$318,270	FCR	\$327,818	FCR	\$337,653	FCR		\$1,972,741	
Annually	\$260,000	FCR	\$267,800	FCR	\$275,834	FCR	\$284,109	FCR	\$292,632	FCR	\$301,411	FCR		\$1,681,786	
School Technology- Infrastructure	\$30,000	FCR							\$30,000	FCR				\$60,000	Blade Servers used to store School data
School Technology- Computer Replacement School Technology-	\$278,689	FCR	\$287,050	FCR	\$295,662	FCR	\$304,532	FCR	\$313,668	FCR	\$323,078	FCR		\$1,802,679	On-going replacements
General - Other Computer/Smart Board															
Replacement	\$100,000	FCR	\$100,000	FCR										\$200,000	
Cafeteria/Kitchen Equipment Replacement	\$19,571	FCR	\$20,158	FCR	\$20,763	FCR	\$21,386	FCR	\$22,028	FCR	\$22,689	FCR		\$126,595	On-going replacements
Division Vehicle			,,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		+=-;+==		+==,+==						
Replacement Category 2: Future	\$35,000	FCR									\$35,000	FCR		\$70,000	
standalone projects															
HVAC Control Updates - Carver, then ALMS **	\$75,000	FCR												\$75,000	
Replacement of Fan Coil Units at West **			\$300,000	FCR										\$300,000	
East Salem Air Handler Replacement			\$54,000	FCR										\$54,000	
Band Instrument Replacement **							\$60,000	FCR						\$60,000	
Professional Development Room at AIIMS **			\$20,000	FCR										\$20,000	
AIIMS Phase II **			\$20,000				\$400,000	FCR						\$20,000	
Carpet: Central Office- new flooring, asbestos abatement Phase II**	¢25.000	500												¢25.000	
	\$35,000	FUR		1						1				\$35,000	

					Salem City Se							1	0/13/2020	
							IP) for FY 2022-	2027						
			1	Octob	er 2020 School	Boar	d Meeting					Att	achment D	
Inflation factor														
												TBD=Date To Be		
1.03	YR 1		<u>YR 2</u>		<u>YR 3</u>		<u>YR 4</u>		<u>YR 5</u>		<u>YR 6</u>	Determined	Total	
	FY 2022		FY 2023		FY 2024		FY 2025		FY 2026		FY 2027	TBD	FY 2022-2027	Comments
GPS for Buses **					\$50,000	FCR							\$50,000	
Calculator Replacement at														
Secondary levels			\$20,000	FCR									\$20,000	
Reseal Tennis Courts at SHS	\$10,000	FCR											\$10,000	
Repave Tennis Courts	\$10,000	1 0/1												
at SHS Grand Piano & Risers			\$113,290	FCR									\$113,290	
at SHS **					\$28,000	FCR							\$28,000	
Lockers in PE locker rooms at ALMS **	\$75,000	FCR											\$75,000	
Half Wall & Various	\$70,000	1 0/1											\$13,000	
renovations of interior at AIIMS **					\$11,000	FCR							\$11,000	
					\$11,000	1 0/1							\$11,000	
New Basketball Goals at ALMS Main Gym	\$20,000	FCR											\$20,000	
Rider Floor Scrubbers	\$20,000		\$16,000	FCP									\$16,000	
Scoreboard @ Carver			\$10,000	IUN										
** Gym Projector for PE	\$15,000	FCR											\$15,000	
at East **	\$20,000	FCR											\$20,000	
East Salem Playground Play Set Replacement														
**	\$50,000	FCR											\$50,000	
Renovate Art Room at West	\$20,000	FCR											\$20,000	
Update Car Drop Off	\$20,000	1 011												
Area at West Tormach PCNC 100			\$26,000	FCR									\$26,000	
Package for CTE														
Program Haas VF-2 CNC	\$28,476	FCR											\$28,476	
Package			\$47,000	FCR									\$47,000	
NEW: Digital Sign for Announcements at														
Carver **			\$15,000	FCR									\$15,000	
NEW: Repair Front Steps at Carver	\$12,000	FCR											\$12,000	
NEW: Transportation														
Office Interior Renovations			\$19,000	FCR									\$19,000	
			,											
NEW: Paint Auto Tech, Auto body and														
Welding Shops at SHS NEW: Pave Walking	\$60,000	FCR											\$60,000	
Area at West					\$30,000	FCR							\$30,000	
NEW: Replace Air Cooled Chillers (2) at														
Central					\$120,000	FCR	\$125,000	FCR					\$245,000	
NEW: Replace 2 Split System units @ West														
Salem Gym							\$125,000	FCR					\$125,000	
NEW: Replace Boilers														
at West Salem									\$150,000	FCR			\$150,000	
NEW: Replace Makeup Air for AHU #4														
at ALMS			\$100,000	FCR									\$100,000	
NEW: Upsize AHU in Section D at ALMS			\$10,000	FCR			\$90,000	FCR					\$100,000	
NEW: Replace			\$10,000				\$50,000						\$100,000	
Package unit (office) at ALMS			\$80,000	FCR									\$80,000	
			\$30,000										\$00,000	
NEW: Replace Cooling Tower at ALMS							\$75,000	ECP					\$75,000	

				Salem City S							1	0/13/20	020	
		Six Year 0		Improvement P			-2027							
			Octob	per 2020 School	Board	d Meeting					Att	achme	ent D	
Inflation factor														
Innation lactor											TBD=Date To			
											Be			
1.03											Determined			
	<u>YR 1</u> FY 2022	<u>YR 2</u> FY 2023		<u>YR 3</u> FY 2024		<u>YR 4</u> FY 2025		<u>YR 5</u> FY 2026	<u>YR 6</u> FY 2027		TBD		<u>Total</u> FY 2022-2027	Comments
NEW: Replace	<u>FT 2022</u>	<u>FT 2025</u>		<u>F 1 2024</u>		<u>FT 2025</u>		<u>F 1 2020</u>	<u>r 1 2021</u>				<u>r i 2022-2027</u>	comments
Elevator Hydraulic Unit														
at ALMS		\$19,00	9 FCR										\$19,000	
NEW: Replace Boilers at Carver				\$200,000	FCP								\$200,000	
NEW: Replace				\$200,000	TOR								φ200,000	
Makeup Air units (3) at														
ALMS Category 3: Future								\$100,000	FCR				\$100,000	
Projects which might														
become part of a														
school-wide														
renovation														
None													\$0	
Category 4: School-														
Wide Renovations TBD														
Salem High School														
Multi-Phase														Original cost of \$53,000,000 is
Renovation														\$53,000,000 is based on the 200
Timeline, cost and														Facility Study.
phasing to be based														Escalated price as
on upcoming														of CIP time Oct
concept plans and funding availability)														2016 was
	\$27,000,000	BD											\$27,000,000	\$39,825,702
City Funding	\$1,395,760												\$1,395,760	
School Funding	\$2,713,358												\$2,713,358	
Category 5: Partial														
School Renovations West Salem														
Elementary School														
Improvements						\$0	BD						\$0	(1)
East Salem Elementary														
School Improvements G W Carver									\$0	BD			\$0	
Elementary School														
Improvements											\$0	BD	\$0	
Facility Needs														
Assessment		\$100,00	FCR										\$100,000	
Salem High School														
Fieldhouse Renovation				\$2,141,392	FCR								\$2,141,392	
Totals	\$32,632,854	\$1,914,29	8	\$3,481,651		\$1,803,297		\$1,236,146	\$1,019,831		\$0		\$42,088,077	
											Cross	footing	\$42,088,077	
1) Classroom improven	anta wara compl	atad in 2000 and 2010) and fu	turo improvomente	to oth									
(1) Classroom improven cafeteria, kitchen, librari														
careteria, nitoriori, librari										-				
Notes:														
All items in BOLD ITAL					e in pri	or years (by 3%)								
* = Formal quotes needed	; internal estimates	used for illustration/plan	ning pur	poses						-				
l erend.	FCR=Future Ca	nital Reserve												
Logena.	BD = Bond Issue				-									
	CR=Capital Res		-	1	1	-	-			-	+			