

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:

1. 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 Principals 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 - (approximately 1% of total budget)		(\$450,000)
Available for FY 21 projects/future AE/construction		\$1,905,293
Name of Project	Notes	Estimated Cost, if known
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
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
Cover/Remove Tiles on Walls in Main Hallways at East	The tiles are outdated and replacements to match cannot be located. Tiles are missing in various locations. They appear grimy and are difficult to clean due to years of wear and tear	\$75,000.00
HVAC Control Updates at Carver	HVAC needs from the City	\$75,000.00
Band Instrument Replacement for SHS & ALMS	Recurring purchase every few years. Returning students increasing and offered to 6th grade means a need for more instruments on top of replacing those beyond 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 West	Will create a flexible learning space in the building so that teachers can teach from a one classroom environment to a multi-age classroom environment	\$28,498.00
Dyson Blade hand dryers in all bathrooms at SHS	Constant problems with old hand dryers or with breakage/mess associated with 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
1 Buffer Machine and 2 Scrubber Machines at ALMS	Our custodial equipment has reached the end of its life span. We are requesting to replace our equipment with the following: Nobles model BR2500 Buffer; Advance by Niffisk 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	For student safety	\$10,000.00
Additional Surveillance Cameras for Outside of Building at South	The safety team did an audit and determined the need for additional surveillance cameras to be installed for safety (10 cameras)	\$10,000.00
Local Match for Security Grant	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. 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

Current CTE Improvement Requests		
Name of Project	Notes	Estimated 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

<u>Current Finishes/Flooring Requests</u>		
Name of Project	Notes	Estimated 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 energy saving lighting for long term impact.	\$ 4,800
3- Tile Remainder of Front Office Area at East	Front office area currently has 3 difference types of flooring, including 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.	\$ 3,000
4- Re-tile Foyer Area of School at West	The tile needs to be replaced due to heat causing warping. It is currently a tripping hazard	\$ 1,254
		\$ 29,054

Salem City Schools		10/13/2020
20-21 CIP Requests for Meals Tax Usage		
		Attachment B
Meals tax balance at 6/30/2020 - 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
<u>Name of Project</u>	<u>Notes</u>	<u>Estimated Cost</u>
SHS Building Project - Local	To continue funding the local account for the HS renovation project to 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 Schools		10/13/2020
20-21 CIP Requests for Cafeteria 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 expenditures in Unassigned Fund Balance		(500,000.00)
Available for FY 21 projects/equipment needs/construction		\$ 223,142.77
<u>Name of Project</u>	<u>Notes</u>	<u>Estimated Cost</u>
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

[illegible]

Salem City Schools											10/13/2020	
Six Year Capital Improvement Plan (CIP) for FY 2022-2027												
October 2020 School Board Meeting											Attachment D	
Inflation factor												
1.03											TBD=Date To Be Determined	
	YR 1 FY 2022	YR 2 FY 2023	YR 3 FY 2024	YR 4 FY 2025	YR 5 FY 2026	YR 6 FY 2027	TBD	Total 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 at SHS		\$113,290	FCR					\$113,290				
Grand Piano & Risers at SHS **			\$28,000	FCR				\$28,000				
Lockers in PE locker rooms at ALMS **	\$75,000	FCR						\$75,000				
Half Wall & Various renovations of interior at AlIMS **			\$11,000	FCR				\$11,000				
New Basketball Goals at ALMS Main Gym	\$20,000	FCR						\$20,000				
Rider Floor Scrubbers		\$16,000	FCR					\$16,000				
Scoreboard @ Carver **	\$15,000	FCR						\$15,000				
Gym Projector for PE 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 Area at West		\$26,000	FCR					\$26,000				
Tormach PCNC 100 Package for CTE Program	\$28,476	FCR						\$28,476				
Haas VF-2 CNC 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	\$60,000	FCR						\$60,000				
NEW: Pave Walking 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 Package unit (office) at ALMS		\$80,000	FCR					\$80,000				
NEW: Replace Cooling Tower at ALMS					\$75,000	FCR		\$75,000				

