

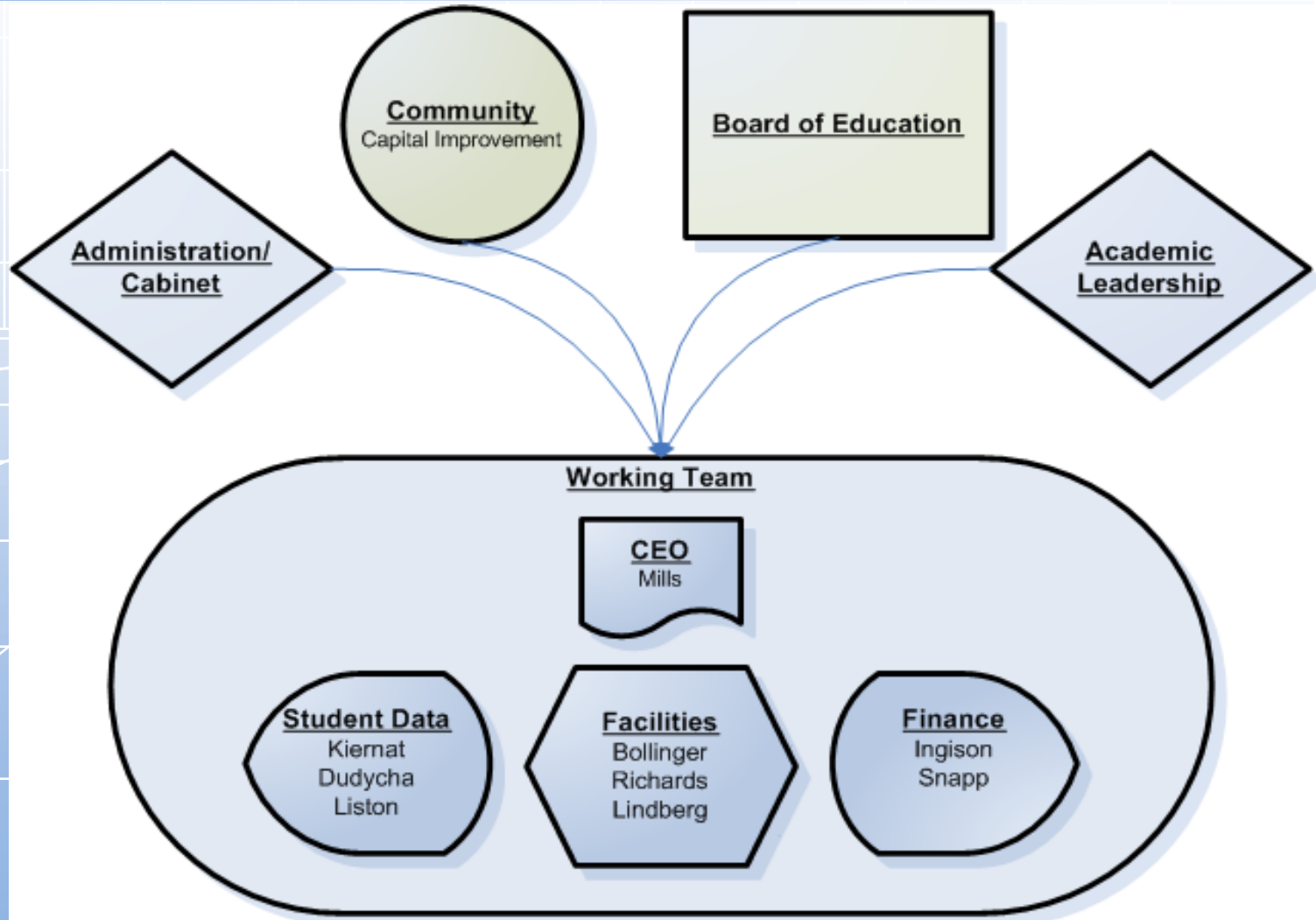
# Facilities Capital Planning

Сәбіғәлі Ысғумұнда

September 6, 2011



# Team Effort & Support



# Challenges

The Strategic Facilities Assessment has **identified an increasing deferred maintenance** burden.

The Strategic Facilities Assessment has **identified the high priority schools** based on educational indices and student enrollment for facility prototypes.

Student demographics has **identified** potential schools of short-term **enrollment challenges**.

The 2010 Census offers new data that **highlights opportunities to serve an increasing number of K-8 students** living in Minneapolis.

The **budget strategy must be sensitive** of the taxpayer and economic conditions.

# Discussion Outcomes

Deferred Maintenance/Capital Renewal  
assessment and strategies

Near-term Capital Improvement projects:

- Lake Nokomis Strategy
- Lake Harriet Strategy
- Pratt Review

Financial Support Strategies

Next Phase

# Maintenance & Capital Projects

## Plant Maintenance (\$13M - \$14m Per Year)

Annual preventive, routine and reactive maintenance

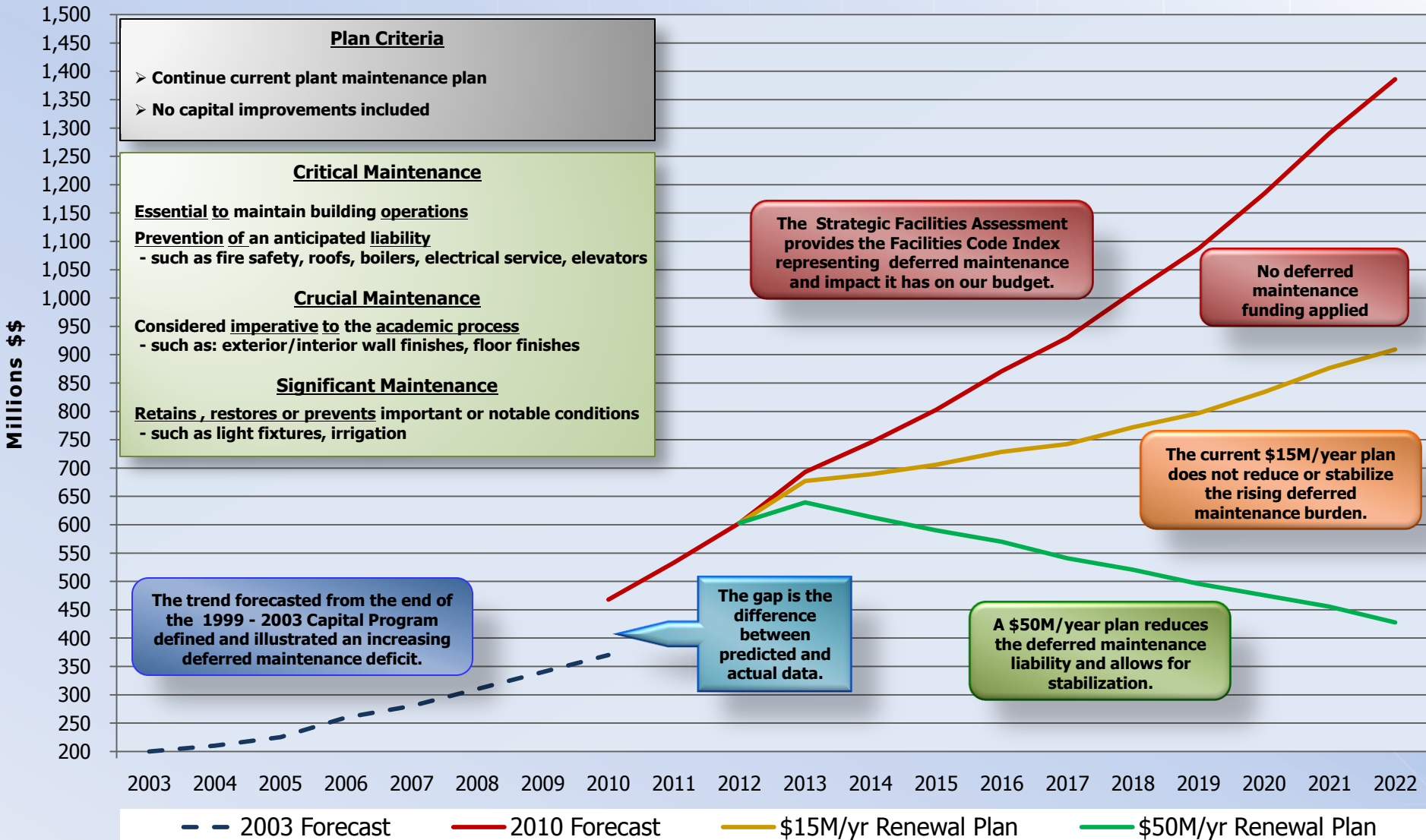
## Capital Renewal

Deferred maintenance to existing assets of the District that is addressed through planned projects

## Capital Improvement

Planned projects that create new assets or renovate to enhance existing assets

# Deferred Maintenance/Capital Renewal Challenge and Strategies



# Maintenance & Capital Recommendation

**Maintain the Plant Maintenance Budget at \$13M**  
- \$14M in current value.

**Increase the Deferred Maintenance/Capital Renewal Budget to approximately \$50M per year** for the next 10 years.

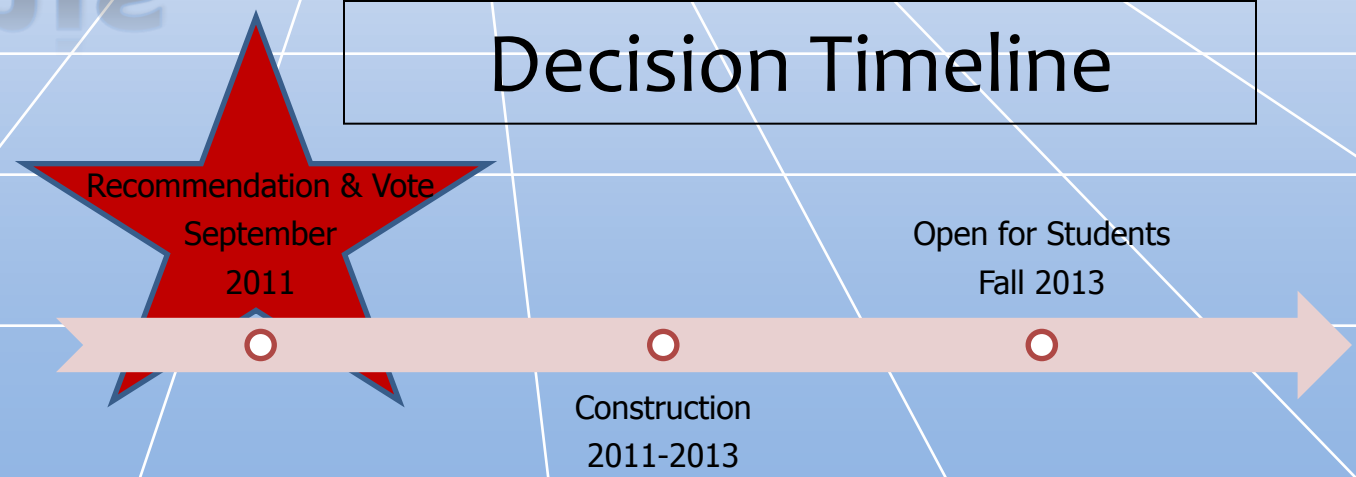
**Evaluate Capital Improvement projects** on an **as-needed** basis until the Capital Program is established.

**Initiate the Capital Program in Fall 2012.**

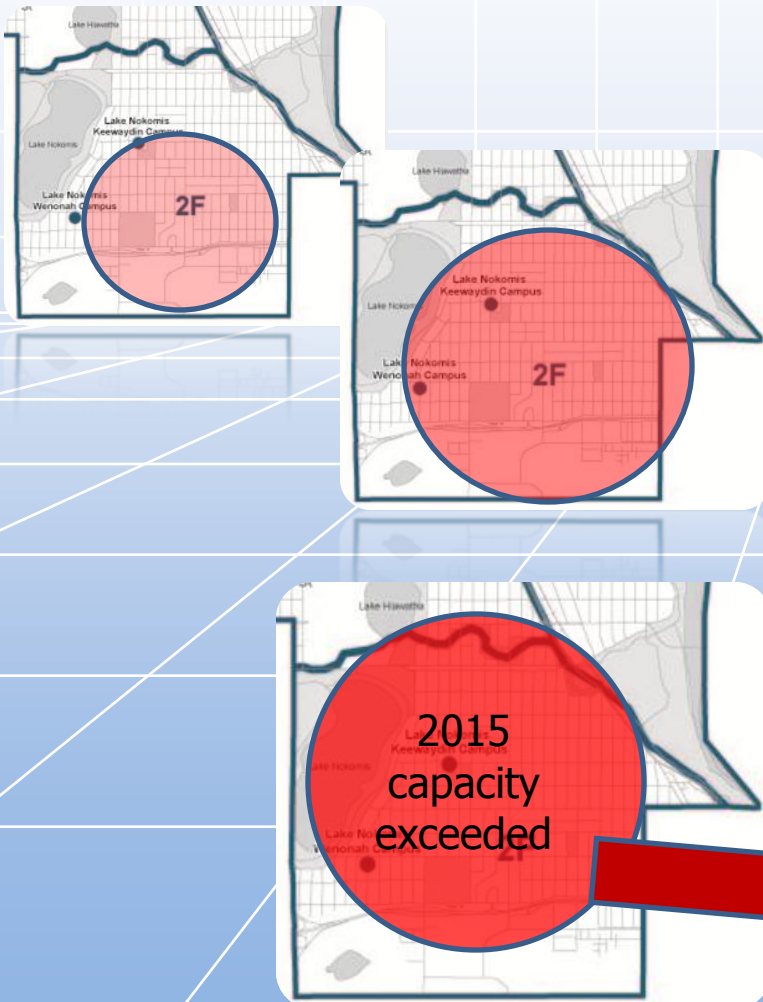
# Lake Nokomis

Recommendation:  
Capital expansion on the Keewaydin building that addresses academic programs and enrollment capacity

## Decision Timeline



# Lake Nokomis K-8 Enrollment History by Attendance Area



**2008**

913 MPS Students

48% attended Lake Nokomis

**2010**

914 MPS Students

53% attended Lake Nokomis

**2015**

1100-1200 Projected MPS Students  
63% attend Lake Nokomis

700 projected students at Lake Nokomis with a capacity of 600

# Impact of Aligning Facilities to Academic Program Needs and Enrollment Projections at Lake Harriet

## Academics

- Aligns facilities with academic program needs and enrollment projections
- Better provides adequate space for focused instruction
- Provides facilities for a more rigorous and Expansive physical education program
- Enables support staff to focus on academics and not on management of small cafeteria and transitions to outside facilities

## Equity

- Facilities that support quality programming
- Ability to offer similar extracurricular activities as other K-8 programs (band, choir, sports & afterschool clubs)

## ELL & Special Education

- Continuation of the Autism program with access to Improved facilities
- Appropriate space for ELL and Special Education students

## Families & Community

- Stable K-8 pathway to Roosevelt for students
- Investment in the community so the community stays committed to the school

# Lake Harriet

Recommendation:  
Conduct a feasibility study at Lake Harriet to address academic programs and enrollment capacity

## Decision Timeline

Recommendation for feasibility study  
September 2011

Feasibility Report to the Board  
Winter 2011

Lake Harriet Over Capacity  
2013?

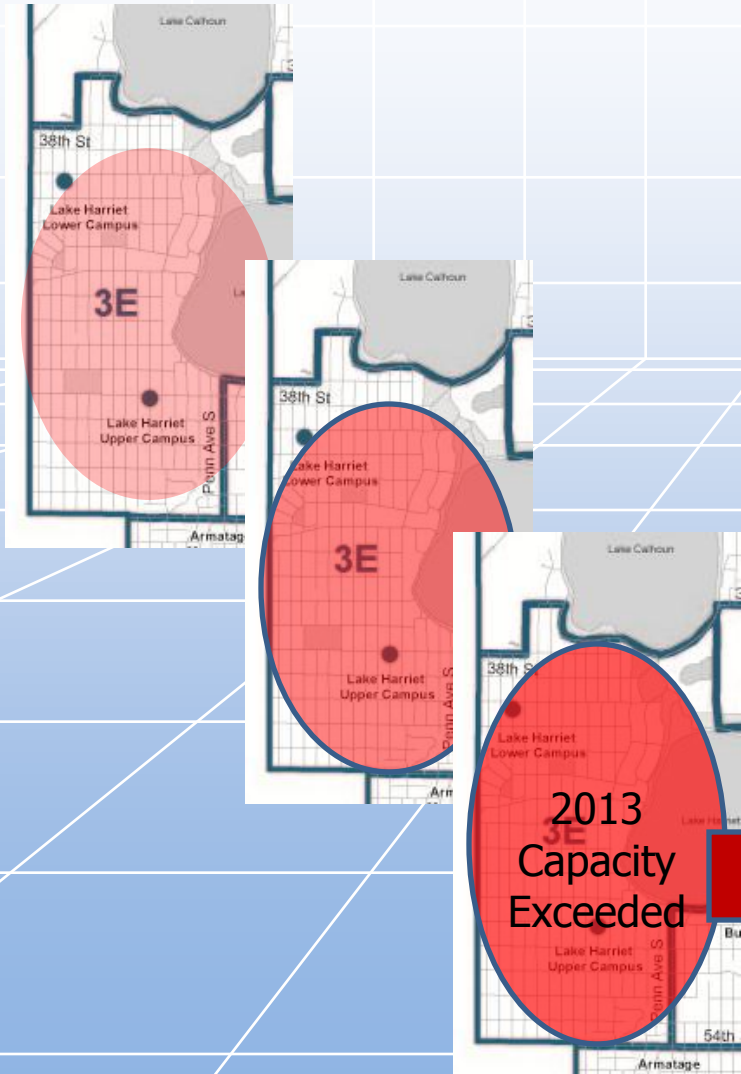
Feasibility Study  
Fall 2011

Project Design Approval  
Dec. 2011/Jan. 2012

Project Completion  
Spring 2014



# Lake Harriet K-8 Enrollment History by Attendance Area



**2008**

870 MPS Students

80% attended Lake Harriet

**2010**

1053 MPS Students

82% attended Lake Harriet

**2013**

1,174 Projected MPS Students at Lake Harriet with a capacity of 1,050

- **2005**

- A fifth kindergarten class was added to Lake Harriet due to community enrollment demands.

Lake Harriet is a four kindergarten school prototype

# Impact of Aligning Facilities to Academic Program Needs and Enrollment Projections at Lake Harriet

## **Academics**

- Aligns facilities with academic program needs and enrollment projections
- Better provides adequate space for focused instruction
- Enables support staff to focus on academics and not on management of space and transitions to outside facilities

## **Equity**

- Facilities that support quality programming
- More space for Expanded School Options students

## **ELL & Special Education**

- Continuation of the DCD program with access to improved facilities

## **Families & Community**

- Stable K-8 pathway to Southwest for students
- Investment in the community

# Financial Context

- Based on current law, we project declining revenue for the next five years.
  - Increase in K8 enrollment and decrease in high school enrollment.
  - End of Integration Aid.
  - Reduction in Title funds.
- We anticipate expenditures to increase.
  - Beginning in FY 13 an annual MERF obligation of \$6.2 M.
- In addition, we are at serious risk of greater reductions in state aid in the next biennium.
- We anticipate that in the next biennium the legislature will shift some aid to levy, increasing the burden on property tax payers.

# Funding Goal for Facilities

Fiscal Year	Plant Maintenance	Capital Renewal	Capital Improvement	Total
FY 13	13	50	8	71
FY 14	13	50	8	71
FY 15	14	50	8	72
FY 16	14	50	8	72
Total				286

# The Finance recommendation attempts to balance the following criteria:

- Address the district's academic, operating, facility and other capital needs
- Sensitive to the burden on the Minneapolis taxpayer
- Reserve some levy capacity to accommodate risks and unanticipated needs

# Finance Recommendation:

Plan to use of 85% of debt capacity in FY 12 and FY 13 and 70 % of debt capacity in FY 14, 15, and 16 results in the following funds available for facilities budget.

– FY 13	\$ 99 M
– FY 14	\$ 62 M
– FY 15	\$ 64 M
– FY 16	\$ 64 M
<b>Total</b>	<b>\$289 M</b>

*Note:* Most debt is paid for through a Debt Service Levy. Levies are paid through property taxes.

\*Includes funds for routine maintenance, capital renewal and capital construction.

# Funding Recommendation

Fiscal Year	Alt. Facilities Levy	GO Bonds for Facilities	Alt. Facilities Bonds / COPs	Capital Projects Fund Balance	Totals
FY 13	15	19	55	10	99
FY 14	15	19	28	0	62
FY 15	15	19	30	0	64
FY 16	15	19	30	0	64
Totals	60	76	143	10	289

# Summary of Near-term Solutions

Maintain plant maintenance budget at \$13M - \$14M.

Increase the deferred maintenance budget to approximately \$50M per year.

Design a \$16M Lake Nokomis project\*:

- Approval in September 2011
- Project will require Board approval before a construction project may begin
- Plan for a Summer 2013 opening
- Consider a Design Competition

\*May not address long-term enrollment issues

Conduct a Feasibility Study at Lake Harriet

- Initiate the Study immediately
- Define issues
- Develop solution options

Conduct a Review of Pratt with the Internal Team

- Respond to the direction of the Board for next steps

# Next Phase: Long-term Planning

**Initiate the Capital Project Program  
in the Fall 2012.**

- Program review and planning to begin in the Summer/Fall of 2012
- Recommendation to the Board for possible approval in the Spring/Summer of 2013
- Five (5) Year Capital Program projects to launch in the Fall/Winter of 2013