

Valley City Public Schools



September 2022

THE STATE OF OUR SCHOOL FACILITIES AND PROPOSING TO ADDRESS FACILITY PRIORITIES IN THE NEXT 3 SCHOOL YEARS

CAPITAL MAINTENANCE PLAN

The school district conducted a capital maintenance study in October 2021 and identified the recommended priorities and estimated costs for each school building in the next 10 years. The plan was completed by Consolidated Construction Company and included itemized costs by categories, schools, and years (critical, 2-5 years, and 5-10 years).

AVAILABILITY OF FUNDING

The school district currently has access to an estimated \$3 million dollars of ESSER (COVID) Funds that will need to be spent by September 2024. In addition, the school district is considering an increase in the building fund from 12 mills to 20 mills. An increase in this levy to 20 mills would generate a total of \$869,042 in the building fund during the 2022-2023 school year. This increase would generate \$379,042 of new tax dollars, breaking down to taxpayers at an estimated \$40 per \$100,000 Property or \$.40 per acre based upon tax evaluations in July 2022. Our current obligations (payment on CTE Addition and Hanna Field) in the building fund is at \$145,340.00. The current balance in the building fund as of June 30, 2022 is \$965,412.86.

THE PRIORITIES THAT NEED TO BE ADDRESSED

The school board has identified these priorities for the school district after reviewing the capital maintenance plan, gathering feedback from school employees and stakeholders, and matching priorities with the availability of funds.

- Improving the security at our schools by changing the location of our school offices and controlling the access of visitors into the schools. **(Safety and Security)**
- Upgrading the HVAC systems to provide stable temperatures, improved air quality, and better control of the systems. **(HVAC Systems- Heating and Cooling)**
- Fix the roofs to ensure that moisture does not leak into our schools **(Roofing)**
- Removing all harmful materials such as asbestos and mold **(Health)**
- Replacing oldest plumbing to avoid paying for future damages due to leaks **(Plumbing)**
- Upgrading electrical systems to improve the efficiency of our systems, improve lighting, and ensure that our system can handle HVAC upgrades **(Electrical)**
- Improve the appearances of our schools both inside and outside by fixing cracks in the walls, changing doors, replacing flooring and ceiling tiles, and adding a fresh coat of paint. **(General)**

AN APPROACH TO CONSIDER FACILITIES AND STAFF COST-SAVINGS TO THE SCHOOL DISTRICT

The school district has considered several options to accomplish cost-savings in the next three years. First, by moving the district office into the high school, the district will eliminate energy and maintenance costs at the current district office (estimated \$50,000 annual costs). In addition, the consolidation of offices will

lead to a decrease in staffing costs by reducing two administrative assistant positions (estimated \$100,000 annual savings). A new central office will also support the change in administration positions at the junior/senior high school. Beginning in 2023-2024, we will move to a principal/assistant principal model for grades 7-12 and this change will create an additional estimated savings of \$40,000. Secondly, the school district will make every effort to complete construction projects below \$200,000 using school employees hired as construction workers for the next two years. For all projects above \$200,000, the school district will prioritize using local contractors following the required design, bid, and build process. In summary, the school district believes it can accomplish significant added cost-savings in the next three years by consolidating offices and hiring district construction workers for projects below \$200,000.

ADDITIONAL CONSIDERATIONS AND QUESTIONS

The school district will continue to follow North Dakota Century Code (NDCC) and all building laws while addressing the priorities of our school facilities in the next three years. The school district will rely upon local contractors and experienced professionals to ensure that the construction is completed following any and all laws, rules, codes, etc. An opinion of the NDCC addressing architect and bid thresholds may be necessary for the school district.

COMMUNITY ENGAGEMENT WITH OUR PLAN

The school district will continue to communicate, seek feedback, and provide updated information to the stakeholders and taxpayers of the Valley City Public School District throughout this proposed facility plan. Leading up to the proposal of this plan, the district relied upon the feedback provided by stakeholders during four public meetings in the 2021-2022 school year. The feedback from these meetings helped provide the necessary information to the school board that allowed them to match available school district funds with the priorities of our school facilities.

PROPOSED TIMELINES FOR ACCOMPLISHING THIS PLAN

In the next three years, the school district will use local and federal funding to address the prioritized school facility needs. The federal 'COVID-19' funding of \$3 million dollars will expire by September 2024. The local dollars proposed to be levied annually from the building fund would increase from 12 to 20 mills.

ADDENDUM #1 – PHASE ONE

ADDENDUM #2 – PHASE TWO

VALLEY CITY PUBLIC SCHOOLS
DISTRICT #2
VALLEY CITY, NORTH DAKOTA



DISTRICT FINANCIAL REPORTS
2021-2022

ANNUAL BUDGET - REVENUE
2022-2023

SUBMITTED BY :
JOSHUA JOHNSON, SUPERINTENDENT
JACKIE CORDIE, BUSINESS MANAGER

Table of Contents

<u>Page</u>	<u>Title</u>
1	General Fund 2021-2022 Balance Sheet
2	General Fund 2021-2022 Revenue Summary
3	General Fund 2021-2022 Expenditure Report
11	Health Fund Balance Sheet Report
12	Building Fund Balance Sheet Report
13	Tuition Fund Balance Sheet Report
14	Special Assessments Balance Sheet Report
15	Special Reserve Balance Sheet Report
16	School Food Service Balance Sheet Report
17	Interest Earned Report
18	Activity Fund Balance Report
21	Special Education Report
22	SVACTC Education Report
23	County Treasure's Report of Dist. Fund Disbursement
24	Statement of Uncollected Taxes
25	District Pupil Membership & Attendance
26	Transportation Report
27	Projected Budget and Actual Expenditures 2021-2022
28	Projected 2022-2023 Revenue
29	Projected 2022-2023 Expenditures
36	2021-2022 Mill Levies for all Funds/Proposed 2022-2023 Mill Levies
37	Tax Valuation
38	Zero Increase Mills - Calculation

<h1 style="text-align: center;">Valley City Public Schools</h1> <h2 style="text-align: center;">General Fund Report</h2>
--

Projected Budget 2021-2022

Balance as of July 1, 2021		\$	2,379,338.47
Interim Fund Balance	16.93%		
Estimated Revenue:		\$	14,337,018.80
Estimated Expenses:		\$	14,483,093.76
Total Estimated Revenue:		\$	(146,074.96)
Projected Balance - June 30, 2022		\$	2,233,263.51
Projected Interim Fund Balance - June 30, 2022	15.42%		

Actual Expenditures 2021-2022

Balance as of July 1, 2021		\$	2,379,338.47
Revenue:		\$	13,257,690.01
Expenses:		\$	13,594,382.11
Total:		\$	(336,692.10)
Balance - June 30, 2022		\$	2,042,646.37
Actual Interim Fund Balance - June 30, 2022	15.03%		

Valley City Public Schools - Health Fund

June 30, 2022

Entry	Monthly	Total
Balance - October 1, 2021		\$ 802,478.83
Income:		
Health Paid by Employees	\$ 273,167.30	
Dental Paid by Employees	\$ 42,308.55	
Health Paid by Employer	\$ 1,375,882.05	
Dental Paid by Employer	\$ 62,173.26	
Cobra Health	\$ 35,747.95	
Cobra Dental	\$ 1,442.63	
Interest	\$ 810.66	
Total Income		<u>\$ 1,791,532.40</u>
Expenses:		
Health Claims	\$ 731,321.30	
Drug Claims	\$ 80,152.40	
Dental Claims	\$ 81,261.27	
Administration Costs	\$ 461,292.89	
Reinsurance	\$ (60,446.74)	
North Risk Partners Consulting Services	\$ 13,500.00	
Total Expenses		<u>\$ 1,307,081.12</u>
Balance - June 30, 2022		<u>\$ 1,286,930.11</u>

Valley City Public Schools - Building Fund 2021-2022

Balance - July 1, 2021		\$ 1,048,332.81
Receipts		
Barnes County	\$	472,787.20
Donations	\$	114,311.34
Interest	\$	2,783.46
Total Revenue	\$	589,882.00
Expenses		
Smith Lumber	\$	441.12
Hi-Line Electric	\$	4,997.84
Burnn Boiler & Mechanical	\$	9,856.28
Keith's	\$	5,031.81
Handy Hardware	\$	1,366.26
RJ's Plumbing & Heating	\$	2,749.05
Valley Flooring	\$	41,073.80
Grotberg Electric	\$	3,560.87
Valley Paint & Glass	\$	3,778.63
Pine Country Nursery	\$	9,203.27
UMB Bank	\$	145,340.00
A&R Roofing	\$	11,794.00
Dakota Fence	\$	1,350.00
KLJ Engineering	\$	3,579.10
H2I Group	\$	16,412.00
Johnson Controls	\$	2,572.17
Connect Interiors	\$	22,914.67
ACB Construction	\$	13,260.00
Boarder States Paving	\$	260,411.53
LaValle Flooring	\$	16,703.62
CR Larson Concrete	\$	22,850.50
Mikkelson, Lisa	\$	12,128.85
Enterprise Sales	\$	7,730.50
Hofer Signs	\$	11,340.00
J&K Seamless	\$	5,980.00
Line Rite	\$	5,004.00
Northwest Iron Fireman	\$	3,982.00
Ray Nelson Construction	\$	3,713.83
Newman Signs	\$	3,643.00
Westend Metal	\$	3,338.85
Johnny Borg	\$	4,650.00
Weiss Drapes	\$	1,575.00
Star Enterprises	\$	540.83
Appliance City	\$	798.99
Valley Lumber	\$	3,121.37
Malach Metal	\$	1,273.15
Menards	\$	1,103.08
Dakota Elevator	\$	1,701.33
Twin City Hardware	\$	1,431.65
Valley Glass	\$	499.00
Total Expense	\$	672,801.95
Balance - June 30, 2022	\$	965,412.86

Valley City Public Schools - Tuition Fund 2021-2022

Balance - July 1, 2021		\$	30,937.27
Receipts			
Barnes County		\$	23,541.15
Interest		\$	85.54
Total Revenue		\$	23,626.69
Expenses			
Fargo Public Schools		\$	5,248.64
West Fargo Public Schools		\$	2,228.61
Moorhead Public Schools		\$	2,337.66
Dakota Boys and Girls Ranch		\$	7,050.00
Beach Public Schools		\$	3,174.41
Total Expense		\$	20,039.32
Balance - June 30, 2022		\$	34,524.64

Valley City Public Schools - Special Assessment Fund 2021-2022

	Balance - July 1, 2021	\$	75,576.81
	Receipts		
Barnes County		\$	29,252.39
Interest		\$	97.00
	Total Revenue	\$	29,349.39
	Expenses		
Barnes County		\$	23,186.15
	Total Expense	\$	23,186.15
	Balance - June 30, 2022	\$	81,740.05

Valley City Public Schools - Special Reserve Fund 2021-2022
--

	Balance - July 1, 2021	\$	297,553.87
Receipts			
Barnes County		\$	118,640.58
Interest		\$	150.28
	Total Revenue	\$	118,790.86
Expenses			
Transfer to General Fund		\$	125,000.00
	Total Expense	\$	125,000.00
	Balance - June 30, 2022	\$	291,344.73

Valley City Public Schools - School Food Service

2021-2022

Balance - July 1, 2021		\$	136,038.89
Receipts			
Interest		\$	102.94
Student Meal Sales		\$	56,473.73
Milk Sales		\$	11,266.05
Ala Carte Sales		\$	6,649.55
Adult Meal Sales		\$	20,449.50
Fresh Fruits & Vegetables - Fed. Reimb.		\$	31,879.71
SFS Misc.		\$	173.66
Donations		\$	706.18
State Aid		\$	3,386.84
School Year Meals - Federal Aid		\$	903,789.64
Total Revenue		\$	1,034,877.80
Expenses			
Salaries and Benefits		\$	506,897.94
Repair and Maintenance		\$	11,181.60
Food		\$	326,893.22
Travel		\$	242.07
Supplies		\$	19,277.74
Equipment		\$	14,263.69
Fresh Fruits and Vegetables		\$	38,278.38
Dues, Fees and Refunds		\$	6,078.46
Total Expense		\$	923,113.10
Balance - June 30, 2022		\$	247,803.59

Valley City Public Schools - Interest Earned 2021-2022

Balance - July 1, 2021

General Fund	\$	5,259.55
Building Fund	\$	1,288.58
Tuition Fund	\$	85.54
Special Reserve Fund	\$	150.28
Special Assessment Fund	\$	97.00
School Food Service Fund	\$	102.94
Activities Fund	\$	683.27
Health Fund	\$	810.66

Total Interest Earned - All Funds

2021-2022 Total Interest	\$	8,477.82
2020-2021 Total Interest	\$	21,140.36
2019-2020 Total Interest	\$	42,032.37
2018-2019 Total Interest	\$	39,411.26
2017-2018 Total Interest	\$	20,003.86
2016-2017 Total Interest	\$	20,562.14
2015-2016 Total Interest	\$	14,106.51
2014-2015 Total Interest	\$	9,659.76
2013-2014 Total Interest	\$	5,725.31

Valley City Public Schools - Special Education Costs 2021-2022

Program Costs

Foundation Aid	\$	881,933.36
Foundation Aid (Pre-Kindergarten)	\$	15,001.28
Transportation (Pre-Kindergarten)	\$	11,403.00
Excess Cost	\$	347,467.21
Total Program Cost	\$	1,255,804.85
Number of VCPS Students Served		158

Valley City Public Schools - Vocational Education Costs 2021-2022

Program Costs

Tuition Paid to Sheyenne Valley Career and Tech Center	\$	373,549.04
Total Program Cost	\$	373,549.04
Number of VCPS Students Served		238
Number of Units Served to VCPS		318

Valley City Public Schools - Transportation Report 2021-2022

Total Routes	\$	336,180.00
Total Cost Activity Transportation	\$	109,968.31
Total Cost Shuttle Routes	\$	3,650.00
Total Cost Pre-School - SVSPEU	\$	11,403.00
Total Cost SVACTC	\$	8,000.00
Total Transportation Cost	\$	469,201.31
State Reimbursement	\$	150,933.76
Patron Paid Bus Fees	\$	46,836.60
Total Transportation Revenue	\$	197,770.36
Net District Transportation Cost	\$	271,430.95

<h2 style="margin: 0;">Valley City Public Schools</h2> <h3 style="margin: 0;">General Fund Report</h3>
--

Projected Budget 2021-2022

Balance as of July 1, 2021		\$ 2,379,338.47
Interim Fund Balance	16.93%	
Estimated Revenue:	\$	14,337,018.80
Estimated Expenses:	\$	14,483,093.76
Total Estimated Revenue:	\$	(146,074.96)
Projected Balance - June 30, 2022		\$ 2,233,263.51
Projected Interim Fund Balance - June 30, 2022	15.42%	

Actual Expenditures 2021-2022

Balance as of July 1, 2021		\$ 2,379,338.47
Revenue:	\$	13,257,690.01
Expenses:	\$	13,594,382.11
Total:	\$	(336,692.10)
Balance - June 30, 2022		\$ 2,042,646.37
Actual Interim Fund Balance - June 30, 2022	15.03%	

Projected Budget 2022-2023

Balance as of July 1, 2022		\$ 2,233,263.51
Interim Fund Balance	0%	
Estimated Revenue:	\$	15,238,912.03
Estimated Expenses:	\$	15,433,834.70
Total Estimated Revenue:	\$	(194,922.67)
Projected Balance - June 30, 2023		\$ 2,038,340.84
Projected Interim Fund Balance - June 30, 2023	13.21%	

**Valley City Public Schools
Mill Levies For All Funds
2021-2022 Tax Revenue**

Fund	Dollars Requested	Actual Dollars Levied	Actual Dollars Received	Total Mills
General	\$ 2,914,690.73	\$ 2,929,734.22	\$ 2,793,265.91	70
Tuition	\$ 25,000.00	\$ 25,000.00	\$ 23,541.15	0.6
Special Reserve	\$ 125,000.00	\$ 125,560.04	\$ 118,640.58	3
Building Fund	\$ 490,000.00	\$ 506,000.00	\$ 472,787.20	12.09
Special Assessments	\$ 30,000.00	\$ 30,134.41	\$ 29,252.39	0.72
Miscellaneous Fund	\$ 500,000.00	\$ 502,240.15	\$ 472,148.83	12
Total	\$ 4,084,690.73	\$ 4,118,668.82	\$ 3,909,636.06	98.41
* Percent of levied funds actually received:		95%		
*Tax levied is based upon the taxable valuation of:		\$41,853,346.00		
1 Mill = \$		41,853.35		

Proposed Increases/Decreases 2022-2023

Fund	Dollars Requested	Proposed Total Mills	Proposed Increase/Decrease
General	\$ 3,041,649.80	70	
Tuition	\$ 26,071.28	0.6	
Special Reserve	\$ 130,356.42	3	
Building Fund	\$ 869,042.80	20	\$ 8.00
Special Assessments	\$ 31,285.54	0.72	
Miscellaneous Fund	\$ 521,425.68	12	\$ (0.09)
Total	\$ 4,619,831.52	106.32	7.91
*Tax levied is based upon the taxable valuation of: \$		43,452,143.82	
1 Mill = \$ 43,452.14			

Valley City Public Schools

Tax Valuation

Taxable Valuation		Valuation of New Land Growth in District	
Last Fiscal Year	\$ 41,853,346.00	Last Fiscal Year	\$ 647,969.00
Present Fiscal Year (estimate)	\$ 43,452,143.81	Present Fiscal Year (estimate)	\$ 675,827.00
Mill Levied in Previous Fiscal Year		Proposed Mill Levy for Present Fiscal Year	
General	70	General	70
Miscellaneous	12	Miscellaneous	12
Tuition	0.6	Tuition	0.6
Special Reserve	3	Special Reserve	3
Special Assessment	0.72	Special Assessment	0.72
Building	12.09	Building	20
TOTAL	98.41	TOTAL	106.32

Valley City Public Schools
Calculation of Zero Increase of Mills - NDCC 57-15-02.1

	2022 Tax Year	2023 Tax Year	Increase (%)
Taxable Valuation	\$ 41,853,346.00	\$ 43,452,143.81	4%
Minus Net Growth	\$ -	\$ -	
Taxable Valuation Excluding Net Growth	\$ 41,853,346.00	\$ 43,452,143.81	4%
		\$ 43,452.14	
Total Mills Levied	98.41		
Zero Increase Number of Mills		106.32	
Property Tax Revenue	\$ 4,118,668.82	\$ 4,118,668.82	
Total Mills Levied		106.32	
Proposed Property Tax Revenue		\$ 4,619,831.52	
Increase (Decrease) - Dollars		\$ 501,162.70	
Percentage Increase for Public Hearing Notice		12%	

Building Fund Increase - Tax Impact

8 Mill Increase per \$100,000 of True and Full Value

True and Full Value	\$	100,000.00
Assessed Value (1/2 of T&F)	\$	50,000.00
Taxable Value (9% of AV)	\$	4,500.00

Estimated Cost to Tax Payers - per \$100,000 Property Valuation

Increase Building Fund from 12 Mills to 20 Mills

Increased Mills x Taxable Value	.008 x \$4,500 =	\$36.00
Increased Mills x Taxable Value (Ag & Commercial)	.008 x \$5,000 =	\$40.00
Increased Mills x Ag Land Taxable Value (Per Acre)	.008 x \$45.52 =	\$3.64/Acre

Per Month Cost - Per \$100,000:	\$3.00
Per Month Cost - Per Acre:	.30¢

**Valley City Public Schools
Mill Levies For All Funds
2021-2022 Tax Revenue**

Fund	Dollars Requested	Actual Dollars Levied	Actual Dollars Received	Total Mills
General	\$ 2,914,690.73	\$ 2,929,734.22	\$ 2,793,265.91	70
Tuition	\$ 25,000.00	\$ 25,000.00	\$ 23,541.15	0.6
Special Reserve	\$ 125,000.00	\$ 125,560.04	\$ 118,640.58	3
Building Fund	\$ 490,000.00	\$ 506,000.00	\$ 472,787.20	12.09
Special Assessments	\$ 30,000.00	\$ 30,134.41	\$ 29,252.39	0.72
Miscellaneous Fund	\$ 500,000.00	\$ 502,240.15	\$ 472,148.83	12
Total	\$ 4,084,690.73	\$ 4,118,668.82	\$ 3,909,636.06	98.41
* Percent of levied funds actually received:		95%		
*Tax levied is based upon the taxable valuation of:		\$41,853,346.00		
1 Mill = \$		41,853.35		

Proposed Increases/Decreases 2022-2023

Fund	Dollars Requested	Proposed Total Mills	Proposed Increase/Decrease
General	\$ 3,041,649.80	70	
Tuition	\$ 26,071.28	0.6	
Special Reserve	\$ 130,356.42	3	
Building Fund	\$ 869,042.80	20	\$ 8.00
Special Assessments	\$ 31,285.54	0.72	
Miscellaneous Fund	\$ 521,425.68	12	\$ (0.09)
Total	\$ 4,619,831.52	106.32	7.91
*Tax levied is based upon the taxable valuation of: \$		43,452,143.82	
1 Mill = \$ 43,452.14			

Valley City Public Schools

Tax Valuation

Taxable Valuation		Valuation of New Land Growth in District	
Last Fiscal Year	\$ 41,853,346.00	Last Fiscal Year	\$ 647,969.00
Present Fiscal Year (estimate)	\$ 43,452,143.81	Present Fiscal Year (estimate)	\$ 675,827.00
Mill Levied in Previous Fiscal Year		Proposed Mill Levy for Present Fiscal Year	
General	70	General	70
Miscellaneous	12	Miscellaneous	12
Tuition	0.6	Tuition	0.6
Special Reserve	3	Special Reserve	3
Special Assessment	0.72	Special Assessment	0.72
Building	12.09	Building	20
TOTAL	98.41	TOTAL	106.32

Valley City Public Schools
Calculation of Zero Increase of Mills - NDCC 57-15-02.1

	2022 Tax Year	2023 Tax Year	Increase (%)
Taxable Valuation	\$ 41,853,346.00	\$ 43,452,143.81	4%
Minus Net Growth	\$ -	\$ -	
Taxable Valuation Excluding Net Growth	\$ 41,853,346.00	\$ 43,452,143.81	4%
		\$ 43,452.14	
Total Mills Levied	98.41		
Zero Increase Number of Mills		106.32	
Property Tax Revenue	\$ 4,118,668.82	\$ 4,118,668.82	
Total Mills Levied		106.32	
Proposed Property Tax Revenue		\$ 4,619,831.52	
Increase (Decrease) - Dollars		\$ 501,162.70	
Percentage Increase for Public Hearing Notice		12%	



Exploring the Future of School Facilities

A Facilities Study by the Valley City Public School District

August 2021 - May 2022

Presented at the Public Tax Hearing on Wednesday, September 21, 2022

The Introduction and Background for the Study

The Valley City Public School District was awarded an estimated \$3.8 million dollars in COVID-19 Federal Recovery dollars in July 2021. After setting aside the required funds for student learning loss, in August 2021, the school board asked the question, **should the school district allocate an estimated \$3 million grant dollars for renovation of current school facilities or is this the best time for the school district to consolidate school facilities and build a new school(s) in the district?** This question and the subsequent study became referred to as “Exploring the Future of School Facilities”. Over the course of 9 months, August 2021 - May 2022, the school district formed a facilities steering committee, hired facility consultants, created a capital maintenance plan, completed a facilities condition and educational adequacy assessment, designed plans for a new school, researched cost estimates for new school construction, considered all funding options, discussed new school locations, held multiple public meetings, conducted a formal community survey, and assisted with the application of a North Dakota Career and Technology Education Grant. The information from this study is summarized in this report with the full context of the information available upon request from the Valley City Public School District.

Facilities Steering Committee

Ryan Mathias	School Board President
Josh Johnson	Superintendent
Tom Vanorny	Business Manager
Jordyn Heck	Facilities Director
Bryan Kriewald	Technology Director
Kristi Brandt	Senior High Principal
Chad Lueck	Washington Elementary Principal
Derrick Bopp	Sheyenne Valley Area Career and Technology Center Director
Tracey Zaun	Sheyenne Valley Special Education Director
Buff Murray	Junior/Senior High Teacher Representative
Sarah Lerud	Junior/Senior High Teacher Representative
Kathy Lentz	Washington Elementary Teacher Representative
Nicole Powers	Jefferson Elementary Teacher Representative

School Facilities Consultants

Dan Miller	Lead Architect with JLG Architects
Michael Barsness	Senior Project Manager with Consolidated Construction Company, Inc.

Capital Maintenance Plan

A capital maintenance plan for the school district was created in October 2021 using Consolidated Construction Company as the lead consultant for this plan. The capital maintenance plan provided the school district with an updated and comprehensive evaluation of our current facilities along with an estimated 10-year cost. The main points of this plan have been highlighted below:

- 10-year total cost is \$26,251,934.

- ☐ Total square footage of our school facilities is 301,448.
- ☐ Average cost for maintenance per square foot is \$87
- ☐ Highest building cost in the plan is at the Junior/Senior High School at \$15,807,619.
- ☐ Replacement of HVAC and electrical systems bring the highest cost for the district
- ☐ Replacing roofs and windows bring the next highest cost in the district
- ☐ Addressing the recommended priorities (0-2 years- Critical, 2-5 years, 5-10 years)

The capital maintenance plan is available online at <https://sites.google.com/view/vcps-building-exploration/capital-maintenance-plan> or upon request at the district office at 701.845.0483 or email superintendent Josh Johnson at josh.johnson@k12.nd.us.

Facilities Condition and Educational Adequacy Assessment

A facilities condition and educational adequacy assessment was completed in October 2021 using JLG architects as the lead consultant. The purpose of the assessment was to better understand the needs of our school facilities in relation to 21st Century education, specifically focusing on programming, utilization of space, and capacity of buildings. Additionally, the assessment considered general qualities that should be included in exemplary school buildings. These items included; no serious deficiencies in exterior systems such as parking and external building systems (windows, roofs), buildings meet all current codes and comply with ADA requirements, no serious deficiencies in interior systems (mechanical, electrical, structural, and life safety systems), and finally interior finishes are in good conditions (asbestos and lead free). The assessment is available online at <https://sites.google.com/view/vcps-building-exploration/facilities-assessment-plan> or upon request at the district office at 701.845.0483 or email superintendent Josh Johnson at josh.johnson@k12.nd.us.

Preliminary Designs of a New School

At the beginning of the study, the school board and steering committee considered the idea of renovating Jefferson Elementary and consolidating two schools into one school for students in grades 4-12 (Washington Elementary and the Junior/Senior High School). With a new school for students in grades 4-12 and availability of a \$10 million dollar state CTE grant, the steering committee also considered including the Sheyenne Valley Area Career and Technology Center in the new school. These designs were presented in the fall during two public meetings and considered by the school district. Based upon feedback from stakeholders following the public meetings and community survey, the steering committee updated designs in the spring to include a new K-12 school constructed in three phases. The design and cost estimates from this spring have been highlighted below:

- ☐ Phase One (7-12 School)
 - ☐ Square Footage - 143,380
 - ☐ Estimated Cost - \$54,831,870
 - ☐ Total Cost Per SF - \$382
- ☐ Phase Two (4-6 School)
 - ☐ Square Footage - 27,150
 - ☐ Estimated Cost - \$10,507,035

- Total Cost Per SF - \$387
- Phase Three (K-3 School)
 - Square Footage - 59,210
 - Estimated Cost - \$22,019,631
 - Total Cost Per SF - \$372

ND Career and Technology Center Capital Projects Matching Grant

With the availability of up to \$10 million dollars in matching capital project grants in North Dakota at the beginning of this study, the school district considered the possibility of including the Sheyenne Valley Area Career and Technology Center with a new 4-12 school design. A grant application was submitted prior to the deadline on December 31, 2021 for both a remodeled and new CTE center design. On March 13, 2022, the Sheyenne Valley Area Career and Technology Center was awarded \$3.1 million dollars by the ND Department of Career and Technology for a remodeled CTE project.

Cost Estimates for a New School

The question at the beginning of this study asked, is it more fiscally responsible to renovate or use one-time grant dollars and consolidate savings to build a new school? The school district has continued to analyze this question and evaluate all information over the past nine months in consultation with other school districts and experts in school construction. In August 2021, the cost per square foot for construction was estimated at \$250 per sf. Based upon the preliminary 4-12 school designs, including CTE education, a new school at this cost per square foot would be an estimated \$60 million dollars. This was the information that was presented at the fall public meetings and again based upon current cost per square foot numbers. Since October, due to inflation and supply/labor shortages, the cost per square foot for construction in North Dakota has significantly increased and as of May 2022, the cost per square foot was estimated around \$375 per sf. A summary of this unofficial information, including previous construction numbers, has been highlighted below:

- 2014- \$185 per square foot (Barnes County North)
- 2018- \$200 per square foot (West Fargo Public Schools)
- 2021 (August)- \$250 per square foot
- 2022 (May)- \$370 per square foot (Mandan Public Schools)

The result of the increase in cost per square foot over the past nine months has significantly changed the estimated cost for any new school construction projects. The new cost estimates based upon a three-phased approach have been highlighted above in the previous section.

Funding Options

The fiscal responsibility of the school board and district has been at the forefront of this facilities study and was closely evaluated throughout the duration of the study. Besides the grant funding (COVID-19 and CTE) previously referenced, the school district considered cost-savings from consolidation of schools, allocation and funding from the building fund, a bond referendum, and possible sponsorship/donations for a new school. A limitation of building a

new school or renovating our existing facilities is and will continue to be the debt limit of the school district for bonding funds. With an increase in the debt limit from 5% to 10%, the school district would be able to bond up to \$40 million dollars. The gap between the maximum bond of \$40 million and an estimated cost of a new school at \$55 million is a concern for the school board and steering committee. As a result of this gap and the increasing cost for construction, alternative options for funding or projects would need to be explored for the future of the school district. A question that will need to be considered for the future is, how much are the taxpayers of the school district willing to pay in a bond referendum? It is estimated that a referendum of \$40 million dollars would cost a taxpayer with a \$100,000 property \$292 per year in increased taxes. Additionally, one acre of land would cost the farmer \$3.23 per year. If it is not feasible to pass a referendum vote at \$40 million, what is the threshold that taxpayers would be willing to increase to renovate our existing facilities or build a new school?

Location of a New School

The school board and steering committee have considered several options regarding the potential site for a new school. Based upon the feedback following the public meetings in the fall and subsequent community survey, the district focused on Hi-Line Park for the possible location of a new school. The board and committee believed this location was best based upon the proximity to other school facilities (i.e Jefferson, Hanna Field, etc..), available space for future growth, parking, and general location in Valley City relative to housing and business. The Valley City Park and Rec currently own this property and has considered the possibility of selling or exchanging property with the school district.

Public Meetings

The school board and steering committee has sought feedback from the public throughout this study. In addition to the community survey, the district held four public meetings in the fall and spring throughout this study during the 2021-2022 school year. The purpose of these meetings were designed to provide information regarding the study and receive feedback from stakeholders. The dates of these meetings is highlighted below:

- ☐ Monday, October 11, 2021
- ☐ Wednesday, October 13, 2021
- ☐ Monday, May 16, 2022
- ☐ Monday, May 23, 2022

Community Survey

The school board hired an independent third party company to conduct a comprehensive community survey regarding the school facilities study. School Perceptions completed a survey on behalf of our school district in the fall of 2021. With over 1000 total responses and a participation rate at approximately 27%, the participation in this survey was considered to be very good in comparison with other community facility surveys completed by School Perceptions. The summarized results of the survey from the fall have been highlighted below:

- ☐ Majority of staff and parents would support a school referendum

- Staff - 89%
- Parents - 67%
- 64% of non-staff and non-parents would support a school referendum
- 45-46% of age 56 and older residents would support a school referendum
- 18% of non-staff and non-parents are undecided
- 47% of agriculture community would support a school referendum
- 56% of commercial community would support a school referendum

Conclusion

Over the past nine months the school district, being led by the facilities steering committee and school board, has invested a great deal of time, energy, and financial resources into Exploring the Future of School Facilities. The changes in construction costs and the volatility of the state/national economy have created many uncertainties for school districts considering renovation or construction of new school facilities. A 48% increase in new school construction costs in the past nine months has made building a new school very challenging in Valley City. As detailed in this report, the gap between district funding options and total cost for new construction is beyond the reach of the school district at the present time. It is the opinion of the school board and steering committee that alternative funding options need to be explored with the State of North Dakota to consider possible funding for a consolidated new K-12 school in the district. As this report is completed in May 2022, the Legacy Fund of North Dakota is exceeding \$9 billion dollars. What better use of a legacy fund than to invest in our children, the future of our communities and state? In the immediate future, the school district will continue to allocate building funds dollars and grant funds to address the critical needs highlighted in the capital maintenance plan focusing on health/safety, operations, and critical maintenance. While our school board and steering committee has identified several school facility needs that are greater than the current allocation of our resources, the school district will continue to chip away at our capital maintenance plan needs and continue to pursue alternative funding options to address our future of school facilities at Valley City Public Schools.

Appendices

The documents highlighted below have been referenced in this report and will be available upon request from the school district at 701.845.0483 or email superintendent Josh Johnson at josh.johnson@k12.nd.us.

- ☐ COVID-19 ESSER II and III Grant Award
- ☐ Capital Maintenance Plan (2021)
- ☐ Facilities Conditions and Educational Adequacy Assessment (2021)
- ☐ Preliminary Designs (April 2022)
- ☐ Cost Estimates- New School (April 2022)
- ☐ Community Survey Results (October 2021)
- ☐ NDCTE Matching Grant Award to SVACTC (March 2022)