

Building a Stronger Education System

An Update on the Long-Range Facilities Plan



Current Status of LRFP

- 4 Schools Complete
Stowe, Lakewood, Homecroft, Lowell ES
- 7 Schools Under Construction
Denfeld HS, East HS, Eastern MS, Lincoln Park MS, Laura MacArthur ES, Lester Park ES, Piedmont ES
- 2 Schools in Design/Bid Process
Grant ES, Congdon Park ES
- 87% of Budget Is Spent or Under Contract

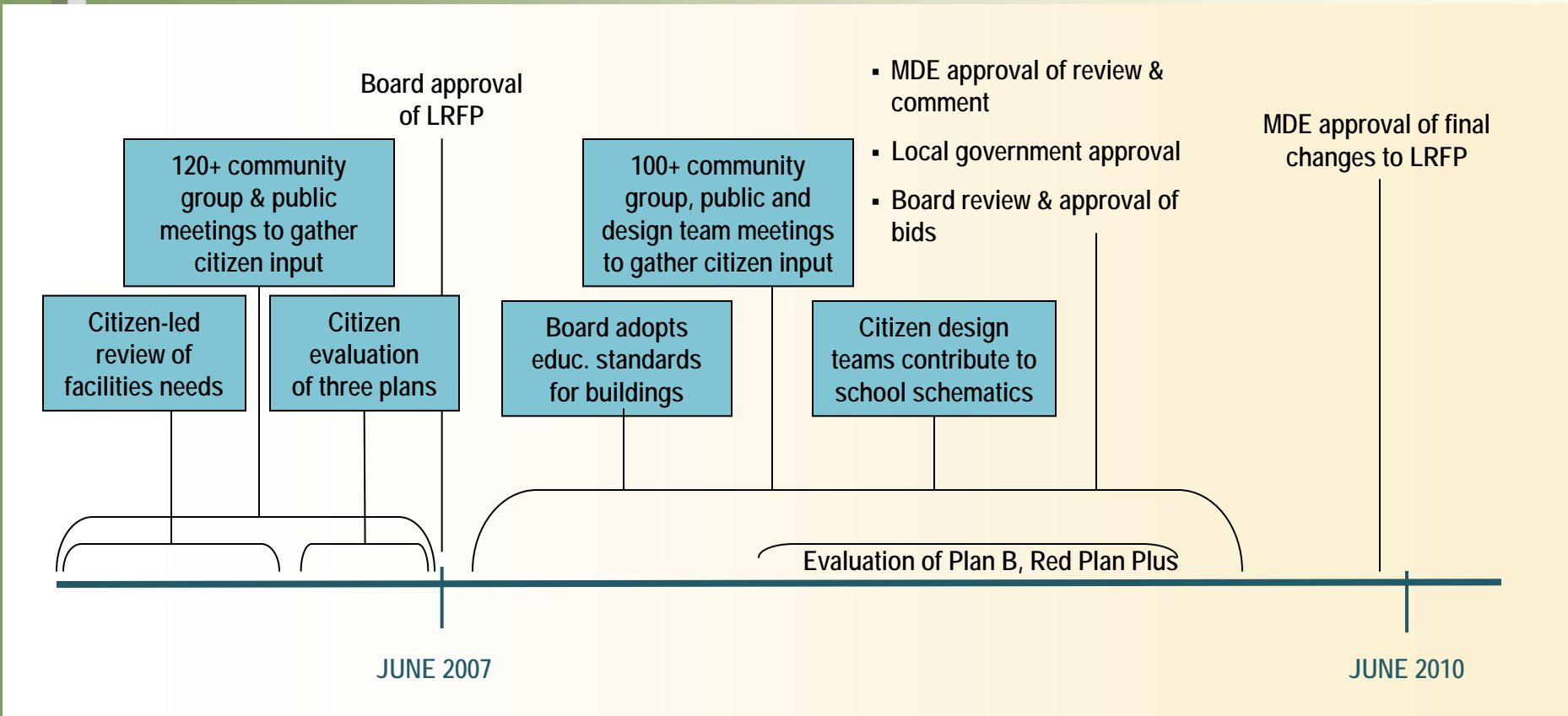
Goal of the Long Range Facilities Plan

Improve educational opportunities for all Duluth Public Schools students

How Does the LRFP Improve Educational Opportunities?

- Reduces operating costs
 - *Consolidate building space, increase efficiencies*
 - *Use savings to support educational programs*
- Modernizes facilities
- Places schools where students will live
- Provides equity throughout district
- Ensures stability for 20+ years

Significant Public Input Into Plan



The Core Elements of the Plan

- Consolidation from 19 to 13 schools
- 9 - 2 - 2 configuration
- Levy impact of \$9.22/month plus \$3/year increase on average home
- Meets educational standards adopted by the School Board

Some Details of the Plan Have Changed Since 2007

- MDE recommended changes
- Citizens shared both design input and concerns
- Issues were discovered during construction
- Agencies, local governments added requirements
- School Board used its discretion to improve plan
- Favorable environment for construction projects have allowed flexibility in the plan

LRFP is Providing More Value with Less Impact to Taxpayers

- We are on-budget and on-schedule
- Economic conditions have allowed us to add value to the project
- Tax impact is lower than initially projected

CHANGE #1:

Boundary Changes Between Denfeld and East

CHANGES

- Final decision moved boundary for East High School slightly west
- Required added space at East High School

BUDGET IMPACT

- \$1.4 million shift within budget, no impact on total project budget

CHANGE #2:

Place STCs at High School Sites

CHANGES

- Site-based STCs improve access for students
- Input from affected students, staff, principals

BUDGET IMPACT

- \$2.25 million reduction in project budget
 - \$4,964,893 saved in current STC remodeling
 - \$3,000,000 revenue from sale of STC
 - \$5,715,148 costs to add STCs at Denfeld and East

CHANGE #3:

Additional Space for Level 3, Special Education & Early Childhood Programming

CHANGES

- **Expanded** construction scope at:
 - *Lester Park*
 - *Piedmont*
 - *Denfeld*
 - *Congdon*
 - *Laura MacArthur*
 - *New East*
 - *Grant*

BUDGET IMPACT

- + \$6.85 million

CHANGE #4:

Mitigating Environmental Concerns

CHANGES

- Enhanced storm water retention design
 - *New East* – *Denfeld* – *Lester Park*
- Construction premium from planning work to accommodate eagle's nest at New East H.S.
- Update flood plain map for City

BUDGET IMPACT

- + \$1.78 million

CHANGE #5:

Meet Board's Educational Standards

CHANGES

- Expanded construction scope:
 - *Homecroft*
 - *Congdon*
 - *Lester Park*
 - *Denfeld*
 - *East*
 - *Lincoln Park MS*

BUDGET IMPACT

- + \$10.90 million

CHANGE #6:

Additional Safety Improvements

CHANGES

- Asbestos abatement
- Improved parking
- Boiler replacement
- Coal bin & boiler stack demolitions
- Gym safety
- Access control at elementary schools
- Intrusion protection purchase

BUDGET IMPACT

- + \$2.48 million

CHANGE #7:

Added/Upgraded Multipurpose Spaces

CHANGES

- Grant: Collaborative space, media center, cafeteria, multipurpose rooms
- Laura MacArthur: Valley Youth Center, community education/preschool room and PTA
- East: Relocate auditorium for better public access
- Athletic facility changes at Lincoln Park, Eastern Middle School and Denfeld

BUDGET IMPACT

- + \$5.02 million

CHANGE #8:

Reduce Scope of HOCHS, Transportation

CHANGES

- Old Central: Maintain building preservation
- Transportation: Eliminate the project

BUDGET IMPACT

- \$6.45 million reduction in project budget

Miscellaneous Changes

EXAMPLES

- IPP CCTV cabling
- Kitchen upgrades
- Change stairwell design at Laura MacArthur
- Additional land purchases

BUDGET IMPACT

- + \$4.26 million

With Expanded Scope, Do We Stay Within the Project Budget?

YES!

- Reduced construction costs in favorable economic environment
- Lower interest rates than expected
- Reduce scope of two projects
 - *Transportation building*
 - *Old Central/Administration*

Other Scope Alternatives Not In Current LRFP

- **Denfeld HS:**

Refinish Auditorium Stage Floor	\$5, 656
Murals	\$60,000
Pave Grand Avenue Parking Lot	\$90,000

- **East HS:**

Murals	\$60,000
Baseball Field Turf	\$1,400,000
Parking Lot east of 40 th	\$250,000
Replace existing exterior wall panels	\$125,000

Other Scope Alternatives Not In Current LRFP

- **Eastern MS:**

Raise roof on Band Room \$247,775

Expand Food Court \$1,100,000

- **Lincoln Park MS:**

6 Additional Classrooms \$659,882

- **Laura MacArthur ES:**

4 Additional Classrooms \$738,652

South Elevator \$57,223

Other Scope Alternatives Not In Current LRFP

- **Secondary Media Centers and Common Area Furniture** \$540,000
- **Transportation Center** \$2,294,012
- **HOCHS** \$4,151,225

LRFP Budget Status

Project Budget as Approved by MDE	\$ 295,983,647
Costs Under Contract	\$ 254,365,553
Estimated Costs to be Bid	\$ 36,047,535
Contingency/Allowances	\$ 9,372,613
End-of-Project Expenditures — Low Estimate	\$ 287,414,534
End-of-Project Expenditures — High Estimate	\$ 296,787,147

Final budget will range from - 2.90% to + 0.27% of initial budget

Building by Building: Budget Analysis

Duluth Public Schools — Summary Cost Status Report — June 23, 2010

Building Project	Original Budget	Budget After MDE-Approved Amendments	Committed Costs 6/22/2010	Future Bid Costs	Allowance/Contingency	Maximum Project Costs	Status Including Full Contingency & Allowances
Group 1 CM Projects							
Denfeld High School	\$38,207,738	\$40,408,931	\$37,848,486	\$1,375,779	\$1,690,431	\$40,914,896	\$505,765
East High School	\$54,752,775	\$57,253,895	\$52,185,251	\$3,110,140	\$1,766,886	\$57,062,077	-\$191,618
Laura MacArthur Elementary School	\$18,913,586	\$20,718,120	\$18,847,425	\$1,027,336	\$657,449	\$20,532,210	-\$185,910
Grant Elementary School	\$12,535,441	\$14,563,972	\$3,218,136	\$12,255,538	\$1,119,062	\$16,592,736	\$2,028,764
Group 2 CM Projects							
Eastern Middle School	\$28,428,018	\$29,578,018	\$25,805,140	\$961,021	\$1,074,265	\$27,840,426	-\$1,737,592
Lincoln Park Middle School	\$45,144,391	\$45,331,391	\$40,841,817	\$4,646,031	\$1,135,550	\$46,623,398	\$1,292,007
Lester Park Elementary School	\$18,550,945	\$18,890,945	\$18,349,350	\$121,015	\$362,668	\$18,945,805	\$254,860
Piedmont Elementary School	\$16,942,846	\$18,476,098	\$16,772,432	\$1,271,350	\$676,502	\$18,720,284	\$244,186
Other Projects							
Lakewood Elementary School	\$2,901,115	\$2,901,115	\$2,709,179	\$0	\$0	\$2,709,179	-\$191,936
Stowe Elementary School	\$4,221,885	\$4,221,885	\$4,028,863	\$0	\$0	\$4,028,863	-\$193,022
Lowell Elementary School	\$7,533,019	\$7,533,019	\$7,335,335	\$0	\$20,000	\$7,355,335	-\$177,684
Homecroft Elementary School	\$8,435,044	\$8,435,044	\$8,011,681	\$0	\$20,000	\$8,031,681	-\$403,363
Congdon Elementary School	\$9,177,994	\$9,211,994	\$2,556,886	\$7,989,585	\$850,000	\$11,396,271	\$2,184,277
HOCHS	\$6,306,774	\$2,155,549	\$0	\$2,155,549	\$0	\$2,155,549	\$0
Transportation Building	\$2,488,182	\$194,170	\$194,170	\$0	\$0	\$194,170	\$0
STC	\$4,964,893	\$0	\$0	\$0	\$0	-\$3,000,000	-\$3,000,000
Other Costs							
Program Management	\$5,700,276	\$5,700,276	\$5,700,276	\$0	\$0	\$5,700,276	\$0
Site Acquisition	\$10,778,725	\$10,609,425	\$9,850,000	\$1,134,191	\$0	\$10,984,191	\$374,766
LRFP Budget Status	\$295,983,647	\$295,983,647	\$254,254,227	\$36,047,535	\$9,372,613	\$296,787,147	\$803,500

LRFP Tax Impact Less Than Projected in June 2007

<p>MDE Approved Levy:</p>	<p>\$9.22/month and increase of \$3/year on average home</p> <p><i>Last year the district levied <u>less</u> than the \$3 increase</i></p>
<p>Current Status:</p>	<p><u>Overall School District Tax Impact is Favorable:</u></p> <p>Pay 2008 School District Tax \$421.68* Pay 2009 School District Tax \$419.46* Pay 2010 School District Tax \$415.29*</p> <p><i>*Before Homestead Credit</i></p>

More Funds Are Available Under LRFP Plan

- Current plan, even with enhancements, will not fully use MDE-approved levy authority
- **\$39.5** million over 20 years remains available
- School Board retains discretion to use this authority, if needed

Options for the Board

**\$39.5 Million
(over 20 years)**



1. Approve the amendments and create the \$39.5 million balance
2. Develop plan to utilize \$39.5 million to pay down debt faster, provide funds for teachers and programs sooner
3. Fund additional construction work on schools, HOCHS, Transportation Building
4. Use surplus to reduce need for future School District taxes
5. Or a combination of the above

Summary

- LRFP on-schedule and budget
- Significant improvements as plan has evolved
- Tax impact is lower than projected
 - Board needs to evaluate the options
- Winners: Students, teachers, the community
 - *Better schools*
 - *Better programs*
 - *District stability*