



## MEMORANDUM

**To:** Independent Citizen Oversight Committee Members  
**From:** Susan Hann, P.E., AICP, Assistant Superintendent Facilities Services  
**Date:** August 16, 2019  
**Re:** Consideration of Reprogramming and Additional Allocation of Educational Technology and Facility Renewal Funds

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The total projected revenue over \$198 million is approximately \$70 million (through February 2021) assuming revenue trends continue (with no further escalation). The \$198 million target should be reached in August 2019.

In August, 2018, the ICOC recommended that the Board adopt an allocation plan of 50% to security, 35% to facility renewal and 15% to Educational Technology. Since that time, the District staff has been working on contracting for a comprehensive facility assessment and a comprehensive security assessment before bringing this recommendation to the School Board. The facility assessment is underway. The security assessment is just starting. Because we will not have a clear picture of the surtax-eligible security needs for about 6 months, staff is proceeding with recommending high priority projects/needs to the ICOC and subsequently the School Board rather than a firm distribution method.

### **Educational Technology:**

The Educational Technology team has requested funding for additional computer refreshment utilizing both savings from current projects (roughly \$ 1 million available) and approximately \$500,000 from revenue over \$198 million. The cash flow is available for Educational Technology to start that project now.

The District has over 80,000 computers of which 65% are beyond the recommended life cycle of 7 years. This investment is roughly 1/3 of the funding needed to transition the District to a 10 year cycle. Additional educational technology sales surtax funds may be requested for this purpose in the future.

***Recommendation: Approve the use of approximately \$1 million in savings from current educational technology projects (reallocation of funds within the educational technology categories – primarily from structured cabling (650100) to technology equipment renewal computer replacement (650200)) and approve the use of approximately \$500,000 from sales surtax revenue over \$198,000,000 for technology equipment renewal (computer replacement 650200). The total computer replacement project is \$1.5 million.***

## **Facility Renewal:**

Although the comprehensive facility assessment project is not complete, there are several identified needs that should be addressed now so that staff can work towards summer 2020 project designs that address known deficiencies. This is the first of a series of allocation requests that will be presented to the ICOC.

In addition, several completed facility renewal projects may not have used all of the funding allocated in Attachment F. These resources may be used at the schools if additional unfunded needs are known or may be reallocated such as what is recommended relative to Whispering Hills.

There is also roughly \$1 million in facility renewal contingency funds that have not yet been allocated to projects. We are anticipating needed funds for Edgewood building envelope renewal as an example. There are also several schools with relatively small allocations for facility renewal. As we start design, it is likely additional resources will be needed.

The District has been utilizing capital funds to supplement surtax funds. Although we will continue to use this strategy, these funds are also limited.

The following are the specific facility renewal allocations from the revenue over \$198 million requested at this time:

### ***Columbia, McAuliffe and Challenger 7***

As previously noted to the ICOC in April 2019, the facility renewal sales surtax amount allocated to Columbia Elementary was insufficient to address the HVAC issues at the school. Since that time, the team engaged a mechanical engineering consultant to initiate design. Their evaluation, in consultation with maintenance, is that resolving the humidity issues inherent with the existing condition will require a significant investment to change the HVAC system.

Consultation with maintenance has indicated that we have two other schools (McAuliffe and Challenger 7) with very similar existing HVAC systems scheduled for summer 2020 facility renewal. These schools are experiencing similar humidity problems and are also underfunded in Attachment F.

Overall, it is estimated that an additional \$7 million will be needed to support HVAC renewal for the three schools. The Guaranteed Maximum Price proposals will be provided in early spring, but it would be preferable to commit to an increased budget now so the design can proceed accordingly.

### ***Building Automation System Renewal***

The building automation systems (HVAC controls) have been a significant cause of the failure to consistently provide a classroom environment conducive to learning. The issues are wide-ranging and include sensors, partially upgraded systems, legacy systems no longer supported and incompatible systems. This is just a partial list.

The building automation system team has been working much more closely with the projects team so that we can address these issues to some extent with our projects. However, not all projects have building automation upgrade and most projects do not have the funding to support a full building automation system upgrade. We are making progress, but this remains a major concern and source of failure.

The team is starting down the path of looking at the system comprehensively, improving our design and construction standards and evaluating better approaches to managing a system that is growing in size and complexity. We are considering utilizing a hierarchal building controls software platform which can integrate our various HVAC controls systems and may be able to incorporate other systems such as intercoms, fire alarms, lighting, etc. Currently, all of these systems are separate.

At this time, staff is recommending allocation of an additional \$2 million towards a building automation system renewal project. The scope will start by identifying the overall approach to building automation and will then develop a prioritized scope of work to replace failing systems. Additional resources will most likely be needed from capital and possibly sales surtax to fully implement the project.

***Recommendation:***

- ***Approve the use of up to \$7 million in sales surtax revenue over \$198 million to support the HVAC renewal projects at Columbia, McAuliffe and Challenger 7 Elementary Schools.***
- ***Approve the use of up to \$2 million in sales surtax revenue over \$198 million towards a comprehensive building automation system renewal project.***

Note - the ICOC recommended that the building automation project start with an allocation of up to \$200,000 to plan and design the project. Additional funding will be requested at a later date once the scope and cost are better defined.