

GFW Public Meeting

Informational Meetings/Listening Session
6:30 p.m, March 21st, 2019
GFW Middle School Gymnasium

GFW Schools - *Fostering Lifelong Learners in a
Caring Environment*

Task Force Membership

- ❑ Voluntary Participation
- ❑ Cross Section of the District
- ❑ 33 People attended at least one meeting
- ❑ Community Representation
 - ❑ 11 Fairfax (10 Voting)
 - ❑ 9 Gibbon (9 Voting)
 - ❑ 13 Winthrop (10 Voting)
- ❑ 29 Voting Members based on Attendance
- ❑ GFW School Board Representatives at Meetings (Non-voting)
- ❑ Construction Manager, Architect and District Superintendent Facilitated

Voting Task Force Members

Gretchen Black

Mandy Blumhoefer

Ken Briese

Brian Carlson

Christina Clobes

Jake Elbert

Nathan Firle

Dale Forst

Melissa Hanson

Otto Hartmann

Harlan Helgren

Pat Hentges

Lacee Johnson

Nicholas Johnson

Marc Kiecker

Dana Lietzau

Paul Loftness

Craig Marti

Leander Nachreiner

Greg Olson

Cari Panitzke

Matt Rabe

Drew Schmidt

Kristin Schwartz

Kris Swenson

Amy TenEyck

Dave Trebelhorn

Brian Weir

Catherine Wellman

Responsibility and Questions

The 2018-2019 GFW Facilities Task Force was developed in response to the failed bond referendum in November, 2017. The responsibility of the group was to look at the facility needs both structurally and programming wise of the district, identify potential options, and make a recommendation to the school board.

The School Board requested to see the final two options with them ranked along with the rationale for the preferred choice.

Key Questions

The question came down to - Does GFW School District **need** to complete a construction project to address their facility and programming needs?

If yes, what are the options? And where?

- 3 Sites - Remodel
- 2 Sites - Remodel/Additions or Remodel/New
- 1 Site - Build New

What did the Task Force Look At?

- ❑ Existing Considerations
- ❑ Enrollment Trends
- ❑ Community Survey Results
- ❑ Facilities Tours
- ❑ Tax Implications on Businesses and Individuals
- ❑ Comparative Estimates
- ❑ Reviewed 10 Options
- ❑ Discussion in both small group and large group settings

Existing Considerations

- ❑ Age of Buildings - 60% of building square footage is more than 50 years old. (*State Average is 41 years old.*)
- ❑ Current District Sq. Footage - 294,250 sq. ft. (approx. 411 sq. ft. per student). Other Ex: Renville Co. West - 222 sq. ft., Redwood 282 sq. , St. James 332 sq. ft.
- ❑ High Operating Costs - Fiscal Year 2018 Costs for Electricity, Heat/Gas, Water and Sewer were \$237,757.00 in the three buildings - Approx. - .80 cents a sq.ft.
- ❑ Maintenance Project Needs - Tuck Pointing, Roofing (Replacement/Maintenance), Windows, Asbestos Abatement, Track (Resurfacing/Replacement), etc.
- ❑ Interior Systems - Air Quality Standards, Electrical, Plumbing and Heating, ADA Compliance, Fire Protection
- ❑ Security Needs - Single-Point Controlled Entry, Passive Supervision, Active Shooter Safeguards
- ❑ District Primary and Secondary Maintenance Projects equal between \$16-\$17 million (List is on the District Website)

Enrollment By Area 2018-2019

41.5% - Winthrop (Includes Lafayette Addresses)

29.6% - Fairfax (Includes Franklin Addresses)

26.6% - Gibbon

2.3% - Open-Enrolled into the district

MDE -Average Daily Membership (ADM)

Students are weighted differently, which is the difference between Per Pupil Units (PPU) than actual students. Weighting is: ½ Day Kinder. - .55, Full Day Kinder. Through 6th grade - 1.0 and Secondary (7-12) 1.2

2013 - 2014	776.04
2014 - 2015	776.40
2015 - 2016	766.84
2016 - 2017	732.58
2017 - 2018	725.12

Enrollment Projections

Based on SchoolFinances.Com program. Includes actual numbers reported to MDE by the district, county birth rates, and historical trends within the school district.

Year	K-12 Enrollment	Change
2015-2016	755	
2016-2017	718	-4.90%
2017-2018	711	-1.07%
2018-2019	696	-2.11%
2019-2020	700	0.57%
2020-2021	687	-1.86%
2021-2022	676	-1.54%
2022-2023	680	0.51%
2023-2024	686	1.01%
2024-2025	677	-1.32%

GFW's Net Enrollment/Loss (17-18)

School District	Into GFW	Out of GFW	Net
Sibley East	0	43	-43
New Ulm	5	42	-37
Lafayette Charter	0	35	-35
Sleepy Eye	0	13	-13
Cedar Mountain	4	14	-10
Glencoe-Silver Lake	4	9	-5
BLHS	11	2	9
Total	25	199	-174

Total Revenue per ADM = \$8,993.00

174 students x \$8,993.00 = \$1,564,782.00 (Lost Revenue)

Community Survey

- ❑ In May of 2018, the school district provided all district residents the opportunity to complete either a paper/pen or an electronic survey.
- ❑ Survey results were one of many pieces of information gathered for the facilities task force to use during the process.
- ❑ Survey was intended to get a “Pulse” of the communities in GFW.

Survey Results

- ❑ 558 Respondents to the Survey
- ❑ 12% of All Eligible District Voters

Percentage of Total Survey Participants

Winthrop - 34.2% (191)

Gibbon - 33.7% (188)

Fairfax - 32.1% (179)

Survey Participants

Age Group

18 - 25 (6.1%)

26 - 35 (14.7%)

36 - 45 (24.6%)

46 - 55 (16.7%)

56 - 64 (16.7%)

65 and Older (21.3%)

Connection to GFW

Do you have children attending our schools?

Yes - 29.2%

No - 70.8%

If you have school-aged children, what school(s) do they attend?

GFW HS - 29.2%

Private School - 8.0%

GFW MS - 20.6%

Public School (Non-District) - 4.6%

GFW Elem. - 23.7%

Key Survey Questions

What advice would you give the school board regarding facility needs?

- Refine the plan based on survey feedback and ask for voter support through a referendum - 55.4%
- Other (Please specify) - 19.0%
- Undecided/Need more information - 16.5%
- Do nothing at this time - 9.1%

When do you feel the District should plan to address the facility needs?

- ASAP - 35.5%
- 1-3 Years - 30.1%
- Undecided - 16.9%
- 4-5 Years - 11.8%
- 6-10 Years - 6.1%

Key Questions

Of the building options that have been considered, which would you most strongly support?

- Build a new central location PreK-12 School - 38.8%
- Reorganize into two locations PreK-6 and 7-12 - 20.4%
- Keep the existing three locations and grade configurations - 12.2%
- Only repair deferred maintenance items at this time - 10.9%
- Other (Please specify) - 10.9%
- Consolidation with another district - 7.7%

Facilities Tours

The committee took one evening per building to tour as many of the members hadn't been in various parts of the buildings for several years. Some of the concerns sighted were:

- Small or inadequate teaching spaces
- Spaces or programs not used because of staffing issues
- Building Maintenance Needs
- Electrical Concerns
- Mechanical Concerns
- Lack of sprinkling in large areas of buildings
- Noncompliance with ADA
- Security at main entrances

What if we decide not to do anything?

Pros

- Maintain Status Quo
- Each Community Has Building
- No new Taxes

Cons

- Maintenance of three buildings
- Open Enrollment out of the district
- Inefficient use of Staff
- Buildings continue to deteriorate
- General Negativity
- State may force something instead of local control
- Building Security remains an issue
- Three of everything (Kitchens)

-The district will need to make decisions on how to address the long-term facilities maintenance issues it faces.

What Happens If District Dissolved

- ❑ District would geographically be assigned to neighboring districts
- ❑ No opportunity for School Board Representation in new district until seats open and have elections
- ❑ Responsible for:
 - ❑ School Tax of New District
 - ❑ Current Long-Term Debt of GFW
 - ❑ Maintain Current Buildings, Demo them, or attempt to sell

Committee Criteria / Objectives

- GFW School District to Continue
- Provide the best possible education (Programming, Staff, Student Success)
- Affordability/Budget
- Make Staff Time More Efficient (Travel is a waste of time and money).
- One or Two Buildings
- Safety and Security
- Draw Students and People to Communities
- Career Technical Education (CTE) Emphasis
- Facilities - Long Term Solution (20+ Years)
- Unite Towns - GFW, Not 3 Towns
- Student Connectivity Among All Grade Levels
- Educate the Voters

Options Based on Criteria/Objectives

Types of Building

- Remodel/Additions

Locations of Building, Prelim.. Cost in Millions

-PreK-6 in Fairfax, 7-12 in Winthrop (\$33.1)

-PreK-6 in Winthrop, 7-12 in Fairfax (\$28.9)

-PreK-12 in Fairfax (\$36.7)

-PreK-2 in Gibbon, 3-12 in Fairfax (\$28.4)

- Remodel/New Building

-PreK-6 in Gib. new site, 7-12 in Winth. (\$39.5)

-PreK-6 in Gib. new site, 7-12 in Fairfax (\$37.1)

-PreK-6 in Winth., 7-12 new site in Gib. (\$45.4)

-PreK-6 in Fairfax, 7-12 new site in Gib. (\$51.0)

-PreK-2 in Gib., 3-12 new site in Gib. (\$45.2)

- Build New Only

-PreK-12 - Site to be determined (\$50.8)

Where Did this lead the Group?

- ❑ Large group discussions on all ten options
- ❑ Pros/Cons of the options
- ❑ Members voted on their top options
- ❑ Top four choices in order of most votes
 - ❑ One Building on a new site
 - ❑ PreK-6 in Winthrop, 7-12 in Fairfax
 - ❑ PreK-2 in Gibbon, 3-12 in Fairfax
 - ❑ PreK-2 in Gibbon, 3-12 in Gibbon on new site
- ❑ Small Group Work - Pros/Cons of Four Options
- ❑ Potential Tax Implications Shared
- ❑ Large Group Reporting before a vote to narrow
- ❑ Presentation from Ehler's, a municipal advisory firm, on Tax Impact
 - ❑ One Building on a new site
 - ❑ PreK-6 in Winthrop, 7-12 in Fairfax

Pros and Cons

One Site Option

Pros

- Central location if in Gibbon
- District is unified
- Cost Efficient
- Less Administration
- Save on Bussing
- All Students in one building
- Efficiency with staff
- Everything new
- Long Term Solution
- Better Security
- Attract students back to the district
- Building/Operations Efficiency

Cons

- Higher Cost Option
- Not a school in each town
- Existing Building Plans - ???
- Central location could impact support from Fairfax and Winthrop
- District may lose students
- Need to purchase land
- Opinion of Task Force - Won't pass

Pros and Cons

PreK-6 in Winthrop and 7-12 in Fairfax

Pros

- Lower Cost Option
- Maintains schools at the ends of the district
- Keep kids in district rather than losing them
- 7-12 in Fairfax could draw from BLHS
- No land purchase needed in Winthrop
- Have land to expand in Fairfax
- Fairfax has cheaper energy costs
- There would be staff and admin. savings
- Education opportunities are enhanced

Cons

- 17 Miles between buildings
- Not centrally located
- There could be remodeling surprises
- Buildings are still old
- Not as efficient
- Need to maintain two sites
- More square footage than needed
- Possible 10-year fix - not long term
- Limited teacher licenses
- Remodeling during the school year
- Could continue to lose students

Potential Tax Implications

Estimated Annual Tax Implications on a 20-Year Bond with interest rate of 4.10%

Property Type	\$50.8 Million		\$28.9 Million	
	Est. Market Value	Increase	Est. Market Value	Increase
Residential	\$100,000	\$163.00	\$100,000	\$86.00
	\$150,000	\$287.00	\$150,000	\$152.00
Commercial	\$250,000	\$966.00	\$250,000	\$512.00
	\$500,000	\$2,103.00	\$500,000	\$1,115.00

Ag2School Credit

Reference - 273.1387 School Building Bond Agricultural Credit.

- ❑ Subdivision 1. **Eligibility**

- ❑ All Class 2a, 2b, and 2c property under section 273.13, subdivision 23, other than property consisting of the house, garage, and immediately surrounding one acre of land of an agricultural homestead, is eligible to receive the credit under this section.

- ❑ Subd. 2. **Credit Amount**

- ❑ For each qualifying property, the school building bond agricultural **credit is equal to 40 percent** of the property's eligible **net tax capacity multiplied** by the **school debt tax rate** determined under section 275.08, subdivision 1b.

Ag2School Credit

- ❑ Passed with Broad bipartisan support
 - ❑ Not Guaranteed, but closest thing to a guarantee
 - ❑ No sunset date in the legislation
 - ❑ Being used by many school districts
-
- ❑ “Since I am the Majority Leader, serve on the Tax Committee, and made this one of my top priorities, I have NO intention of letting it go away.” - Senator Paul Gazelka

Potential Tax Implications

Estimated **Annual Tax Implications** on a 20-Year Bond with interest rate of 4.10%

\$50.8 Million

\$28.9 Million

Property Type	\$50.8 Million		\$28.9 Million	
	Est. Market Value	Increase	Est. Market Value	Increase
Residential	\$100,000	\$163.00	\$100,000	\$86.00
	\$150,000	\$287.00	\$150,000	\$152.00
Commercial	\$250,000	\$966.00	\$250,000	\$512.00
	\$500,000	\$2,103.00	\$500,000	\$1,115.00
Agricul. Land	400 acres @ \$7,000/acre	\$2,524.62	400 acres @ \$7,000/acre	\$1,338.37
Agricul. Land	800 acres @ \$7,000/acre	\$6,344.62	800 acres @ \$7,000/acre	\$3,362.37

Calculation: Agricultural Land Example

Estimated Annual Tax Implications for \$50.8 million for 20-year bond at 4.10%

Property Size and Value	Property Type	Acres Included	Increase
400 Acres Valued at \$7,000 per Acre	Agricultural	271 Acres	
	Homestead	x \$4.77	\$1,292.67
	Agricultural	129 Acres	
	Homestead	x \$9.55	\$1,231.95
Total			\$2,524.62

Calculation: Agricultural Land Example

Estimated Annual Tax Implications for \$50.8 million for 20-year bond at 4.10%

Property Size and Value	Property Type	Acres Included	Increase
800 Acres Valued at \$7,000 per Acre	Agricultural	271 Acres	
	Homestead	x \$4.77	\$1,292.67
	Agricultural	529 Acres	
	Homestead	x \$9.55	\$5,051.95
Total			\$6,344.62

School Building Bond Ag. Credit

2019 Estimated School Building Bonds One Site Option - \$50.8 Million

Property Type	Amount of Net Levy Over Term of Bonds	Percent of Total
Residential Homestead	\$5,320,218	6.8%
Other Residential	\$1,486,532	1.9%
Commercial/Industrial	\$8,762,712	11.2%
Non Qualifying Agricultural	\$2,660,109	3.4%
Qualifying Agriculture	\$36,067,950	46.1%
State Ag. Credit	\$24,019,220	30.7%
<u>Seasonal Recreational</u>	<u>\$78,239</u>	<u>0.1%</u>
Total	\$78,316,741	100.0%

Questions from MN Dept. of Education

Guide for Planning School Construction Projects

- Are major portions of the school(s) greater than 50 years old and/or in poor condition?
- Are there major exterior issues such as leaking roofs, groundwater penetration, sagging walls, mold, and brick in need of repair or replacement?
- Does the school district have too many school facilities for the numbers of students?
- Are there student safety issues (e.g. student and bus drop-off) on the school sites?
- Are there many additions to the schools over the years, and are learning and support spaces separated that should be clustered together?
- Is further wiring for technology costly because of the age and/or design of schools?

Questions from MN Dept. of Education

Guide For Planning School Construction Projects

- ❑ Are the mechanical, electrical, plumbing and heating, ventilation, and air-conditioning systems in poor condition?
- ❑ Are there many load-bearing walls, wood floors, and other design features that make renovation of the school difficult and expensive?
- ❑ Are school operational and maintenance costs high?
- ❑ Are community use spaces in the schools few or insufficient for current needs?
- ❑ Are the high costs of renovating the school, the unpredictability of renovations costs, and the disadvantages of continuing to use it as school clear and understandable?
- ❑ Are the concerns of supporters of the school centered on issues other than how the facility can best improve student learning and teaching, and help prepare students for their future?

Decision Points

Remodel or Build New

- 21st Century Learning Needs
- Fiscal Value in Building New
- Fewer Unknowns with Building New
- 30% of Value/Bring Up to Code Considerations
 - Electrical (Technology)
 - Plumbing
 - Structural
 - HVAC
 - American Disabilities Act
- Disruption to learning during construction

Number of Sites/Location

- Scarcity Aid
- Emergency Services
- Population Density
- Busing

When renovation approaches 60% of replacement value, MDE recommends school Districts replace the facility

Recommendation

Cost, Value, Investment

- ❑ Which option provides the best long-term solution to the district's educational needs?
- ❑ Which option provides the best value for each taxpayer dollar spent?
- ❑ Which option is the best long-term investment in our students, teachers

Recommendation

The task force recommendation is that the GFW School Board consider taking a bond referendum to the authorized voters of the district to build a new PreK-12 school facility at a site to be determined by the school board.

Related Items

- ❑ Existing Facilities
 - ❑ Work to identify potential community uses for them or attempt to sell to developers
 - ❑ Demolition - Do not leave communities with cost of maintaining them
- ❑ Athletic Facilities/Fields
 - ❑ Use present outdoor athletic sites.
 - ❑ Includes \$1.0 million dollars for track/football field improvements

THANK YOU

Thank you for taking the time to attend tonight's meeting.

We appreciate your interest in the education of all our students and in the communities of GFW!

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