

**Salem City Schools**  
**Capital Improvement Plan (CIP) for 2026-2031 and Projects for FY 2025**  
**October 8, 2024**

**Summary of Issue:**

This report is to request the Board to:

1. Approve the proposed projects for FY 2025 from the 6/30/2024 year-end balance and the funding of these projects (Capital Reserve) (Attachment A)
2. Approve the proposed 2026-2031 Six Year CIP (Attachment B, with Appendix C for HVAC & Roofing lists)

**Background:**

Salem's school buildings require on-going major maintenance projects on a regular basis due to age. In recent years this has included such things as roofing replacement, heating and air conditioning work, building renovations, door and window updates, classroom upgrades and similar.

In addition, the division has used capital reserve funds traditionally to replace buses, supplement its technology budget, and replace major cafeteria equipment on a planned regular basis to even out future necessary outlays. With the balance available from this past fiscal year, the projects in attachment A are the requests from the Division on how to use these funds.

There are 4 categories of how a fund balance is to be reported in the Capital Projects Fund for financial reporting purposes within the statement:

1. **Restricted Fund Balance** - restricted by external creditors (debt covenants) grantors, contributors
2. **Committed Fund Balance** - amounts that can only be used pursuant to constraints imposed by legislation, resolution, or ordinance and the constraints can only be removed by the same method
3. **Assigned Fund Balance** - amounts that are constrained by the government's *intent to be used for specific purposes*, but neither restricted or committed
4. **Unassigned Fund Balance** - any residual fund balance not in the first 3 categories.

**Policy Reference:**

FB, Facilities Planning

**Fiscal Impact:**

At this time, \$1,859,802 of the unallocated capital reserve funding will be categorized in Assigned Fund Balance. The total projects anticipated during the current fiscal year

from capital reserve are listed in Attachment A. The total project requests in the CIP for the six-year period FY 2026-2031 are \$25,219,818 per Attachment B.

**Recommended Motion:**

Move approval of the projects for FY 2025 using funding from the 6/30/2024 year-end balance and meals tax, and request that City Council appropriate funding from these balances as required, and also move approval of the FY 2026-2031 CIP.

Salem City Schools		10/24/2024
CIP Requests from Principals and Central Administrators - FY 2024 Fund Balance		Attachment A
Capital reserve balance at 6/30/2024 - UNAUDITED		\$2,018,973
Name of Project	Notes	Estimated Cost
Local Match for Extended School Year Grant	We received the grant of \$124,588 with a 0.3713 (LCI) match requirement. That would be \$46,260.	\$46,260.00
Local Match for School Security Grant	We applied for the max grant of \$250,000 with a 25% match requirement. That would be \$62,500.	\$62,500.00
West Gym Floor Resanding	Was an insurance claim, but funds were rec'd before work could be completed. Revenue in FY 24 and expenses in FY 25. Hold this revenue back from available fund balance to cover expenses.	\$26,700.00
<b>Requirement</b>		<b>\$135,460</b>
SHS Replace Chiller #1 (1996 York) 1 of 2	City Maintenance Request. Due for replacement.	\$500,000.00
West Salem Gym (replace 2 split system units)	City Maintenance Request. Due for replacement.	\$175,000.00
Continued Division Roof Work	Continued roof work by City to our facilities.	\$130,000.00
Boiler Burner Replacement at ALMS	City Maintenance Request. Due for replacement.	\$27,975.00
GWC HVAC Classroom Units Replacement	City Maintenance Request. Due for replacement.	\$25,000.00
Central Office HVAC Repair 3 Indoor Fan Coil Units	City Maintenance Request. Due for replacement.	\$15,000.00
Replace Central Board on Chiller at SHS	City Maintenance Request. Due for replacement.	\$10,500.00
<b>City Requests</b>		<b>\$883,475</b>
AI Weapon Detection System (Zero Eyes)	Setup Fee for Implementation of System, to include IT infrastructure reqmt's, for an AI weapons detection system for SHS.	\$181,000.00
Division Security Updates & Storage Needs	Repairing SHS main doors, replace doors on storage closet doors at West Salem, & providing storage bldg, adding card reader access for an additional door at West Salem, replacing SHS building doors near tennis courts, removing exterior door handles on 1 door at SHS gym, & replacing broken fireproof student record file cabinets at ALMS.	\$59,529.00
Phase II Smoke/Duct Work at ALMS	Phase II of work at ALMS to replace as necessary per fire marshall.	\$25,000.00
Walking Path Repairs at West	Girls Who Run group (students) use it, and the public, and there are areas that need help on there for safety. Partial repairs with ad'l repairs next year.	\$12,000.00
<b>Safety</b>		<b>\$277,529</b>
Network Virtual Server Infrastructure	Replacement of 6 year old Cisco Hyperflex environment that has been sunsetted by vendor. The replacement solution would replace an existing 4 node solution running ESXi with 20TB of data that provides access to 95% of the SCS server infrastructure. The anticipated life of the replacement solution would be approximately 5 years.	\$174,516.00
ALMS Business Labs Computer Update - Phase I	51 PCs - existing lab PCs are aged out. Systems are 5 years old. OptiPlex small form factor. Phase I will replace approx 25 computers.	\$25,000.00
<b>Technology</b>		<b>\$199,516</b>
Division Flooring & Finishes	Flooring updates at West Salem Cafeteria, removing carpet & polishing concrete in 4 classrooms at SHS, replacing carpet with tile in PreK/Primary classrooms at GWC, AIIMS flooring replacement, Preschool Playground fencing at West Salem, Painting of classrooms at ALMS, & Replacing steps, flooring and railing of SHS band tower.	\$157,412.00
Phase II of SHS Stage & Auditorium Lighting Project	To replace remaining stage lights conversion to LED started in Summer 2024.	\$100,000.00
SHS Football Fieldhouse Updates	Replace bathroom, showers, etc. 1983 editions still.	\$90,000.00
New stove, 2-Section Upright Refrigerator & Combi Oven in Culinary Arts at SHS	This stove would replace the current stove that is old and needs replacing. We had several "gas" related issues last year. The upright fridge is old and larger than what's needed, with unusable shelves. The combi oven is larger than current and a need for the program.	\$34,385.00
New Scoreboard @ Spartan Field	Parks and Rec - \$60,000 and they are replacing the lights \$700,000.	\$10,000.00
<b>Instruction &amp; Division Needs</b>		<b>\$391,797</b>
<b>Total</b>		<b>\$1,887,777</b>
<b>(Over)/Under Budget</b>		<b>\$131,196</b>

Six Year Capital Improvement Plan (CIP) for FY 2026-2031

October 2024 School Board Meeting

Attachment B

Inflation factor								TBD=Date To Be Determined	
1.03	YR 1 FY 2026	YR 2 FY 2027	YR 3 FY 2028	YR 4 FY 2029	YR 5 FY 2030	YR 6 FY 2031	TBD	Total FY 2026-2031	
<b>WHERE THE FUNDING WILL COME FROM:</b>									
Bond Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
City Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Schools Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
State Construction Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Capital Reserve Funds Available Now	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Future Capital Reserve Funds	\$5,397,739	\$3,376,321	\$3,316,988	\$5,467,805	\$1,500,266	\$4,288,936	\$1,635,000	\$24,983,055	
Other Funding Already Appropriated	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cafeteria Fund Balance	\$102,689	\$33,370	\$24,071	\$24,793	\$25,537	\$26,303	\$0	\$236,763	
	\$5,500,428	\$3,409,691	\$3,341,059	\$5,492,598	\$1,525,803	\$4,315,239	\$1,635,000	\$25,219,818	
								\$25,219,818	
<b>WHERE THE FUNDING WILL BE SPENT:</b>									
<b>Category 1: Recurring Projects</b>	YR 1 FY 2026	YR 2 FY 2027	YR 3 FY 2028	YR 4 FY 2029	YR 5 FY 2030	YR 6 FY 2031	TBD	Total FY 2026-2031	
General System-Wide Roof Replacement on Regular Schedule	\$605,000 FCR	\$575,000 FCR	\$592,250 FCR	\$610,018 FCR	\$628,319 FCR	\$647,169 FCR		\$3,657,756	
Two School Buses Annually	\$335,244 FCR	\$345,301 FCR	\$355,660 FCR	\$366,330 FCR	\$377,320 FCR	\$388,640 FCR		\$2,168,495	
School Technology-Infrastructure	\$50,000 FCR			\$50,000 FCR				\$100,000	
School Technology-Computer Replacement	\$323,078 FCR	\$332,770 FCR	\$342,753 FCR	\$353,036 FCR	\$363,627 FCR	\$374,536 FCR		\$2,089,800	
School Technology-General - Other Computer/Smart Board Replacement		\$100,000 FCR			\$100,000 FCR			\$200,000	
Cafeteria/Kitchen Equipment Replacement	\$22,689 FCR	\$23,370 FCR	\$24,071 FCR	\$24,793 FCR	\$25,537 FCR	\$26,303 FCR		\$146,763	
Division Vehicle Replacement			\$35,000 FCR			\$35,000 FCR		\$70,000	
<b>Category 2: Future standalone projects</b>									
East Salem Air Handler Replacement	\$275,000 FCR							\$275,000	
Replace Air Cooled Chiller at Central		\$250,000 FCR						\$250,000	
Replace Gym A/C Unit at East	\$275,000 FCR							\$275,000	
Upsize AHU in Section D at ALMS		\$300,000 FCR						\$300,000	
Replace Boilers at Carver		\$165,000 FCR						\$165,000	
Replace Makeup Air units (4) at ALMS Phase I	\$430,000 FCR							\$430,000	
Replace Makeup Air units (4) at ALMS Phase II		\$430,000 FCR						\$430,000	







Salem City Schools							10/8/2024
Six Year Capital Improvement Plan (CIP) for FY 2026-2031							
October 2024 School Board Meeting							Attachment B
Inflation factor							TBD=Date To Be Determined
1.03							
	YR 1 FY 2026	YR 2 FY 2027	YR 3 FY 2028	YR 4 FY 2029	YR 5 FY 2030	YR 6 FY 2031	Total FY 2026-2031
Badge Reader @ SHS Auditorium **	\$10,000 FCR						\$10,000
Security Lock & Key (Door Access System) Transition to Cloud	\$71,000 FCR						\$71,000
Clock Replacement at SHS	\$17,000 FCR						\$17,000
Phase III of SHS Stage & Auditorium Lighting Project	\$180,000 FCR						\$180,000
Overhang Area at Outside of SHS Fieldhouse **	\$70,000 FCR						\$70,000
<b>Category 3: Future Projects which might become part of a school-wide renovation</b>							
None							\$0
<b>Category 4: School-Wide Renovations TBD</b>							
None							\$0
<b>Category 5: Partial School Renovations</b>							
Facility Planning Study	\$60,000 FCR						\$60,000
West Salem Elementary School Improvements				\$3,873,421 BD			\$3,873,421 (1)
East Salem Elementary School Improvements					\$2,783,591 BD		\$2,783,591 (1)
G W Carver Elementary School Improvements						\$0 BD	\$0
AIIMS Phase II Bldg Improvements						\$1,635,000 BD	\$1,635,000 (1)
<b>Totals</b>	<b>\$5,500,428</b>	<b>\$3,409,691</b>	<b>\$3,341,059</b>	<b>\$5,492,598</b>	<b>\$1,525,803</b>	<b>\$4,315,239</b>	<b>\$25,219,818</b>
						Cross footing	\$25,219,818
(1) Amounts for West and East are from a 2021 Assessment completed by RRRM. A 6% inflation factor was added to that amount to allow for an increase to today's cost. Amount for AIIMS is from a Summer 2023 estimate by RRRM.							
<b>Notes:</b>							
All items in <b>BOLD ITALICS</b> have been inflation adjusted based on School Board guidance in prior years (by 3%)							
** = Formal quotes needed; internal estimates used for illustration/planning purposes							
Legend: FCR=Future Capital Reserve							
BD = Bond Issues by City							
CR=Capital Reserve							

**HVAC**

Funded/In Process

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total FY 2024-2031
West Salem Replace Boilers 1 of 2	\$ 100,000.00								\$ 100,000.00
Roof Work	\$ 368,000.00								\$ 368,000.00
ALMS Replace Cooling Tower	\$ 80,000.00								\$ 80,000.00
West Salem Gym (replace 2 split system units)	\$ 150,000.00								\$ 150,000.00
SHS Art Room HVAC Controls Replacement/Update	\$ 10,000.00								\$ 10,000.00

Upcoming Ranking

1	West Salem Gym (replace 2 split system units)	\$ 175,000.00							\$ 175,000.00	
2	West Salem Replace Pumps Boiler and Chiller Pumps		\$ 250,000.00						\$ 250,000.00	
3	SHS Replace Chiller #1 (1996 York) 1 of 2	\$ 500,000.00							\$ 500,000.00	
4	West Salem Office Roof top unit		\$ 40,000.00						\$ 40,000.00	
5	GWC HVAC Classroom Units Replacement	\$ 25,000.00							\$ 25,000.00	
6	Central Repair 3 Indoor Fan Coil Units	\$ 15,000.00							\$ 15,000.00	
7	SHS Storage Building - Concrete Pad Only (Buidling to be installed FY26)	\$ 40,000.00							\$ 40,000.00	
8	West Pump for HVAC Fan Coil Unit Replacement Project		\$ 250,000.00						\$ 250,000.00	
9	SHS Fieldhouse Football Weight Room RTU Replacement		\$ 65,000.00						\$ 65,000.00	
10	SHS Walk in Refrigerator (evap/condenser/compressor)		\$ 40,000.00						\$ 40,000.00	
11	SHS Walk in Freezer (evap/condenser/compressor)		\$ 40,000.00						\$ 40,000.00	
12	East Salem HVAC Work Replace Gym A/C Unit		\$ 275,000.00						\$ 275,000.00	
13	ALMS Replace makeup air units (there are four in total, replace two)		\$ 430,000.00						\$ 430,000.00	
14	East Salem Air Handler Replacement in multipurpose room (cafeteria)		\$ 275,000.00						\$ 275,000.00	
15	SHS Storage Building Installed		\$ 50,000.00						\$ 50,000.00	
16	ALMS Replace makeup air units (there are four in total, replace two)			\$ 430,000.00					\$ 430,000.00	
17	ALMS Upsize AHU in section D that will not adequately cool the space (design/ replace) RTU-3			\$ 300,000.00					\$ 300,000.00	
18	GWC Replace 2 of 2 Boilers			\$ 165,000.00					\$ 165,000.00	
19	Central Replace Air Cooled Chillers at School Board (97 & 91 models) 2 of 2			\$ 250,000.00					\$ 250,000.00	
20	West Salem Replace Boilers 2 of 2				\$ 175,000.00				\$ 175,000.00	
21	SHS Replace Chiller #2 (1996 York) 2 of 2				\$ 600,000.00				\$ 600,000.00	
22	Central Replace Indoor Fan Coil Units				\$ 600,000.00				\$ 600,000.00	
23	South Salem Replace 2 of 4 Boilers				\$ 350,000.00				\$ 350,000.00	
24	School Facility Study					\$ 150,000.00			\$ 150,000.00	
25	School Roof Survery						\$ 150,000.00		\$ 150,000.00	
26	AIIMS Replace HVAC						\$ 27,000.00		\$ 27,000.00	
									\$ -	
<b>Totals</b>		<b>\$ 708,000.00</b>	<b>\$ 755,000.00</b>	<b>\$ 1,715,000.00</b>	<b>\$ 1,145,000.00</b>	<b>\$ 1,725,000.00</b>	<b>\$ 150,000.00</b>	<b>\$ 177,000.00</b>	<b>\$ -</b>	<b>\$ 6,375,000.00</b>

\$ 6,375,000.00

**Roofing**

Project Name	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total FY 2024-2031
									\$ -
see above									\$ -
Locations to be determined per recommendation from City & Facility Study		\$ 130,000.00							\$ 130,000.00
			\$ 750,000.00						\$ 750,000.00
				\$ 600,000.00					\$ 600,000.00
					\$ 400,000.00				\$ 400,000.00
						\$ 400,000.00			\$ 400,000.00
							\$ 400,000.00		\$ 400,000.00
								\$ 400,000.00	\$ 400,000.00
								\$ 400,000.00	\$ 400,000.00
									\$ -
<b>Totals</b>	<b>\$ -</b>	<b>\$ 130,000.00</b>	<b>\$ 750,000.00</b>	<b>\$ 600,000.00</b>	<b>\$ 400,000.00</b>	<b>\$ 400,000.00</b>	<b>\$ 400,000.00</b>	<b>\$ 400,000.00</b>	<b>\$ 3,080,000.00</b>

\$ 885,000.00 \$ 2,465,000.00 \$ 1,745,000.00 \$ 2,125,000.00 \$ 550,000.00 \$ 577,000.00 \$ 400,000.00 \$ 9,455,000.00