

**KPB/KPBSD
SCHOOL FACILITIES
REHABILITATION &
IMPROVEMENTS BOND
INITIATIVE**



**Kenai Peninsula Borough
Purchasing & Contracting Department
Maintenance Department**

Operational and Organizational Assessment for Asset Management

- In 2021 the Borough contracted with FEA PC, a facilities management consulting group specializing in strategic planning for how facilities are operated, managed, maintained, and sustained.
- Using the results of the study, the Kenai Peninsula Borough is working to improve preventive maintenance practices, collaborative capital planning, and a performance measurement approach to continued improvement of assets.



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Borough Facilities Data

- The Kenai Peninsula Borough operates approximately 90 facilities area wide, totaling 2.4 million Square feet. (This figure excludes Hospital facilities).
- These facilities include fire stations, maintenance buildings, recreational centers, municipal service buildings , and of course schools.
- The replacement value of this infrastructure in slightly over \$1 billion.
- Of those 90 facilities 45 are schools or school related facilities.



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Facilities Asset Management Strategy and Goals

- Preventive maintenance focus and reduction in unplanned work orders
- Continue annual facility review of assets and conditions.
- Annual area wide 5 year capital planning update
- Major maintenance and capital improvement priorities identified and established based on life cycle analysis and performance measures.



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Condition of School Facilities

- The average age of Borough facilities is **46 years**.
- 38% (16 schools) of our school facilities have building sections exceeding 50 years old.
- Our district is somewhat unique as we have both urban, rural, and remote areas, we have 42 schools in 17 communities with just under 1.9 million SF.
- While KPB's funding of general maintenance for its school facilities has been adequate through the years, capital replacement and capital improvements have not been adequately funded nor kept pace with the asset's predictable useful life.

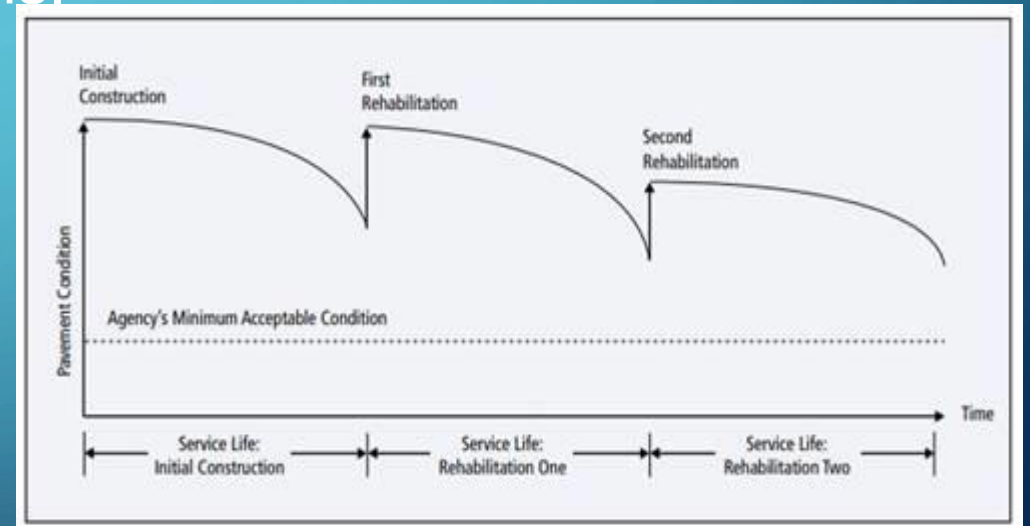


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Condition of School Facilities

Rehabilitation projects are limited in their results, and do not result in a new facility with a new life cycle. They result in something less than new, and each rehabilitation provides a shorter life extension. Rehabilitation efforts can be pursued for a very long time, but with ever predictable diminishing returns.

- Optimal service life is determined by comparing capital costs to the ongoing operation and maintenance costs. An example is the high and increasing maintenance costs of Soldotna Elementary.



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Capital Improvement Strategy; Funding

- PayGo projects; PayGo projects are projects that are of a size and nature that KPB can finance through locally generated revenues.
- Grant funding; KPB and KPBSD continue to seek all alternate grant funding sources for identified capital projects and major maintenance improvements.
- Major capital projects; Due to the size and nature of some projects, paying as we go or through the normal budgetary process is not feasible or practical.



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Capital Improvement Strategy

- Through the annual assets evaluation process KPB/KPBSD have developed a capital improvement and major maintenance project list with an estimated value of \$225 Million in identified capital improvement needs.
- On an annual basis KPB puts forward about \$2.6 million in educational PayGo funding that is distributed area wide based on established capital priority projects.



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Capital Improvement Strategy

- Through a bond funding initiative, covering the cost of the Major Capital Projects, KPB /KPBSD seeks to allow for more PayGo projects to be addressed area wide on an annual basis.
- This process will improve our Major maintenance replacement strategy with the intent of increasing the effectiveness of our Preventive Maintenance programs.



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BOND PROJECT PRIORITY RECOMMENDATIONS

SOLDOTNA ELEMENTARY RECONSTRUCTION \$21,500,000

SCHOOL DISTRICT ADMINISTRATION BUILD (SO PREP RENOVATION) \$18,500,000

SCHOOL STUDENT DROP-OFF VARIOUS FACILITIES AREA WIDE \$5,500,000

SEWARD AND NIKISKI HIGH SCHOOL TRACK AND FIELD \$4,500,000

KPB/KPBSD MAINTENANCE SHOP \$5,000,000

VARIOUS SCHOOL ROOF REPLACEMENTS \$4,800,000

KENAI MIDDLE SCHOOL SAFETY/SECURITY RENOVATION \$2,500,000

KENAI CENTRAL HIGH SCHOOL FIELD RESTROOM AND CONCESSION \$500,000

HOMER HIGH SCHOOL FRONT ENTRANCE IMPROVEMENTS \$750,000

SOLDOTNA HIGH SCHOOL SIDING REPAIR \$2,000,000

TOTAL BOND AMOUNT \$65,550,000



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COST TO THE TAXPAYER

- The estimated payment per taxpayer on \$65 million dollars in school bonds would be \$45 per \$100,000 of taxable value.
- The estimated payment on \$65 million dollars in school bonds, should the state moratorium on school bond reimbursement be lifted, would be reduced to \$25 per \$100,000 in taxable value.



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Why Is a large portion of the Funding centered on the Soldotna Facilities

- In recent years the Soldotna program has seen an extensive reconfiguration of the student population in its schools.
- As part of that reconfiguration a third party study was completed by an architectural and engineering team to make recommendation about how best to utilize the existing infrastructure and renovate or replace the outdated facilities.
- Those recommended priorities are the largest understood inefficiencies in the KPBSD facility group.
- Addressing the issues in the Soldotna area will not only save taxpayer dollars in the long term, they will also free up much needed resources to be applied in other areas of the borough.



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QUESTIONS ?



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