

NUTLEY SCHOOL DISTRICT

STRATEGIC MODERNIZATION AND MAINTENANCE OPERATIONAL PROGRAM AND BUSINESS PLAN CONCEPT

(Revised and approved at the public board meeting of January 28, 2008)

The Strategic Modernization and Maintenance Operational Program and Business Plan Concept shall establish a framework within which the Nutley Board of Education can make capital and operational decisions related to infrastructure rehabilitation, replacement and maintenance management.

GOAL

To provide a modern school environment which meets demographic and curriculum needs and maintain the investments in the district's infrastructure by establishing a maintenance management plan, business/financial plan and priority setting.

BACKGROUND

On April 20, 2003 Nutley approved a \$4,872,673 million dollar referendum to renovate the High School science wing. This work was completed on October 1, 2004.

On September 28, 2004 Nutley approved a \$23.7 million referendum to expand and upgrade the John Walker Middle School to provide for a building addition and renovations.

On April 17, 2006 the Nutley BOE adopted the Nutley School District Modernization Program which discussed a two phased approach to modernize its existing building infrastructure. The intent of the Program was to codify the Boards overall plan to manage its multi-million dollar building/facility/asset inventory going forward. At that time of its adoption Phase 1 of the program generally included restoration of the envelopes of the five elementary schools and Nutley High School to include windows, roofs and masonry restoration. And, Phase 2 provided for multiple projects to renovate each elementary school one at a time to meet demographic space and curriculum needs and provide a modern school environment. At the adoption of this program the BOE was planning for a September 26th, 2006 referendum to implement Phase 1.

The July 28, 2006 Yantacaw School ceiling collapse gave cause for the Nutley BOE to revisit the Program. On December 12, 2006 the Township of Nutley approved a \$38.5 million referendum to renovate all of its five elementary school buildings and portions of Nutley High School. The scope of this work generally consists of facade repairs, window replacement, roof replacement, HVAC replacement and restroom renovations.

BUSINESS/FINANCIAL PLAN

There are two basic components of the Business/Financial Plan. Those being; the employment of a grant writer and the other being the establishment of a Capital Reserve Fund that is the cornerstone of future infrastructure renovation funding.

In order to secure more funding greater than what can be secured via referendum and due to budget limitations the district has retained the services of a grant writer. The intent of the grant writer is to secure federal, state, and private grants to be used to fund educational programs and facility improvements. As of this writing the grant writer has secured over \$1,000,000 in funding for the district.

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds to be used in subsequent years to implement capital projects in the district's approved Long Range Facility Plan (LRFP). The concept behind the establishment of the Capital Reserve Fund is to provide a mechanism to self-fund future capital and/or expense investment in the districts infrastructure. As of January 2008, the Capital Reserve Fund has approximately \$455,000.00 on deposit. These funds are set up in an interest bearing bank account and interest income earned is deposited into the capital reserve balance. The current plan is to grow this account to approximately \$2 million. The principal would remain at a minimum of \$2 million and the interest earned would fund capital and infrastructure reinvestment. The principal would be funded from two sources other than interest income; budget allocations and year end unexpected budget appropriations subject to the state budgetary regulations.

PRIORITY SETTING

The district shall identify, at least annually, infrastructure needs and prioritize them for approval. As of this writing some of the current priorities include:

- Site work at all seven school buildings, i.e., curbs, pavement, sidewalks, fencing
- Replacement/relocation of the districts maintenance service building
- Installation of permanent lights at the Park Oval
- Security Lighting
- Permanent location for bus parking

MAINTENANCE MANAGEMENT

In order to appropriately maintain the districts portfolio of property, especially the \$67,072,673 million capital investment made in the districts infrastructure via the three approved referendums, the district recognizes the need to address its maintenance program and make appropriate changes as per the Administration's recommendations. Concepts to be included in discussion include contracting out HVAC maintenance and other specialty maintenance, training internal staff, and/or reorganizing the maintenance unit to better maintain a modern infrastructure.