

Northfield Public Schools Board of Education

March 19, 2019 Work Session

5:00 pm – 7:00 pm

Northfield High School Media Center

Updated Agenda 03.19.2019

1. Welcome and Overview
2. Student Device Lease

Director of Technology Services Kim Briske will further review feedback from the recent parent survey and explain how it will be used to foster continuous improvement. She will also present options for student device leases.

 - a. Parent Feedback Survey - Deeper Dive
 - b. Lease Options
3. Construction Projects
 - a. Change order limits for building level administrators, superintendent, and project oversight committee.
 - b. Knutson Construction Contractor “Meet and Greet”.
4. Land Purchase Update
5. Gymnastics
 - a. 2019-20 options

School Board Work Session | Change Order Limit Examples provided by Wold Architects
March 19, 2019

Example 1:

\$50,000 for Facilities Director and/or Superintendent and/or Finance Director
Higher than \$50,000 requires POC (Project Oversight Committee) and Board approval

Example 2:

\$50,000 for Facilities Director and/or Superintendent and/or Finance Director
\$100K for Facilities Committee (w/Board member presence)
Higher than \$100K requires Board approval

Example 3: (Delano)

\$100K for Superintendent
\$300K for POC
Higher than \$300K requires Board approval

Example 4: (St. Francis)

\$100K for Facilities Director or Business Manager
\$250K for Superintendent
\$350K for POC
Higher than \$350K requires Board approval



KNUTSON CONSTRUCTION

CONTRACTOR MEET & GREET

TUESDAY, APRIL 9 | 4PM - 6PM
Northfield High School Upper Gate Entry

**TOGETHER
WE MAKE
DREAMS
REAL**

Knutson Construction Contractor Meet & Greet

Informational Project Presentations at **4:30pm** and **5:30pm**

- Introductions
- Who is Knutson
- Project Overviews
- Bidding Process & Procedures
- Q&A

At Knutson, we know that our services are not just a means to an end, but an important journey we are about to embark on together. Since 1911, we have brought this philosophy to our team of construction professionals who have become known for their monumental work ethic and integrity. More than a century later, Knutson has grown into a regional company that provides preconstruction, general contracting, construction management, and design-build services.



March 13, 2019

NORTHFIELD GYMNASTICS LEASE PROPOSAL

404 SCHILLING DRIVE NORTH DUNDAS, MN 55019

Base Rent 22,694 square feet x \$4.50 psf. =	\$102,123.00 per year	\$ 8,510.25 per month
CAM x \$1.75 psf. =	39,714.50	3,309.54
Real Estate Taxes x \$1.59 psf. +	36,083.46	3,006.96
TOTALS	\$177,920.06	\$ 14,826.75

LEASE NOTES:

- Base rent would be a savings of \$70,000.00 to \$80,000.00 per year over what would be charged to an average "retail" tenant.

Proposed lease term of five (5) years.

Build out funds available, to be amortized over the term of the lease agreement, for example-

\$75,000.00 over 60 months at 3.9% interest would be a "buildout" payment of \$1,377.86 per month.

Space available immediately.

ALTERNATE RENT STRUCTURE-

Base Rent 14,194 square feet x \$5.00 psf. =	\$ 70,970.00 per year	\$ 5,914.17 per month
CAM x \$1.75 psf. =	24,839.50	2,069.96
Real Estate Taxes x \$1.59 psf. =	22,568.46	1,880.71
TOTALS	\$ 118,377.96	\$ 9,864.84

Val, if you or anyone else has any questions on this please feel free to contact me. We appreciate having the opportunity to present you with this option.

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Northfield School District No. 659

Estimated Impact of \$180,000 Annual Lease Levy

Estimated Tax Impact Schedule

Type of Property	Estimated Market Value	Estimated Annual Taxes*
Residential Homestead	\$100,000	\$4
	150,000	8
	200,000	11
	300,000	17
	400,000	24
	500,000	30
Commercial/ Industrial*	600,000	38
	\$250,000	\$26
	1,000,000	116
Ag Homestead** (average value per acre of land and buildings)	2,000,000	236
	\$4,000	\$0.12
	5,000	0.15
	6,000	0.18
Ag Non-Homestead** (average value per acre of land and buildings)	8,000	0.24
	\$4,000	\$0.24
	5,000	0.30
	6,000	0.36
	8,000	0.48

To: Northfield Board of Education
From: Val Mertesdorf, Director of Finance
Date: March 19, 2019
RE: Future Gymnastics Considerations

As you are aware we are in need of a long term solution for the Northfield High School gymnastics program. Tonight, I will discuss two options for your consideration.

Option 1: Five year lease in current facility (old K-Mart)

We were approached by the owners of the facility to see if we were interested in making the lease a longer-term commitment. As a reminder, Chris Brown and family have gifted us space as an emergency solution this past winter when the Farmington Gymnastics building was not ready.

- Lease Terms: 5 years | \$177,920
- Build Out: \$50,000 - 75,000 estimated
 - Raise sprinkler heads for bars
 - 19' minimum for MSHSL

As a potential offset to this cost, we could run a recreation-focused gymnastics program. In Community Education, it is always our intent to supplement programming in the community and not duplicate it. We know there is an established gymnastics club in town, but we know that often their classes fill up and some families aren't able to participate because of schedules. I don't believe the Northfield Gymnastics Club currently has a boys team. Our goal would be to have more options for families. Melissa Bernhard, Recreation Coordinator put together the revenue and expenditure model. The revenue model is extremely conservative and the staffing expenditures are likely overstated. Even with these dynamics, it is projected to generate income. The estimate shows the programming could reach 600 students (duplicated count) in the community.

The gymnastics team would require approximately 14,000 square feet. This would leave 4-5,000 square feet available for additional programming. I've included a list of potential ideas. We would also use the climate controlled space for Rock-n-Roll Revival costume storage as well as the district-wide paper storage. Climate controlled storage will cost the district \$2,520 annually. Last year the district bulk purchased the majority of their paper and saved approximately \$20,000. This was a space constraint for most buildings.

There are some other items to consider. When we look at the tax impact scenario, if we levied the entire \$180,000 it would be an increase of \$11 per year for a \$200,000 home. We are not required to lease levy the full payment. We could levy a partial amount and pay the rest out of operating capital. This would reduce the flexibility we have in our operating capital for the term of the lease. In addition, we will no longer levy for NCRC after the Pay 20 cycle. This accounts for about 1/3 of the proposed lease cost.

Option 2: Farmington Gymnastics Club

Lynn Bauman, owner of Farmington Gymnastics and Cheer is willing to lease space to us for the 2019-20 season. They are now in their new building, so there would not be any unanticipated changes.

- Lease Term: 1-2 years | \$10-12,000
- Bus Cost: \$20,000 annually out of general fund

Considerations with this option are the short-term nature. Should Farmington Gymnastics and Cheer change their mind we would be again looking for a solution. In addition, we invested \$70,000 in equipment that would be put into storage.

I am not making a recommendation for either option at this time. I feel it is my responsibility to present the Board with all the available information to make an informed decision. Based on the information provided tonight if there is additional information you desire, I would gladly provide it at the next Board meeting.

Fall 1: September 16 - October 26 (6 week session)
 Fall 2: November 11 - December 21 (6 week session)
 Winter: January 6 - Feb. 15 (6 week session)
 Spring 1: March 2 - April 18 (6 week session - no class spring break)
 Spring 2: April 20 - May 30 (6 week session)
 Summer: June 8 - July 25 (6 week session - no class July 4th week)
 Camps in August (gymnastics, dance, cheer & stunt, martial arts, parkour, Ring The Bell Intensive, etc.)

Sample Session (Class Revenue)	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Total Classes	Hours/class	Cost of Class 1X/week	Cost of Class 2X/week	Min. Participants	Max. Participants	Total Registrations Possible	Estimated Total # of Registrations	Estimated Revenue @ 1X week	Estimated Revenue @ 2X week
CO-ED																
Tiny Tumblers		X				X	2	0.75	\$55	\$65	2	8	16	10	\$550	\$650
Pre-School	X		X		X	X	4	1	\$59	\$74	2	8	32	24	\$1,416	\$1,776
GIRLS																
Beginners	X		X		X	X	4	1.25	\$65	\$85	2	8	32	24	\$1,560	\$2,040
Adv. Beginners		X				X	2	1.5	\$69	\$94	2	8	16	10	\$690	\$940
Intermediates				X		X	2	2	\$89	\$119	2	8	16	10	\$890	\$1,190
Pre-Team	X				X	X	3	2	\$89	\$119	6	10	10	8	\$712	\$952
BOYS																
Boys Beginners			X			X	2	1.25	\$65	\$85	6	8	16	8	\$520	\$680
Boys Advanced			X			X	2	1.5	\$69	\$94	2	8	16	8	\$552	\$752
HIGH SCHOOL FI, S1, S2, S									2X	3X					5 @ 2X @ 6 weeks	5 @ 3X @ 6 weeks
	X	X		X			3	3	\$25	\$35	2	15	15	10	\$750	\$1,050
OPEN GYM																
AM			X				1	1	\$5 person / \$10 fam. max		1	25	150	50	\$250	\$170
PM			X				1	2	\$5 person/ \$10 fam. max		1	50	300	100	\$500	\$340
BIRTHDAY PARTIES																
						X	2	2	\$85				14	7	\$170	N/A
TOTALS							28				28	156	633	269	\$8,560	\$10,540

If all registrants came once a week If all registrants came twice a week
 We'd land somewhere in the middle

Sample Month (Team Revenue)	Hours Per Week	Hours Per Month	Cost Per Practice	Cost Per Week	Cost Per Month	# Enrolled	Revenue Per Month
GIRLS Team							
3X/Week	9	36	\$12	\$35	\$140	4	\$560
4X/Week	12	48	\$10	\$40	\$160	4	\$640
Boys Team							
2X/Week	4	16	\$12.50	\$25	\$100	2	\$200
3X/Week	6	24	\$10.00	\$30	\$120	2	\$240
Total Revenue/Month							\$1,640

Sample Session (Class Expenses)	# Staff needed/class	Total Classes	Class Length In Hours	Hourly Staff Time Per Class	Hourly Wage Min.	Hourly Wage Max.	Per Class Estimated Staffing Costs	Total Estimated Class Staffing Costs/week	Total Estimated Class Staffing Costs/6 week session
CO-ED									
Tiny Tumblers	1	2	0.75	1.25	\$9.86	\$10.50	\$13.13	\$26.26	\$157.56
Pre-School	2	4	1	1.5	\$9.86	\$10.50	\$30.54	\$122.16	\$732.96
GIRLS									
Beginners	2	4	1.25	1.75	\$9.86	\$10.50	\$35.64	\$142.56	\$855.36
Adv. Beginners	2	2	1.5	2	\$9.86	\$10.50	\$40.72	\$81.44	\$488.64
Intermediates	2	2	2	2.5	\$9.86	\$10.50	\$50.90	\$101.80	\$610.80
Pre-Team	2	3	2	2.5	\$9.86	\$10.50	\$50.90	\$152.70	\$916.20
BOYS									
Boys Beginners	1	2	1.25	1.75	\$9.86	\$10.50	\$35.64	\$71.28	\$427.68

Revenue Generation Using Additional K-Mart Space

Indoor Play Park (jungle gym, turf space, mini gym, giant block/lego area, tiny tot space, bounce house or two)

Indoor Pickleball

Ninja / Parkour (not cross-fit) (in play park)

Portable Strider bike track for youth (in play park)

Skateboarding/Scooter/Roller Blade Obstacles (in play park)

Curling

Rock climbing wall (staffed during a set time)

Batting Cages (code entry like play park)

Revenue Generation Using Gymnastics Space

Cheer and Stunt Team (youth and high school)

Home School Groups

"Child watch/drop off" in the gymnastics space/indoor play park (for up to 3 hours at a time)?

Ring The Bell Extreme – for an extra day or specialized workout

Summer camps

- Recreational Gymnastics
- Competitive Gymnastics
- High School Gymnastics
- Parkour/Ninja
- Dance
- Cheer & Stunt
- BMX (using pits)
- Snowboarding (using tramps) - special protective sleeve over board
- Martial Arts
- Open gyms
- Track / Pole Vaulting (high school and college track team used to come in and use our space for pole vault training)