

OPERATIONAL SERVICES

4:152 Capital Renewal Funding - Sherman Dergis Methodology

Adequate financial planning and continued investment in capital infrastructure is necessary to operate the schools and provide the highest quality facilities possible, consistent with the financial resources available. Recognizing that the District's school sites and facilities have been constructed and maintained over their lifespan primarily through local resources for the benefit of past and current students, staff and community members, the Board will prioritize an ongoing investment in the capital infrastructure and be responsible stewards of these past investments for the benefit of future students and community members.

Therefore, the Board will utilize the Sherman Dergis methodology to forecast annual renewal allowances for all of the district facilities. The allowances will be incorporated into the annual budget each year. The allowances will be tracked in the Capital Renewal Fund, which is a sub fund of the Operations and Maintenance Fund.

Leveraging the Sherman Dergis methodology, the Board will commit to allocating financial resources in the annual budget each year to address maintenance, repair and/or replacement of the physical building infrastructure, systems, envelope and interior conditions to provide a safe, comfortable and healthy environment for learning and working. The Board will strive to maintain, and increase when possible, budget allowances each year to address the capital infrastructure needs consistent with Board Policy 4:10 Fiscal and Business Management. The allowances will be considered restricted for the intended use, but will not be counted as fund balance for the purpose of Board policy 4:20, *Fund Balances*.

Annually, the Board will review a rolling Three-year Capital Renewal Forecast that outlines facility needs, projected financial resources required and considers the sequence of work at each school facility to maximize efficiency. The Three-year Capital Renewal Forecast shall serve as a key input in the annual financial planning process.

When possible, the Three-year Capital Renewal Forecast, will seek to identify and integrate opportunities to upgrade facilities and learning spaces to reflect modern learning environments that are supportive of the District 200 Portrait of a Graduate and the District's then current strategic plan