

RSU No. 5
DURHAM - FREEPORT - POWNAL

3-5 YEAR FINANCIAL ANALYSIS, PROJECTION AND PLANNING

PRESENTED TO THE BOARD OF DIRECTORS ON APRIL 28, 2010

2010-11 - 2014-15

RSU No. 5
Durham- Freeport - Pownal
3-5 Year Financial Analysis, Projection and Planning

Introduction

This document presents a Three - Five Year Financial Analysis, Projection and Plan for Regional School Unit No. 5 made up of students from Durham, Freeport and Pownal. It is intended to provide a long-range financial framework to support the strategic planning of the district. Each year the plan will be updated to better reflect the current financial conditions, in both revenues and expenditures, while taking into consideration "program improvements and initiatives".

Current Budget

To begin this process we have used the current "2009-10 Adopted Budget" by the RSU communities. Projections will take into consideration maintaining level services, and budget changes if needed to support "program improvements and initiatives".

Enrollment Projections

Maine State Planning Office has provided us with K-12 projections for the next 10 years. We will also continue to see a shift of students to the RSU High School.

Revenue Estimates

It is anticipated that over the next few years we will continue to see a decrease in state aid to education. The areas that impact our state aid are student counts, (if we can increase our resident students we have the potential to increase our state aid) and valuation. An increase in community valuations will decrease our state aid. Federal Stimulus funds that were received in the 2009-2010 are expected to continue at some level for 2010-2011 but are not anticipated beyond that.

This document will attempt to provide estimates for revenue funds in the following areas:

- Local Property Tax
- State Aid to Education - Stimulus Funds
- Debt Service: School Construction - Capital Enhancement Plans
- Investments

Expenditure Estimates

Many areas will impact expenditure estimates, such as contract negotiations, new building costs (increase in some areas and decreases in others), capital enhancement plans, transportation services, debt service payments, tuition students, and program improvements and initiatives. Projections will begin with the Adopted budget from 2009-2010. Changes that occurred during that year will then be adjusted for future years with decreases and increases in certain areas. (new hires, minor program changes etc.) In some areas a 3% multiplier has been used to project expenditures. This number was used based on the budget average of the three communities for the past 3 years being over 2.7%. Many of these estimates will be reflective of the strategic plan for RSU 5.

These are the many areas that will be considered:

- Turn-Key Costs of continuing existing programs - Level funding
- Program Improvements / New Initiatives
- Capital Enhancements
- Negotiations - Future - Salary / Benefits
- Debt Service - Increases and Decreases
- New Building costs/ adjustments

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Transportation
Special Education
Tuition Students
Technology

Tuition Students

The Consolidation Plan provides for a phase out of tuition to non-RSU 5 High Schools. This will allow for substantial savings or the ability to reallocate funds into the RSU High School. Over the 5 Year period it is anticipated to be over \$900,000.

3-5 Year Financial Analysis, Projection and Planning
Enrollments

	Budget 2009-10	Actual - Oct 1 2009-10	Projected 2010-11	Projected 2011-12	Projected 2012-13	Projected 2013-14	Projected 2014-15
Grade Pre-K	11	26	26	26	26	26	26
Grade K	153	157	150	155	155	155	155
Grade 1	140	145	158	150	155	155	155
Grade 2	125	133	147	158	150	155	155
Grade 3	148	149	132	147	158	150	155
Grade 4	123	131	152	132	147	158	150
Grade 5	139	135	130	152	132	147	158
Sub Total K-5	839	850	869	894	897	920	928
Grade 6	145	141	145	130	152	132	147
Grade 7	132	126	144	145	130	152	132
Grade 8	152	152	125	144	145	130	152
Sub Total 6-8	429	419	414	419	427	414	431
Grade 9	122	121	142	112	128	145	130
Grade 10	112	111	125	142	112	128	145
Grade 11	101	99	113	125	142	112	128
Grade 12	86	94	102	113	125	142	112
Sub Total 9-12***	421	425	482	492	507	527	515
Total K - 12	1689	1694	1765	1805	1831	1861	1874
Tuition Students**	140	124	106	77	64	45	29

9th grade = all Pownal 8th all Durham/Pownal 8th
Durham - 12 8th graders tuition out

** Does not include Special Ed outside placements

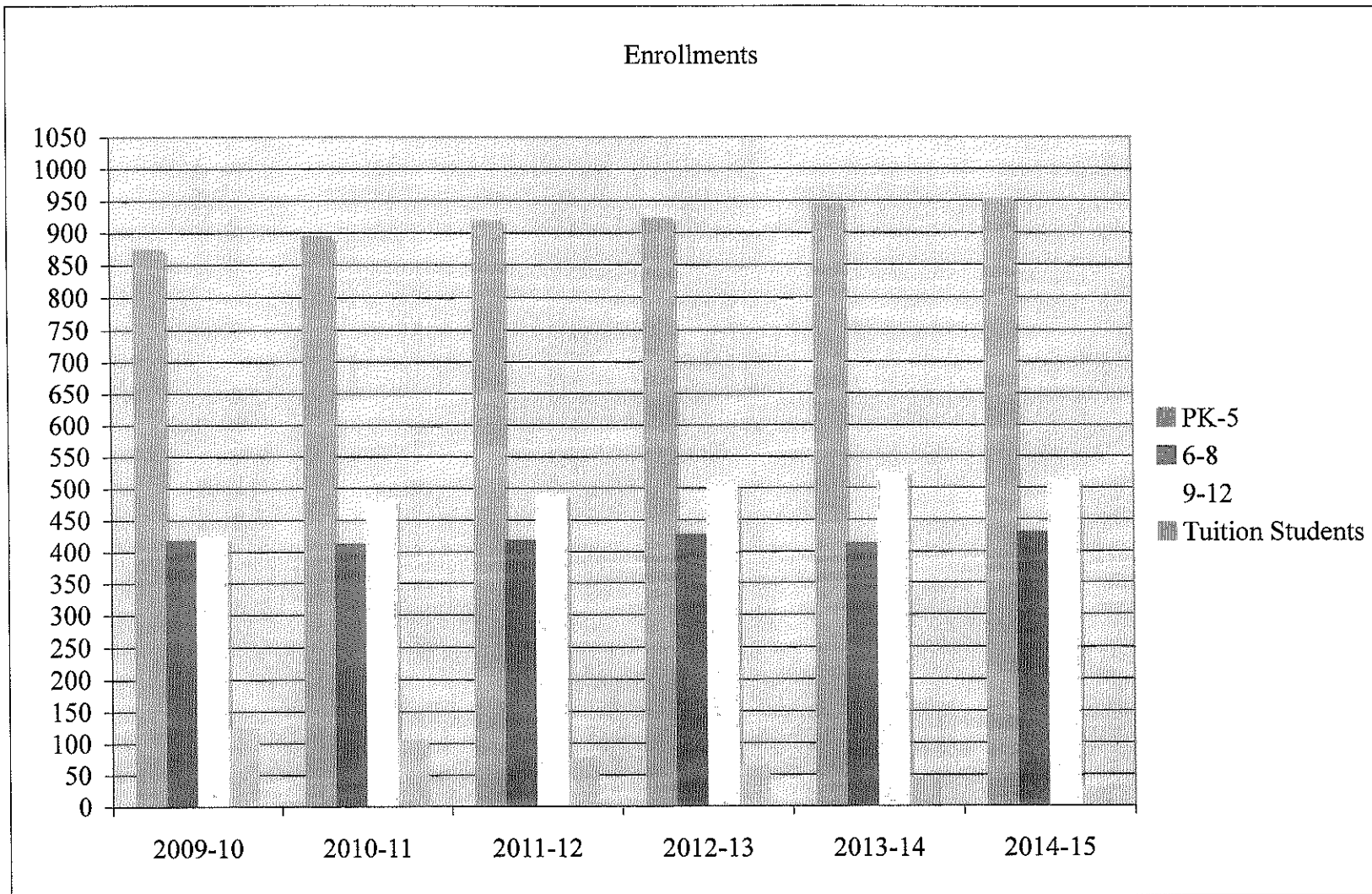
*** Recognizes the shift from tuition students to phase in of all resident students attending RSU High School

Source: Maine State Planning Office / J Rier DOE 8-09

3-5 Year Financial Analysis, Projection and Planning
Enrollments

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
PK-5	876	895	920	923	946	954
6-8	419	414	419	427	414	431
9-12	425	482	492	507	527	515
Tuition Students	124	106	77	64	45	29
PK-12	1720	1791	1831	1857	1887	1900

3-5 Year Financial Analysis, Projection and Planning
Enrollments



Source: Maine State Planning Office / J Rier DOE 8-09

3-5 Year Financial Analysis, Projection and Planning
Revenues

	Adopted Budget (Base Year) 2009-10	Adopted Budget (Base Year) 2009-10 REVISED*	Projected 2010-11 Proposed	Projected 2011-12	Projected 2012-13
GENERAL FUND REVENUES					
Local Minimum Required					
Durham	\$2,116,751	\$2,116,751	\$2,454,606	\$2,457,350	\$2,603,387
Freeport	\$9,653,098	\$9,653,098	\$10,513,379	\$10,880,800	\$11,527,430
Pownal	<u>\$1,206,479</u>	<u>\$1,206,479</u>	<u>\$1,312,542</u>	<u>\$1,337,350</u>	<u>\$1,416,827</u>
TOTAL GENERAL FUND REVENUES	\$12,976,328	\$12,976,328	\$14,280,527	\$14,675,500	\$15,547,644
ADDITIONAL LOCAL REVENUES					
Durham	\$1,123,142	\$1,123,142	\$936,588	\$1,116,155	\$1,066,646
Freeport	\$3,332,435	\$3,332,435	\$2,484,892	\$3,066,241	\$2,899,528
Pownal	<u>\$567,043</u>	<u>\$567,043</u>	<u>\$410,388</u>	<u>\$523,217</u>	<u>\$496,320</u>
TOTAL ADDITIONAL LOCAL REVENUES	\$5,022,620	\$5,022,620	\$3,831,868	\$4,705,613	\$4,462,494
INTERGOVERNMENTAL REVENUES					
State Aid (no debt service)	\$3,649,791	\$3,654,345	\$3,044,252	\$3,414,866	\$3,433,969
Stimulus Aid	\$620,207	\$615,653	\$484,473	\$0	\$0
Debt Service Mast Landing	\$304,906	\$304,906	\$284,969	\$0	\$0
Durham Community	\$724,787	\$391,512	\$1,449,327	\$1,425,348	\$1,406,245
State Aid Curtailment	<u>\$0</u>	<u>-\$651,872</u>			
TOTAL INTERGOVERNMENTAL REVENUES	\$5,299,691	\$4,314,544	\$5,263,021	\$4,840,214	\$4,840,214
OTHER REVENUES					
Shared Revenues	\$96,532	\$96,532	\$5,100	\$10,000	\$10,000
Medicaid Reimbursements	\$0	\$0	\$110,442	\$75,000	\$50,000
Investments / Interest	\$0	\$0	\$9,000	\$9,000	\$9,000
State Agency Client	<u>\$0</u>	<u>\$0</u>	<u>\$63,394</u>	<u>\$25,000</u>	<u>\$0</u>
TOTAL OTHER REVENUES	\$96,532	\$96,532	\$187,936	\$119,000	\$69,000
TOTAL REVENUE BUDGET	\$23,395,171	\$22,410,024	\$23,563,352	\$23,969,713	\$24,529,635
increase/decrease from previous year		-\$985,147	\$168,181	\$406,361	\$559,922

Notes:
 * State Aid Curtailment 09-10 = \$651,872
 Total Revenue Based on Expenditure Projection
 State Aid Projection FY11 DOE ED 279 3/4/10 - FY12 Department of Education Preliminary Estimates 4/6/10 - FY 13 Based on Flat Funding
 Additional Local includes changes in local debt service payments (+/-) - Does not include offsetting local carryovers
 Source : Maine Revenue Services: www.maine.gov/revenue/propertytax/siebar/2010sv.pdf
 Maine Department of Education: www.Maine.gov/education/data/eps/epsmenu.htm

3-5 Year Financial Analysis, Projection and Planning
Expenditures

	Adopted Budget (Base Year) 2009-10	Proposed 2010-11	Projected 2011-12	Projected 2012-13	Projected 2013-14	Projected 2014-15
Article 1	Student and Staff Support					
	Salaries	\$1,093,210	\$1,214,758			
	Benefits	\$286,202	\$388,306			
	Other	\$429,990	\$301,096			
	Total Article 1	\$1,809,402	\$1,904,160	\$2,532,533	\$2,608,509	\$2,686,764
Article 2	School Administration					
		\$1,167,495	\$1,099,305			
	Total Article 2	\$1,167,495	\$1,099,305	\$1,132,284	\$1,166,253	\$1,201,240
Article 3	Facilities Maintenance					
	Heat	\$231,416	\$234,237			
	Electricity	\$234,839	\$279,161			
	Capital Enhancements / Shared	\$454,574	\$530,845	\$699,214	\$815,396	\$788,858
	Capital Enhancements / Non-Shared	\$174,070	\$152,320	\$150,217	\$124,496	\$47,310
	Other	\$1,598,651	\$1,642,061			
	Total Article 3	\$2,693,550	\$2,838,624	\$3,069,554	\$3,226,619	\$3,262,156
Article 4	Career and Technical Education					
		\$285,540	\$285,540			
	Total Article 4	\$285,540	\$285,540	\$294,106	\$302,929	\$312,017
Article 5	All Other - Nutrition / Crossing Guard					
		\$280,102	\$106,400			
	Total Article 5	\$280,102	\$106,400	\$109,592	\$112,880	\$116,266
Article 6	Regular Instruction					
	Salaries	\$6,879,321	\$6,733,337			
	Benefits	\$1,324,151	\$1,548,103			
	Tuition	\$972,030 *	\$831,907	\$725,831	\$608,831	\$437,831
	Other	\$601,285	\$303,537			\$293,831
	Total Article 6	\$9,776,787	\$9,416,884	\$9,568,357	\$9,716,633	\$9,956,298
* Additional amount of \$299,200 budgeted in Stimulus 09-10						
Article 7	Other Instruction / Co-Curricular - Athletics					
		\$513,329	\$510,093			
	Total Article 7	\$513,329	\$510,093	\$525,396	\$541,158	\$557,392

3-5 Year Financial Analysis, Projection and Planning
Expenditures

	Adopted Budget (Base Year) 2009-10	Proposed 2010-11	Projected 2011-12	Projected 2012-13	Projected 2013-14	Projected 2014-15
Article 8	System Administration	\$629,276	\$625,912			
	Total Article 8	\$629,276	\$625,912	\$644,689	\$664,030	\$683,951
Article 9	Student Transportation					
	Contracted Transportation	\$381,182	\$382,332			
	Other	\$751,766	\$813,162			
	Total Article 9	\$1,132,948	\$1,195,494	\$1,231,359	\$1,268,300	\$1,306,349
Article 10	Debt Service and Other Commitments					
	Mast Landing	\$304,906	\$284,969	\$0	\$0	\$0
	Durham Community	\$724,787	\$1,449,327	\$1,425,348	\$1,406,245	\$1,387,141
	Non-Shared	\$332,206	\$414,499	\$402,883	\$393,950	\$375,590
	Total Article 10	\$1,361,899	\$2,148,795	\$1,828,231	\$1,800,195	\$1,744,335
Article 11	Special Education					
	Salaries	\$2,031,118	\$2,095,686			
	Benefits	\$485,336	\$544,776			
	Tuition	\$316,402	\$208,000			
	Other	\$208,780	\$16,210			
	Total Article 11	\$3,041,636	\$2,864,672	\$2,950,612	\$3,039,131	\$3,130,304
Total Operating Budget		\$22,691,964	\$22,995,879	\$23,886,713	\$24,446,635	\$24,789,429
Other	Stimulus Budget	\$620,207	\$484,473	\$0	\$0	\$0
	Adult Ed Budget	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000
Total Budget - Operating - Stimulus - Adult Ed		\$23,395,171	\$23,563,352	\$23,969,713	\$24,529,635	\$24,872,429
			\$168,181	\$406,361	\$559,922	\$342,794
			0.72%	1.72%	2.34%	1.40%
						1.88%

Notes: Based on 3% increases (+/-) known increases i.e.: Debt Service/ Tuition projections

3-5 Year Financial Analysis, Projection and Planning
Valuations

	(Base Year) 2009-10 2008 State	Actual 2010-11 2009 State	Projected 2011-12	Projected 2012-13 3% (estimated)
Valuations				
Durham	\$332,300,000	\$354,200,000	\$351,050,000	\$361,581,500
Freeport	\$1,515,400,000	\$1,558,200,000	\$1,554,400,000	\$1,601,032,000
Pownal	\$189,400,000	\$189,400,000	\$191,050,000	\$196,781,500
Anticipated Minimum Local Required Mil Rate Expectation	6.37%	6.74%- 6.93%	7.00%	7.20%
Durham	\$2,116,751	\$2,454,606	\$2,457,350	\$2,603,387
Freeport	\$9,653,098	\$10,513,379	\$10,880,800	\$11,527,430
Pownal	\$1,206,478	\$1,312,542	\$1,337,350	\$1,416,827
Sub Total	\$12,976,327	\$14,280,527	\$14,675,500	\$15,547,644
Increase / (Decrease) over prior year		\$1,304,200	\$394,973	\$872,144

Notes: Valuations appear to be remaining fairly flat - although state minimum requirement increases due to the mil rate expectation .
State Valuation average increase is approximately 3%

Source : Maine Revenue Services: www.maine.gov/revenue/propertytax/siebar/2010sv.pdf
Maine Department of Education: www.Maine.gov/education/data/eps/epsmenu.htm

3-5 Year Financial Analysis, Projection and Planning
Debt Service

	Adopted Budget (Base Year) 2009-10	Projected 2010-11	Projected 2011-12	Projected 2012-13	Projected 2013-14	Projected 2014-15
Capital Enhancements / Share	\$530,542	\$530,845	\$699,214	\$815,396	\$800,183	\$788,858
HS Renovation	\$354,823	\$346,104	\$337,386	\$328,667	\$319,808	\$310,695
Central Office	\$20,106	\$19,575	\$19,044	\$18,513	\$17,950	\$17,388
HS Heating - HVAC	\$73,800	\$72,300	\$70,725	\$64,075	\$62,425	\$60,775
HS Lighting	\$5,845	\$4,366	\$4,259	\$4,141	\$0	\$0
RSU Capital Improven	\$75,968	\$88,500	\$267,800	\$400,000	\$400,000	\$400,000
Reserve Funds	\$0	\$0	\$0	\$0	\$0	\$0
State Funded Debt Service	\$1,029,633	\$1,734,296	\$1,425,348	\$1,406,245	\$1,387,141	\$1,368,745
Mast Landing	\$304,906	\$284,969	\$0	\$0	\$0	\$0
Durham Community	\$724,727 *	\$1,449,327	\$1,425,348	\$1,406,245	\$1,387,141	\$1,368,745
Capital Enhancements / Non-	\$174,070	\$152,320	\$150,217	\$129,496	\$48,802	\$47,310
Durham Roof	\$54,196	\$52,990	\$51,695	\$50,253	\$48,802	\$47,310
Middle School Siding	\$52,433	\$52,433	\$52,433	\$52,433		
Freeport CIP	\$51,798	\$35,213	\$34,691	\$15,726		
Freeport Lighting	\$15,643	\$11,684	\$11,398	\$11,084		
Non-Shared	\$332,206	\$414,499	\$402,883	\$393,950	\$384,823	\$375,590
Middle School Impro	\$243,234	\$236,561	\$227,889	\$221,301	\$214,520	\$207,545
Durham Comm Local	\$88,972 **	\$177,938	\$174,994	\$172,649	\$170,303	\$168,045

* Original Budget \$724, 787 - actual bond payment year 1 \$391,511

** Original Budget \$88,972 - actual bond payment \$48,067

3-5 Year Financial Analysis, Projection and Planning
Efficiencies

EFFICIENCIES

Efficiencies

Savings

Lighting

Heating

Electrical

Staffing

Professional Development

Environmental Impacts

This will consist of areas to be reviewed for cost savings, environmental efficiencies, and the potential impact that they will have on future operating budgets