

**FOREST LAKE AREA SCHOOLS  
FOREST LAKE, MN 55025**

**September 3, 2015**

**AGENDA ITEM: 9.1**

**TOPIC: LONG TERM FACILITIES MAINTENANCE REVENUE  
PLAN APPROVAL**

**BACKGROUND:** The MN Legislature established a new Long-term Facilities Maintenance (LTFM) Revenue Program for school districts. The new program replaces the current Health and Safety Revenue, Deferred Maintenance Revenue and Alternative Facilities Bonding and Levy programs, beginning in FY 2017. Revenue increases for school districts not currently eligible to participate in the Alternative Facilities Bonding and Levy program are phased-in over three years, from FY 2017 to FY 2019.

LTFM revenue may be used for capital expenditures and maintenance projects necessary to prevent further erosion of facilities, facility accessibility, and health and safety projects.

**PROCESS:** To qualify, school districts must have a 10-year plan adopted by the school board and approved by the commissioner. The 2015 payable 2016 property tax levy provides this revenue for FY 2017.

To qualify for this levy, the plan must be adopted by the school board and approved by the commissioner before the proposed levy is certified. The plan must include a statement of assurances, a spreadsheet summarizing the planned expenditures by category, and a spreadsheet showing how the school district plans to fund the expenditures.

**RECOMMENDATION:** Administration recommends approving Long Term Facilities Maintenance Revenue Plan.

**GENERAL INFORMATION:** Minnesota school districts, intermediate school districts and cooperative applying for long-term facilities maintenance revenue under Minnesota Statutes, section 123B.595 must annually complete the Application for Long-term Facilities Maintenance Revenue – Statement of Assurances (ED-02477-01). The application must be submitted to the Minnesota Department of Education, (MDE) Attn: Dale Sundstrom by **August 14, 2015**.

**IDENTIFICATION INFORMATION**

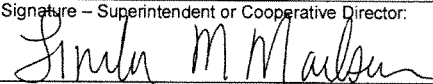
Name of District or Cooperative: <b>Forest Lake Area Schools</b>	District Number and Type: <b>831 - 01</b>	Date Submitted: <b>8-14-2015</b>
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**STATEMENT OF ASSURANCES**

- All estimated expenditures included in the attached Ten Year Plan Expenditure spreadsheet under Health and Safety and entered into the MDE health and safety system are for allowed health and safety uses under Minnesota Statutes section 123B.595, subdivision 10, paragraph (a), clause (3), Minnesota Statutes, section 123B.57, subdivision 6, and the Minnesota Department of Education (MDE) *Long-Term Facilities Maintenance Revenue Guide for Allowable Expenditures*, Section E, Health and Safety Qualifying Criteria, and Section F, Additional Requirements Regarding Health and Safety (July 1, 2015). None of the estimated expenditures included in the attached Ten Year Plan Expenditure spreadsheet under Health and Safety and entered into the MDE health and safety system are for uses prohibited under Minnesota Statutes, section 123B.595, subdivision 11.
- All estimated expenditures included in the attached Ten Year Plan Expenditure spreadsheet under Accessibility and Deferred Maintenance are for allowed uses under Minnesota Statutes, section 123B.595, subdivision 10, paragraph (a), clauses (1) and (2), and the MDE *Long-Term Facilities Maintenance Revenue Guide for Allowable Expenditures*, Section C, Deferred Maintenance Qualifying Criteria or Section D, Disabled Access Qualifying Criteria (July 1, 2015). None of the estimated expenditures included in the attached Ten Year Plan Expenditure spreadsheet under Accessibility and Deferred Maintenance are for uses prohibited under Minnesota Statutes, section 123B.595, subdivision 11.
- All actual expenditures to be reported in UFARS for FY 2017 under Finance codes 347, 349, 352, 358, 363, and 366 will be for allowed health and safety uses under Minnesota Statutes section 123B.595, subdivision 10, paragraph (a), clause (3), Minnesota Statutes, section 123B.57, subdivision 6, and the Minnesota Department of Education (MDE) *Long-Term Facilities Maintenance Revenue Guide for Allowable Expenditures*, Section E, Health and Safety Qualifying Criteria, and Section F, Additional Requirements Regarding Health and Safety (July 1, 2015). None of the actual expenditures reported in these Finance codes will be for uses prohibited under Minnesota Statutes, section 123B.595, subdivision 11.
- All actual expenditures to be reported in UFARS for FY 2017 under the new Finance codes to be used for accessibility and deferred maintenance (under development) will be for allowed uses under Minnesota Statutes, section 123B.595, subdivision 10, paragraph (a), clauses (1) and (2), and the MDE *Long-Term Facilities Maintenance Revenue Guide for Allowable Expenditures*, Section C, Deferred Maintenance Qualifying Criteria or Section D, Disabled Access Qualifying Criteria. None of the actual expenditures reported in these Finance codes will be for uses prohibited under Minnesota Statutes, section 123B.595, subdivision 11.
- The district will maintain a description of each project funded with long-term facilities maintenance revenue that will provide enough detail for an auditor to determine the cost of the project and if the work qualifies for revenue.
- The district's plan includes provisions for implementing a health and safety program that complies with health, safety and environmental regulations and best practice, including indoor air quality management.

**CERTIFICATION OF STATEMENT OF ASSURANCES**

A Statement of Assurances submitted by a single district must be signed by the District Superintendent. A Statement of Assurances submitted by an intermediate school district or cooperative must be signed by the intermediate district superintendent or cooperative director

Signature – Superintendent or Cooperative Director: 	Name - Superintendent or Cooperative Director (Please print) <b>Dr. Linda Madsen</b>	Date: <b>8-13-2015</b>
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**Long-Term Facilities Maintenance (LTFM) Expenditure Projection**

August 13, 2015

ISD #831 ten year LTFM PLAN

FINANCE CATEGORY	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
347 Physical Hazards	\$ 120,000	\$ 120,000	\$ 120,000	\$ 135,000	\$ 150,000	\$ 165,000	\$ 180,000	\$ 195,000	\$ 210,000	\$ 225,000
349 Other Hazardous Materials	40,000	40,000	40,000	45,000	50,000	55,000	60,000	65,000	70,000	75,000
352 Environmental H & S Management	300,000	320,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000
358 Asbestos Removal & Encapsulation	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
363 Fire Safety	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
366 Indoor Air Quality	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>Total H&amp;S capital projects</b>	<b>710,000</b>	<b>730,000</b>	<b>750,000</b>	<b>770,000</b>	<b>790,000</b>	<b>810,000</b>	<b>830,000</b>	<b>850,000</b>	<b>870,000</b>	<b>890,000</b>
<b>H&amp;S projects &gt;\$100,000 / site</b>										
366 Indoor Air Quality	1,600,000	1,600,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,400,000	1,400,000
<b>Total H&amp;S projects &gt;\$100,000 / site</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,400,000</b>	<b>1,400,000</b>
<b>Accessibility</b>										
367 Accessibility	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Deferred Capital Expense and</b>										
368 Building Envelope	100,000	100,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
369 Building Hardware & Equipment	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
370 Electrical	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
379 Interior Surfaces	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
380 Mechanical Systems	50,000	500,000	700,000	689,600	669,600	700,000	650,000	600,000	600,000	600,000
381 Plumbing	20,000	20,000	43,660	20,000	20,000	20,000	26,800	20,400	14,000	32,600
382 Professional Services and salary	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
383 Roof Systems	169,739	371,044	600,000	600,000	600,000	538,200	550,000	575,000	550,000	500,000
384 Site Surfaces	50,000	50,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total Def. Capital Exp. and Maint.</b>	<b>614,739</b>	<b>1,266,044</b>	<b>1,843,660</b>	<b>1,809,600</b>	<b>1,789,600</b>	<b>1,758,200</b>	<b>1,726,800</b>	<b>1,695,400</b>	<b>1,664,000</b>	<b>1,632,600</b>
<b>Total Annual 10 Year Plan Expenditures</b>	<b>\$ 2,974,739</b>	<b>\$ 3,646,044</b>	<b>\$ 4,143,660</b>	<b>\$ 4,129,600</b>	<b>\$ 4,129,600</b>	<b>\$ 4,118,200</b>	<b>\$ 4,106,800</b>	<b>\$ 4,095,400</b>	<b>\$ 3,984,000</b>	<b>\$ 3,972,600</b>

<b>Long-Term Facilities Maintenance (LTFM) Revenue Projection</b>		<b>Revised 7/23/2015</b>			<b>Completed 8-13-2015 LAM Business Manager</b>						
831	<= Type in School District Number										
	FOREST LAKE PUBLIC SCHOOL DISTRICT										
<b>Calculations for Ten Year Projection</b>											
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
5	Initial Formula Revenue										
6	Current year APU	7,123.00	7,007.00	6,957.00	6,920.00	6,920.00	6,890.00	6,860.00	6,830.00	6,800.00	6,770.00
7	District average building age (uncapped)	35.90	36.90	37.90	38.90	39.90	40.90	41.90	42.90	43.90	44.90
8	formula allowance	\$ 193.00	\$ 292.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00	\$ 380.00
9	building age factor = (Lesser of (7) / 35 or 1)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
10	initial revenue = (6) * (8) * (9)	\$ 1,374,739.00	\$ 2,046,044.00	\$ 2,643,660.00	\$ 2,629,600.00	\$ 2,629,600.00	\$ 2,618,200.00	\$ 2,606,800.00	\$ 2,595,400.00	\$ 2,584,000.00	\$ 2,572,600.00
11	Added revenue for Eligible H&S Projects > \$100,000 / site										
18	Pay as you go revenue for eligible new H&S projects > \$100,000 / site	1,600,000.00	1,600,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,400,000.00	1,400,000.00
19	Total FY 17 revenue for eligible H&S projects >\$100,000 / site (12) - (13) + (14) -(15) + (16) + (17) + (18)	1,600,000.00	1,600,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,400,000.00	1,400,000.00
20	Old Formula revenue										
21	Old formula H&S revenue (estimated annual costs for all eligible projects < \$500,000)	710,000.00	730,000.00	750,000.00	770,000.00	790,000.00	810,000.00	830,000.00	850,000.00	870,000.00	890,000.00
26	Old formula alt facilities pay as you go revenue (1A)	1,600,000.00	1,600,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,400,000.00	1,400,000.00
28	Old formula deferred maintenance revenue = (if (22) + (26) = 0, (10) * (\$64 / \$193))	455,872.00	448,448.00	445,248.00	442,880.00	442,880.00	440,960.00	439,040.00	437,120.00	435,200.00	433,280.00
29	Total old formula revenue = (21)+(24)+(25)+(26)+(27)+(28)	2,765,872.00	2,778,448.00	2,695,248.00	2,712,880.00	2,732,880.00	2,750,960.00	2,769,040.00	2,787,120.00	2,705,200.00	2,723,280.00
34	<b>Grand Total LTFM Revenue (32) - (33)</b>	<b>2,974,739.00</b>	<b>3,646,044.00</b>	<b>4,143,660.00</b>	<b>4,129,600.00</b>	<b>4,129,600.00</b>	<b>4,118,200.00</b>	<b>4,106,800.00</b>	<b>4,095,400.00</b>	<b>3,984,000.00</b>	<b>3,972,600.00</b>

<b>Long-Term Facilities Maintenance (LTFM) Revenue Projection</b>		<b>Revised 7/23/2015</b>				<b>Completed 8-13-2015 LAM Business Manager</b>						
831	<= Type in School District Number											
	FOREST LAKE PUBLIC SCHOOL DISTRICT											
<i>Calculations for Ten Year Projection</i>												
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	
<b>Aid and Levy Shares of Total Revenue</b>												
35	For ANTC & APU, three year prior date	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
36	Three year prior Ag Modified ANTC	50,914,298	52,950,870	55,068,905	57,271,661	59,562,527	61,945,028	64,422,830	66,999,743	69,679,732	72,466,922	
37	Three year prior Adjusted PU (New Weights)	7,228.50	7,247.00	7,230.00	7,123.00	7,007.00	7,007.00	7,007.00	7,007.00	7,007.00	7,007.00	
38	ANTC / APU = (36) / (37)	7,043.55	7,306.59	7,616.72	8,040.38	8,500.43	8,840.45	9,194.07	9,561.83	9,944.30	10,342.08	
39	State average ANTC / APU with ag value adjustment	7,227.83	7,413.65	7,694.30	8,023.59	8,365.36	8,700.00	9,048.00	9,410.00	9,786.00	10,177.00	
40	Equalizing Factor = 123% of (39)	8,890.23	9,118.79	9,463.99	9,869.02	10,289.39	10,701.00	11,129.04	11,574.30	12,036.78	12,517.71	
41	Local share of Equalized Revenue (lesser of 1 or (38) / (40))	79.23%	80.13%	80.48%	81.47%	82.61%	82.61%	82.61%	82.61%	82.62%	82.62%	
42	State share of Equalized Revenue (1 - (41))	20.77%	19.87%	19.52%	18.53%	17.39%	17.39%	17.39%	17.39%	17.38%	17.38%	
43	Equalized Revenue (lesser of (34) or (6) * (8))	1,374,739.00	2,046,044.00	2,643,660.00	2,629,600.00	2,629,600.00	2,618,200.00	2,606,800.00	2,595,400.00	2,584,000.00	2,572,600.00	
44	Initial LTFM State Aid (42) * (43)	285,561.01	406,615.45	516,014.26	487,241.06	457,194.18	455,218.39	453,235.84	451,272.62	449,203.88	447,128.57	
45	Old formula Grandfathered Alternative Facilities Aid											
46	Total LTFM State Aid (Greater of (44) or (45))	285,561.01	406,615.45	516,014.26	487,241.06	457,194.18	455,218.39	453,235.84	451,272.62	449,203.88	447,128.57	
47	Total LTFM Levy (34) - (46)	2,689,177.99	3,239,428.55	3,627,645.74	3,642,358.94	3,672,405.82	3,662,981.61	3,653,564.16	3,644,127.38	3,534,796.12	3,525,471.43	
<b>General Fund Portion of Revenue</b>												
56	Total General Fund Revenue = (34) - (51)	2,974,739.00	3,646,044.00	4,143,660.00	4,129,600.00	4,129,600.00	4,118,200.00	4,106,800.00	4,095,400.00	3,984,000.00	3,972,600.00	
58	General Fund Equalized Revenue = (43) - (52)	1,374,739.00	2,046,044.00	2,643,660.00	2,629,600.00	2,629,600.00	2,618,200.00	2,606,800.00	2,595,400.00	2,584,000.00	2,572,600.00	
59	General Fund Equalized Levy = (58) * (41)	1,089,177.99	1,639,428.55	2,127,645.74	2,142,358.94	2,172,405.82	2,162,981.61	2,153,564.16	2,144,127.38	2,134,796.12	2,125,471.43	
60	Total General Fund Aid = (58) - (59)	285,561.01	406,615.45	516,014.26	487,241.06	457,194.18	455,218.39	453,235.84	451,272.62	449,203.88	447,128.57	
61	General Fund Unequalized Levy = (57) - (58)	1,600,000.00	1,600,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,400,000.00	1,400,000.00	
62	Total General Fund Levy = (59) + (61)	2,689,177.99	3,239,428.55	3,627,645.74	3,642,358.94	3,672,405.82	3,662,981.61	3,653,564.16	3,644,127.38	3,534,796.12	3,525,471.43	
<b>Notes:</b>												
1. Underlevy on general fund equalized levy results in proportionate reduction in associated aid.												
2. Total Debt Service revenue on line 49 must not exceed total LTFM revenue for individual district projects (line 30) for any of the 10 years in the plan.												
3. For 1A districts with old Alt Facilities bonding, the amount on line 22 will reduce initial revenue on line 10, less the H & S portion entered on line 14.												
End of Worksheet												