

School Article 4 – Equipment/Facilities Capital Reserve Fund from Surplus

This article will allow the School Board to place unspent money at the end of the fiscal year, not to exceed \$75,000, into the existing Equipment, Facilities Maintenance, and Replacement Capital Reserve Fund (CRF). (1) The funds would be used to build up the CRF, which is greatly underfunded, (2) (3) in order to save for long-term projects. For example, the Lamprey River Elementary School (LRES) Building Committee recommendations are anticipated for the fall and may require action. The Raymond School Board must approve any request to spend money from the CRF. There is no new tax impact.

A YES vote allows the School Board to transfer up to \$75,000 from the year-end fund balance into the Equipment, Facilities Maintenance, and Replacement CRF.

A NO vote will not allow the School Board to transfer any year-end fund balance into this CRF.

Reasons why some voters might vote yes:

- To better fund this CRF for projected needs amounting to \$1,371,433. (2)
- To plan ahead for repairs and replacements while avoiding tax spikes and bonding.

Reasons why some voters might vote no:

- Objections to funding this CRF with the year-end fund balance.

References:

1. This CRF was established in 2006 as a means to save for items costing over \$10,000 that have a useful life of 5+ years.
2. SAU 33 presentation to the Capital Improvement Committee, 1/21/20, including PowerPoint illustration comparing current CRF funds and anticipated needs.
3. “If you look at our Capital Improvement Plan, you'll see that there are many more projects needed in the District than are funded annually. We are trying to move away from an 'in and out' method (we put funds in to use for projects in the near term) to a longer term savings strategy. In order to do that, we need to put more funds aside in our CRFs over time.” Superintendent of Schools, Dr. Tina McCoy in an email 1/22/20.