

School Warrant Article 6 – Energy Efficiency Funds to Equipment/Facilities Capital Reserve Fund from Surplus

This article would allow the School Board to place unspent money at the end of the fiscal year, not to exceed \$150,000, into the existing Equipment, Facilities Maintenance, and Replacement Capital Reserve Fund (CRF). (1) The funds would be designated for energy-saving equipment and building improvements. More specifically, the intention is to save funds until the energy efficiency project lease could be paid off in full, thus saving on interest payments. Alternatively, the funds could be used for other energy efficiency projects. (2) The Raymond School Board must approve any request to spend money from the CRF. This warrant article is contingent upon the passing of Warrant Article 5, entering into a lease purchase agreement for energy saving equipment and associated improvements. There is no new tax impact.

A YES vote means the School Board may transfer up to \$150,000 of the year-end fund balance into the CRF.

A NO vote means that the School Board may not transfer up to \$150,000 of the year-end fund balance into the CRF.

Reasons why some voters might vote yes:

- To better fund the Capital Improvement Plan (CIP), as the SAU Administration and CIP Committee have indicated that the School District CRFs are underfunded. (3)
- To plan ahead for higher cost repairs for such items and avoid tax spikes.

Reasons why some voters might vote no:

- To return to the taxpayers the year-end surplus money that is in excess of any amount retained as required by State statute. (4)
- To bond (borrow) for the expenses as they become needed. (4)

References:

1. This Capital Reserve Fund 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 Superintendent Dr. Tina McCoy in an email 1/22/20.
3. SAU 33 presentation to the CIP Committee, 1/21/20.