

School Warrant Article 8 – CRF Contribution from Year-End Fund Balance

This article will allow the School Board to place up to \$75,000 from the year-end fund balance into the Equipment, Facilities Maintenance, and Replacement Capital Reserve Fund (CRF), established in 2006. (1) The balance in this fund has increased over the years by saving part of the year-end fund balance, but is considered underfunded (2) as compared to the needs outlined in the District’s 20-year Capital Improvement Plan. (3) The fund balance is currently \$995,552 and the requested funds would be used to build up the CRF for such projects as school building safety improvements and repairs. For example, anticipated needs for the upcoming school year total \$362,578. Additionally, a new roof will be needed at the IHG Middle School at an estimated cost of \$1,497,140. (4) There is no new tax impact.

A YES vote means the School District can transfer up to \$75,000 from the year-end fund balance into the CRF.

A NO vote means that all the year-end surplus, other than any amount retained for a contingency fund as allowed by State law, must be returned to the taxpayers. (4)

Reasons why some voters might vote yes:

- To save part of the year-end funds for future long-term projects defined by the Capital Improvement Plan.
- To reduce the total amount that may need to be bonded for the Middle School roof replacement.

Reasons why some voters might vote no:

- To return the year-end surplus to the taxpayers, other than any amount allowed by State law as a contingency fund.
- Prefer to delay funding this CRF.

References:

1. This CRF was established as a means to save for items costing over \$10,000 that have a useful life of 5+ years.
2. This CRF is considered “significantly underfunded but making progress.” -SAU 33 Business Administrator Marjorie Whitmore speaking at the School District presentation to the Budget Committee, 1/7/21).
3. Superintendent of Schools, Dr. Tina McCoy, in an email 1/22/21.
4. Raymond School District Capital Improvement Plan Needs Assessment and Bonds Assessment, 11/20/19.