

School Article 6 – Capital Reserve Funds from Year-End Fund Balance

This article will allow the School Board to take up to \$450,000 from any funds remaining in their Fund Balance as of June 30, 2025 and place it into the Equipment, Facilities Maintenance and Replacement CRF established in 2006. This is more than the amount requested in last year's Warrant Article, and would allow the School District to save for capital improvement projects this year without additional taxation. The Capital Improvement Planning committee and the governing bodies have stated that the CRFs are underfunded compared to needs. (1) The schools have had warrant articles to save a portion of year-end fund balance for CRFs since 2017. (2) There is no new tax impact.

The School District Equipment, Facilities Maintenance and Replacement CRF (established in 2006) contains \$2,483,518.02 as of November 30, 2024 (3), and is intended to pay for the maintenance, upgrading, replacement, and/or repair of equipment and facilities in Raymond's schools. Needs in the next few years for this CRF include District heating and cooling, roof at the Iber Holmes Middle School (warranted until 2026), and other smaller projects. The School District's needs assessment for the Capital Improvement Plan lists projects and priorities. (4)

No additional tax impact.

A YES vote will authorize the School District to transfer up to \$450,000 from the fund balance available as of June 30th into these CRFs.

A NO vote will require that all of the year-end fund balance as of June 30th, other than any amount retained for a contingency fund as allowed by State law, must be returned to the taxpayers.

Reasons why some voters might vote yes:

- To put aside part of the year-end fund balance for future long-term projects
- To reduce the total amount of funds that may need to be raised in the future through borrowed funds or taxation

Reasons why some voters might vote no:

- To return the year-end fund balance to the taxpayers, other than any amount allowed by State law as a contingency fund
- Disagree with the projects to be accomplished

References:

1. The Raymond School Board Budget Summary and Warrant Articles presentation for the 1/7/2025 Budget Committee Public Hearing slideshow <https://tinyurl.com/2b6m4d54> and RCTV recording <https://tinyurl.com/59anbup8>.
2. See Raymond Voter Information Project website for archive of voter guides, www.raymondvip.org
3. Balances of all CRFs can be found in the MS-9 reports with the Trustees of the Trust Funds Documents, <https://tinyurl.com/c2v5vsxn>. It should be noted that a portion of the balances for some of the CRFs may be obligated, which means the figures listed do not necessarily represent an amount that is 100% available.
4. School District Capital Improvements Plan, 10/16/2024, <https://tinyurl.com/4w7x4jxz>