

Memo

To: Lyme Board of Selectmen
From: Michael Harris, Superintendent
Date: 8/6/2014
Re: budget updates

Conclusion of FY2014

The audit of the school district's financial figures as of June 30, 2014 will be conducted on August 18. Nonetheless, I present the following tentative figures with the confidence that they are essentially correct, that they account for all of our expenses and revenues for the year, and that any adjustments will simply focus on determining an exact figure.

The school district finished the fiscal year on June 30 with a surplus of \$63,200 out of a total budget of \$5.6 million. Most of that surplus was attributable to savings in the high school tuition lines; the district remained responsible for fewer secondary students and for fewer services than was anticipated. There was also a surplus in the building and grounds lines because some expense were picked up last summer with the previous year's surplus. The special education accounts closed with only a minimal over-expenditure, and there were no substantial over-expenditures otherwise. Revenues added about \$17,000 of that surplus total because of two sets of federal grants that were received beyond what had been budgeted.

As directed by the voting at the district meeting in March, \$50,000 of the surplus will be deposited in the Special Education Reserve Fund with the balance going to the High School Tuition Fund.

Construction Project

The bond for the project was sold in mid-June with a 20-year interest rate of 3.3635% for the amount of \$2,850,000. The district now holds the funds.

We anticipate that we will receive a total of at least \$350,000 in donations toward the project, and we will also transfer \$80,000 from our Building Reserve Fund as planned.

The project itself has gone well, i.e. on-budget and generally on-schedule.

Beginning of FY2015

As of this time, we are only one month into the new fiscal year, and there are no changes to the budget or to anticipated expenditures and revenues. Possible pressures on the budget could come from the following sources:

1. Special education. This is not unusual, of course, and there is nothing conclusive at this time. Nonetheless, the possibility always exists of a new student arriving with special needs that could strain the budget quickly with a placement or intensive services.
2. Food service. The school board has terminated its services with its previous provider and decided to operate its own food service with the primary objectives of improving the quality of the meals and of increasing the number of daily lunches sold. This, however, will increase the food service expenditures beyond what is budgeted, probably in the range of \$10,000 to \$20,000.

Jeff Valence estimates that the enrollment is now at 200 students although we suspect that we might be missing some enrollment changes because of the inconveniences involved in contacting us amidst the construction this summer. We have split classes planned for grades 3, 5, and 6, and the largest class or grade will probably be right about 20 students.

Class V Roads Study Committee Ongoing Projects

1. Goose Pond Road
 - CLD Awarded contract signed (7/24/14)
 - Plan is to grind and compact the pavement fall 2014
 - Goal is to get engineering report back in time to go out to contractors Jan 2015

2. River Road South rebuild and bank stabilization
 - Pathways report preliminary, Not BID ready Needs permitting.
 - Site visit with DES Report results pending
 - Will have to do incrementally
 - Grant application denied.
 - Grind and compact pavement fall 2014
 - Goal: Start underdrains and culverts summer 2015

3. River Road North bank stabilization
 - Site visit with DES and Jim Kennedy 5/8/14
 - DES to write up recommendations
 - Jim Kennedy to develop engineering plan
 - Will need warrant article to fund (March 2015)
 - Will then put out to bid (Contractors)
 - Goal: work to be completed spring/summer 2015

4. Paved Road 10 year plan
 - Prioritize road projects May/June 2014
 - Develop Budget
 - Work with Budget committee to fund projects
 - 2015 will be busy with Goose Pond Road and River Road South

5. Gravel roads 10 year plan
 - Acorn Hill priority one 5/20/14
 - Determine what drainage and culverts are needed by 6/3/14 Done 5/20/14
 - Develop cost estimate by 9/17/14
 - Bring to Budget committee 8/14
 - build into Highway Department budget Sept/Oct 2014
 - Goal: first project to be done summer 2015 by Highway Department

6. Summer 2014
 - Highway department to install Geogrid
 - Repair / Replace culvert 0.3 mile south of East Thetford Bridge
 - Install Guardrail and shim where road is slumping 0.2 mile south of East Thetford Bridge
 - Ditch for surface drainage South River Road
 - Ditch to control surface run off North River Road