

*Vote December 15th
By the Gym
ALCS Middle/High School
12-9 PM*

CAPITAL RESERVE FUND

Objective

A capital reserve fund will be established to provide the means for funding the local share of capital improvements. We intend for such projects to be done **at no additional cost to local taxpayers.**

Purpose

A capital reserve fund can be used for reconstruction projects and equipping school buildings and facilities, provided that such capital costs are an object or purpose that would be eligible for financing under the Local Finance Law, and costs incidental thereto.



Public Vote to Establish a Capital Reserve Fund

Where will the fund money come from?

Sound fiscal practices and good investments have helped. (See inside.)

What project are we funding?

There is no current project. We are preparing for "reconstruction projects" such as fixing roofs, septic, HVAC, plumbing and electrical systems, site work and other expenses too large for our general operating budget.

Will this increase my taxes?

No. No new monies are required. The intent is to have a reserve fund to cover the local share of a reconstruction project instead of raising taxes.

How does this impact programs for our kids?

The vote is to establish a reserve to keep funds aside for one-time capital expenses. Program and instructional funds will not be used or affected.

If it makes sense, then why not just do it?

The fund can only be established with voter approval. Regulations also stipulate voter approval is necessary to use the reserve fund.



3131 Five Mile Road • Allegany, NY 14706
Phone (716) 375-6600 Fax (716) 375-6629

ALLEGANY-LIMESTONE CENTRAL SCHOOLS

Public Vote to Establish a
Capital Reserve Fund

**December 15, 2014
12-9 PM
Middle/High School
(by the gym)**

“This is really just an investment in the future. It’s good planning.”

-Mike Watson

The initial funds for the Capital Reserve Fund come from previous capital projects:

- Interest Earnings
- Debt Refinancing
- Premium on Bonds
- NYS Incentive Building Aid

We cannot anticipate recurring revenues from these sources, so they are planned to be used for non-recurring expenses of the same type.

Capital Reserve Fund

PROPOSITION #1

Shall the following resolution be adopted to wit:

Resolved that the Board of Education of the Allegany-Limestone Central School District is hereby authorized to establish a Facilities Reconstruction Capital Reserve Fund pursuant to Section 3651 of the Education Law (to be known as the “Facilities Reconstruction Capital Reserve Fund”), with the purpose of such fund being to finance reconstruction and equipping of school buildings and facilities, that would be eligible for financing under the Local Finance Law, and costs incidental thereto, the ultimate amount of such fund to be \$5,000,000, plus earnings thereon, the probable term of such fund to be ten (10) years, but such fund shall continue in existence until liquidated in accordance with the Education Law or until the funds are exhausted, and the sources from which the funds shall be obtained for such Reserve are (i) amounts from budgetary appropriations from time to time, and (ii) unappropriated fund balance made available by the Board of Education from time to time, and (iii) New York State Aid received and made available by the Board of Education from time to time, all as permitted by law.

Why is there a resolution vote on December 15th?

We need voter approval to establish a capital reserve fund per NYS regulations. Voter approval will also be required to use it.

The NYS Comptroller’s office and our financial advisors have recommended this reserve fund.

The reserve fund will help us be ready for high cost one-time expenses when they occur.

A capital reserve fund will help us minimize the tax burden of a potential future reconstruction project.

Absentee ballots are also available. Please contact our district office.

