

PINE PLAINS CENTRAL SCHOOL DISTRICT



RESERVES PLAN

JUNE 2019

UPDATED 10-2-19

Pine Plains Central School District Reserves Plan

RESERVE FUNDS

Saving for future projects, acquisitions, and other allowable purposes is an important planning consideration for local governments and school districts. Reserve funds provide a mechanism for legally saving money to finance all or part of future infrastructure, equipment, and other requirements. Reserve funds can also provide a degree of financial stability by reducing reliance on indebtedness to finance capital projects and acquisitions. In uncertain economic times, reserve funds can also provide officials with a welcomed budgetary option that can help mitigate the need to cut services or to raise taxes. In good times, money not needed for current purposes can often be set aside in reserves for future use.

Combining a reasonable level of undesignated fund balance with specific legally established reserve funds provides resources for both unanticipated events and other identified or planned needs.*

*SOURCE: Local Government Management Guide; Division of Local Government and School Accountability, Office of the New York State Comptroller (November, 2010)

Pine Plains Central School District Reserves Plan

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Reserve Type	Reserve Name	Date Created <i>Legal Authority</i>	Description/Purpose	Monitoring	Funding Method	Balance as of June 30, 2019	Notes
Capital	DWRRC Capital Reserve 2016	5/17/2016 <i>Ed Law §3651</i>	To pay the cost of any object or purpose for which bonds may be issued. (Construction and/or reconstruction of district buildings or facilities)	Monitored by the Assistant Superintendent for Business and Finance	Maximum funding level/duration: \$5,000,000 over 5 years. Funded with available excess prior year unappropriated fund balance.	\$792,840	District voters approved the use of \$2,897,160 from this reserve to fund a project to renovate the High School Auditorium on May 16, 2017. On January 28, 2019 district voters approved the use of an additional \$1,310,000 from this reserve to provide additional funding for this project. This reserve was fully funded as of June 30, 2018.
Capital	DWRRC Capital Reserve 2019	5/21/2019 <i>Ed Law §3651</i>	To pay the cost of any object or purpose for which bonds may be issued. (Construction and/or reconstruction of district buildings or facilities)	Monitored by the Assistant Superintendent for Business and Finance	Maximum funding level/duration: \$5,000,000 over 5 years. Funded with available excess prior year unappropriated fund balance.	\$1,680,594	Use of funds in this reserve requires voter approval.
Insurance Reserve	Insurance Reserve	Prior to June 2006 <i>GML §6-n</i>	To pay allowable liability, casualty, and other types of claims for which insurance cannot be purchased.	Monitored by the Assistant Superintendent for Business and Finance	Funded with available excess prior year unappropriated fund balance.	\$290,000	No anticipated use in 2019-20.
Unemployment Insurance Reserve	Unemployment Insurance Reserve	Prior to June 2006 <i>GML §6-m</i>	To pay the cost of reimbursement to the State Unemployment Insurance Fund. This reserve may be used to finance unemployment costs as authorized by law.	Monitored by the Assistant Superintendent for Business and Finance and District Treasurer	Funded with available excess prior year unappropriated fund balance or Board-approved transfers from other reserves.	\$100,000	This reserve would be utilized should the District experience layoffs resulting in unemployment insurance costs in excess of the amount annually budgeted.
Tax Certiorari Reserve	Tax Certiorari Reserve	Prior to June 2006 <i>Ed Law §3651(1-a)</i>	To pay for settled prior year judgments and claims in tax certiorari proceedings per Real Property Tax Law	Monitored by the Assistant Superintendent for Business and Finance	Funded with available excess prior year unappropriated fund balance or Board-approved transfers from other reserves.	\$515,915	Funds not expended in the year deposited are returned to the general fund on or before the first school day of the 4th year after such funds are placed in the reserve unless claims are still open.
Reserve for Retirement Contributions (ERS)	ERS Reserve	June 2009 <i>GML §6-r</i>	To fund employer retirement contributions to the State and Local Employees' Retirement System (ERS).	Monitored by the Assistant Superintendent for Business and Finance and District Treasurer	Funded with available excess prior year unappropriated fund balance or Board-approved transfers from other reserves.	\$2,349,866	Maximum funding level is based on five years of retirement system obligations (which are based on a 5-year average performance of the retirement fund.) The 2019-20 revenue budget includes an appropriation of \$635,200 from this reserve towards the 19-20 tax levy.
Reserve for Retirement Contributions (TRS)	TRS Reserve Sub-Fund	6/19/2019 <i>GML §6-r</i>	To finance retirement contributions to the New York State Teachers' Retirement System (TRS)	Monitored by the Assistant Superintendent for Business and Finance and District Treasurer	Funded with available excess prior year unappropriated fund balance or Board-approved transfers from other reserves.	\$196,000	Allows eligible employers to reserve in a fiscal year an amount not to exceed 2% of the total compensation or salaries of all employees who are members of NYSTRS for the immediately preceding fiscal year, with an overall balance cap of 10% of those salaries.
Reserve for Repairs	Repair Reserve	6/19/2019 <i>GML §6-d</i>	To pay for the costs of repairs to capital improvements or equipment, which repairs are of a type not recurring annually or at shorter intervals.	Monitored by the Assistant Superintendent for Business and Finance	Funded with available excess prior year unappropriated fund balance. Funding of this reserve requires voter authorization.	\$0	A resolution appropriating moneys from this reserve is subject to a public hearing with at least five days notice. In an emergency, moneys in a repair reserve may be expended without a public hearing. To make such an emergency expenditure, the Board of Education must pass a resolution approved by at least a two-thirds vote. At least one-half of the expenditures must be repaid in the next fiscal year and the balance repaid by the end of the following fiscal year.
Employee Benefits Accrued Liability Reserve	EBALR Reserve	June 2011 <i>GML §6-p</i>	To pay accrued benefits due employees upon termination of service (compensated absences.)	Monitored by the Assistant Superintendent for Business and Finance and District Treasurer	Funded with available excess prior year unappropriated fund balance or Board-approved transfers from other reserves.	\$149,298	The funding of this reserve is based on an analysis by the actuarial firm employed by the District along with the recommendation of district auditors and therefore varies from year to year.