



# VOORHEESVILLE

## CENTRAL SCHOOL DISTRICT

### ☆☆ SPECIAL VOTE ☆☆

**TUESDAY, OCTOBER 20, 2009**

**2:00 – 9:00 PM; Middle School Foyer**

Voorheesville residents to vote on proposed establishment  
and funding of two reserves

**Capital Reserve Fund for Land Acquisition**

**&**

**Repair Reserve Fund**

One of the constant criticisms of governments is that they do not plan and prepare for the future. People, in general, understand that in light of future uncertainty, it makes sense to save for future needs.

The Board of Education is very aware of the uncertain economic future faced by the school district due to unreliable sources of revenue from the State and Federal governments. In light of this uncertainty, and to optimally position the school district's finances to meet short and long term future needs, the Board is proposing the establishment of two reserves. If approved, these reserves will allow the District to save money for future needs.

#### **No NEW Tax increase for these two propositions:**

The District is proposing these two propositions at this time because not only will they help defray costs to the District in the future, the funding of the reserves will not increase your tax bills either. The District has managed to save enough money as of June 30, 2009 to completely fund the Repair Reserve and to begin funding the Capital Reserve for Land Acquisition.

*See inside the brochure for more information on the funding.*

**Without voter approval, the District cannot set aside money for these two purposes**

# CAPITAL RESERVE FUND FOR LAND ACQUISITION

*Here is the exact wording of the proposition*

## **Proposition #1: Capital Reserve Fund Proposition**

Shall the proposition set forth in the notice of this meeting authorizing the establishment of a capital reserve fund to be designated "Land Acquisition Reserve Fund", with the ultimate amount to be **\$250,000** (plus accrued interest), a term of 20 years, and annual appropriation of available fund balance and other legally available funds to such Reserve Fund, be approved?

### **QUICK FACTS:**

- **Twenty (20) year life of the reserve**
- **Money to be deposited in reserve over several years**
- **Anticipated initial deposit in reserve: \$25,000**
- **Reserve funds are segregated from other district funds**
- **Money cannot be spent from the reserve without voter approval**

The District has a long range concern about having enough land to meet future needs of the District. The District wants to plan now, and take small steps towards setting aside, in a reserve, funding to help offset future costs of a land purchase. This reserve would be established with a 20 year life.

Why establish the reserve now during such uncertain economic times? The answer is that with small saving steps, we can meet the needs of the future. The District is looking to fund the reserve with "annual appropriation of available fund balance", legalese for saying that it will be funded with money that is unused at the end of a school year. The District, as of June 30, 2009, has \$25,000 that can be used to jumpstart this reserve, but first voter approval is needed to establish the reserve.

The District has a concern with the bus garage being attached to the Elementary School and next to a "Class A" stream. As environmental regulations tighten, this current site for the bus garage could pose a big problem for the District in the future. The District wants to have some money saved to address this problem.

We do not see any need for a new school or any additions to buildings in the near future. Enrollment has declined in the District over the past several years, but given the historic ups and downs in the District's enrollment, we know that the District is close to the bottom of the enrollment decline.

Enrollment will go up again. Currently, the district has the capacity for at least a 20% growth in enrollment. Growth beyond that point will require some building considerations. The 20-year life of the reserve provides one source of funding to address long-range enrollment needs.

# REPAIR RESERVE

*Here is the exact wording of the proposition*

## **Proposition #2: Repair Reserve Funding**

Shall the Board of Education be authorized to transfer up to **\$200,000** from unallocated fund balance to the repair reserve?


### **QUICK FACTS:**

- **The district already has surplus funds available to fund this reserve**
- **No new taxpayer funds are needed to fund the reserve**
- **Money would be used for repairs that are not eligible for state aided capital projects**
- **Public hearing required before spending from this reserve except in an emergency**
- **If the money is spent for an emergency, the reserve must be replenished over the next two (2) fiscal years**

The District buildings and grounds have been maintained through carefully planned capital projects. Capital projects for reconstruction of building facilities generate State Aid to the District. But, not all upgrades to the facilities qualify for capital projects. A few examples of non-qualifying projects are maintenance of the pool, repaving of parking lots and the track, and repairing bleachers.

This reserve would help to relieve the pressure on future budgets for funding the most expensive repairs to the facilities. This in turn will help reduce future tax burdens. It is no different than a homeowner saving up for a large repair. A school district needs voter approval before it can "save up" money for the future.

As of June 30, 2009, the District has available \$200,000 in surplus funds which would fully fund this reserve. Upon voter approval these funds would be segregated and would be available only for the purpose of repairs to the facilities.



**Voters may be required to show proof of residency before voting. If you did not vote last year, please be prepared to provide the clerk with identification: driver's license, utility, or cable bill**

# QUESTIONS & ANSWERS

For further information call the District Office at 765-3313 x102

## Capital Reserve Questions

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**Q** *If voters approve the Capital Reserve for Land Acquisition proposition, will the full \$250,000 be deposited in the reserve immediately?*

**A** No. Only \$25,000 will be deposited immediately. Future deposits into the reserve will be determined at the end of future fiscal years and must be approved by the Board of Education.

**Q** *Can the Capital Reserve for Land Acquisition be used for any other purpose than the purchase of land?*

**A** No, unless the voters approve another use for the reserve fund in a future vote.

**Q** *If the District does not have an immediate need for land, why start saving up for a purchase now?*

**A** The District is trying to plan for a long range need. Funding this reserve over time will help minimize the cost to the taxpayer in the future.

**Q** *I heard that the District is planning on building a bus garage in the near future, and that is why the District wants a Capital Reserve for Land Acquisition?*

**A** The District does not have any current plans to build a bus garage, but there are safety and environmental concerns about the location of the current

bus garage. It is in the best interest of the District and taxpayer to have funds available that may be used to address this issue in the future.

**Q** *Does the District have a piece of land in mind?*

**A** No.

**Q** *Why does there have to be a vote in order to save money over time for a land purchase?*

**A** The District is restricted in how much money it can hold as “unreserved fund balance.” All funds above that amount must be held in legally structured reserves, and the money is to be segregated from other funds. All Capital Reserves require voter approval.

**Q** *If voters do not approve the Capital Reserve for Land Acquisition, what happens to the \$25,000 that the District plans on depositing into the reserve?*

**A** The \$25,000 that the District would initially deposit into the reserve will remain as part of the unreserved fund balance.

## Repair Reserve Questions

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**Q** *I don't understand why the District needs a repair reserve when so much money has been spent to upgrade the Elementary School and the Middle School / C.A. Bouton High School?*

**A** Just like a house needs constant maintenance, so does a school district. Repairs, as opposed to reconstruction or additions, do not qualify for State Aid reimbursement. The District would like to establish a repair reserve to act as a savings account that can be drawn on to help pay for large repairs.

**Q** *Where is the \$200,000 to fund this reserve coming from?*

**A** The \$200,000 to fund this reserve is coming from money that was not spent in the 2008-2009 fiscal year and is part of the June 30, 2009 unreserved (i.e. unallocated) fund balance. The District would like to set this money aside for future repair needs.

**Q** *If the voters do not pass the proposition to fund the Repair Reserve, where would the \$200,000 go? Back to the taxpayer?*

**A** If voters do not pass the proposition to fund the Repair Reserve, the money would stay in the unallocated fund balance, and could be used to reduce taxes in the next fiscal year. But, the need for future repairs is not going to go away, and money would then have to be raised to make

those repairs. This will increase future school budgets and increase taxes. By saving money now, the District reduces future cost to the taxpayer.

**Q** *Does a voter have any say in how the money is used?*

**A** Unlike the Capital Reserve for Land Acquisition, there is no requirement for voter approval to spend from the Repair Reserve. But a 2/3 majority vote by the Board of Education to approve an expenditure is required. Unless an expenditure is a true emergency, there must be a public hearing with at least 5 days public notice before expenditures can be made.

**Q** *Give me an example of the type of repair that could be covered by the repair reserve?*

**A** Repairs to the pool are good examples. There are sophisticated pumps and air handling equipment that, over time, will require repair and part replacement.

**Q** *How do I know if this money is not being used for a purpose other than to fund repairs?*

**A** The Repair Reserve fund will be kept in an account separate from other District funds.

**Any other questions?**

**Please call the District Office**

**765-3313 x102**

**OR**

**E-mail Mrs. Winchell**

**[swinchel@vcsdk12.org](mailto:swinchel@vcsdk12.org)**

# QUALIFICATIONS OF VOTERS

To vote, you must be at least 18 years old, a citizen of the United States, and a resident of the Voorheesville Central School District for at least 30 days prior to the vote.

## ABSENTEE BALLOTS

Residents who will be unable to vote in person can vote by absentee ballot. You may obtain an absentee ballot by sending a letter to the District Clerk with the following information:

- Date of the vote
- Reason you are unable to vote
- Your signature on the letter

If you would like an absentee ballot mailed to you, you must submit a letter of request to the Clerk by Tuesday, October 13. You may obtain a ballot after October 13 by submitting your letter, in person, to the Clerk. Completed absentee ballots must be received by 5:00 p.m. on Tuesday, October 20, 2009. Call 765-3313 ext. 101 with questions.

## SUPERINTENDENT OF SCHOOLS

Dr. Teresa Thayer Snyder

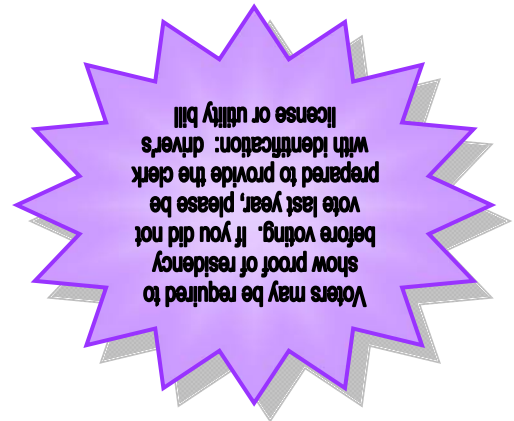
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