

Planning For The Future

Referendum to establish a Building and Facilities Improvement Reserve Fund:

December 8, 2015 – Special District Vote – 3 pm to 9pm – at Putnam Valley High School

Dear Putnam Valley Central School District Resident:

On Tuesday, December 8, the School District will conduct a referendum asking you to vote on a proposal to establish a Building and Facilities Improvement Reserve Fund (Capital Reserve). Voter approval is required in order to establish and fund a capital reserve fund. The purpose of the reserve is to provide a mechanism to transfer unexpended funds at the end of each school year as a way to save for future building improvements necessary to maintain our facilities. The reserve also provides an alternative means of financing these projects, instead of having to borrow all of the money and pay interest. Funding of the capital reserve will not increase taxes. The funds cannot be used to finance current projects.

With the current statutory tax levy limit requirements, the district is looking to decrease the need for any borrowing or to budget large expenditures for facilities. The reserve fund provides, in essence, a savings account for future building and facility maintenance projects. In fact, in order to expend funds from the reserve, the District must obtain the approval of the voters in a separate proposition specifying the improvements that are proposed.

If you have any further questions about this referendum or the reserve, please do not hesitate to contact Jill Figarella, Treasurer, at JFigarella@pvcasd.org (845)528-8125x1364 or Dr. Frances Wills, Superintendent of Schools at FWills@pvcasd.org (845) 528-8143x1388.

For additional information on the capital reserve fund, and for absentee ballots and registration information please visit the district website: www.pvcasd.org, or call the District Clerk at (845)528-8143x1367.

Sincerely,
Dr. Frances Wills
Superintendent of Schools

Visit our website for additional information
www.pvcasd.org

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QUESTIONS AND ANSWERS:

What is a Buildings and Facilities Improvement Reserve Fund and what can it be used for?

A reserve fund allows the District to put away funds and plan for the future for the upkeep and maintenance of buildings and facilities. The reserve can be used for additions, improvements, reconstruction, and equipping of school district buildings, facilities and athletic fields and tracks, including original furnishings, equipment, machinery as well as site and incidental improvements and expenses in connection with a specific project.

Why do we want this fund?

Given the tax cap environment it is becoming more difficult to budget for large projects in a given fiscal year, which may lead to deferral of maintenance of buildings and facilities. A reserve fund minimizes the amount of borrowing, therefore cutting the cost of the project for the taxpayer but still allows us to generate the same amount of building aid.

How will the Reserve be funded?

The reserve can be funded with remaining appropriations or revenue surplus at June 30 before the District closes the books at the end of the fiscal year. No new money is budgeted for this purpose.

Will the Buildings and Facilities Improvement Reserve Fund Referendum affect my taxes?

No. This is a cost-neutral referendum that will enable the district to address future maintenance needs of buildings and facilities. The long-term benefit of this reserve fund is that it will minimize the need to assume finance costs and interest associated with borrowing money to pay for the maintenance. This keeps budgets from being adversely impacted by maintenance and building projects and allows budgeting to be more predictable for instructional planning.

Can the District expend the reserve without voter approval?

No. The District can only proceed with capital projects from this reserve through voter approval of the specific projects.

Is there a minimum or a maximum amount that can be reserved?

The maximum amount of \$10,000,000 over ten years has been established by the Board of Education as a reasonable amount based on the latest Buildings and Conditions Survey. The account will open with a zero balance. The account will only be funded at the end of each fiscal year if funds are available. At the end of the fiscal year, the Board ultimately determines how excess funds are used.

**This vote will be held on Tuesday, December 8, 2015
at Putnam Valley High School between the hours of 3 p.m. and 9 p.m.**