

Proposition #2: Capital Reserve Fund

For the Community's Consideration:

This proposition will appear on the May 21st ballot to establish a new **Capital Reserve Fund**.

Shall the Board of Education of the Great Neck Union Free School District be authorized to establish, pursuant to Education Law section 3651, a Capital Reserve Fund to be known as the "Capital Reserve Fund - 2024" for the purpose of the following Districtwide capital improvements: interior renovations, including classroom, library/multi media center, auditorium and non-instructional space renovations and additions, playground/greenhouse renovation/replacement, door and hardware replacement, ADA upgrades, roof replacements, ceiling, wall, window and floor replacements, scoreboard/electronic signage replacement, carpentry, electrical, lighting, plumbing, boiler, HVAC and exhaust system replacement/upgrades, security system/alarm replacements/upgrades, cafeteria/kitchen renovations, generator replacement/installation, tennis court renovations/replacement, swimming pool renovations, toilet room renovations, masonry and concrete renovations including water proofing, sitework renovations/reconstruction, athletic field renovations, reconstruction and upgrades, locker room renovations, gymnasium reconstruction, purchase of buildings/land, parking lot renovations, drainage renovations and upgrades, computer/technology upgrades, telephone system upgrades, hazardous material remediation, furnishings and equipment incidental to said projects, all of the foregoing to include all labor, materials, equipment, apparatus and incidental cost related thereto.

The ultimate amount of the "Capital Reserve Fund – 2024" shall not exceed Forty Million Dollars (\$40,000,000), plus interest thereon; the probable term shall be ten (10) years; the funds are to be transferred from: (a) the School District's existing capital reserve known as "Capital Reserve Fund – 2015" in the amount of \$1,223,537 plus any accrued interest and, (b) unreserved undesignated fund balance remaining in the general fund in a sum not to exceed \$8,000,000 from the 2023-2024 budget and thereafter in an annual amount of not more than \$8,000,000 for each remaining year of the probable term.

Upon the establishment and funding of said reserve, the Superintendent of Schools or his designee shall be directed to deposit monies of this reserve fund in a separate bank account to be known as the "Capital Reserve Fund - 2024."

Yes / Si

No / No

Simply stated, it is a proposition asking the voters to approve a new reserve account to fund yet to be determined future capital expenditures, limited to a 10-year term, with maximum contributions not to exceed \$40M, with annual contributions limited to \$8M maximum.

The proposition will also allow the remaining funds from the Capital Reserve – 2015 to be transferred to this new reserve.

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This year's ballot includes a proposition to establish a Capital Reserve Fund.

Below are frequently asked questions about a Capital Reserve, and additional details are available by visiting www.greatneck.k12.ny.us/capitalreserve2024.

Q: WHAT IS A CAPITAL RESERVE FUND?

A Capital Reserve Fund is a dedicated bank account that districts can establish with voter permission to help finance future capital improvements with savings realized in prior years. It enables a school district to put away money over time in order to finance expenses later, without having to borrow money. It is considered a prudent fiscal management tool by the New York State Comptroller.

Q: WHY IS THIS PROPOSITION ON THE BALLOT?

Per New York State Education Law, the creation of a Capital Reserve Fund requires authorization by the majority of voters. Great Neck voters approved a Capital Reserve in 2015, which was used to fund \$19 million in district-wide improvements over its allowable 10-year lifespan. With the current reserve expiring during the upcoming school year, the Board of Education felt it prudent to ask the community for permission to establish a new reserve.

Q: WHY SHOULD TAXPAYERS CONSIDER A CAPITAL RESERVE?

A Capital Reserve is an important planning tool that allows any year end savings to be set aside for use later. This account helps reduce reliance on indebtedness to fund capital improvements, saving taxpayers the considerable cost of interest. It also helps mitigate future tax levy increases for major, non-recurring capital costs.

Q: WHAT ARE THE TERMS OF THIS FUND?

The account can only be established with taxpayer approval. Additionally, money can only be expended from the reserve with voter consent. The account will have a 10-year lifespan, with total deposits limited to \$40 million, with annual contributions not to exceed \$8 million.

Q: WHAT IS THE COST TO TAXPAYERS?

There is **no additional expense to the taxpayers** if the Capital Reserve Fund is approved by the majority of the community.