

**EXTRACT OF MINUTES OF MEETING OF BOARD OF
EDUCATION ADOPTING RESOLUTION**

At a meeting of the Board of Education of the Port Jervis City School District, Port Jervis,
New York, duly held on the 16th day of August, 2016:

Present:

Absent:

_____ presented the following resolution and moved that it be
adopted:

**RESOLUTION DATED AUGUST 16, 2016 OF THE BOARD
OF EDUCATION OF THE PORT JERVIS CITY SCHOOL
DISTRICT AUTHORIZING THE ESTABLISHMENT OF A
CAPITAL RESERVE FUND AND THE TRANSFER OF
\$2,000,000 OF EXCESS FUND BALANCE TO SUCH CAPITAL
RESERVE FUND.**

WHEREAS, the voters of the Port Jervis City School District (the "District"), at the annual meeting of the District duly held on May 17, 2016, approved a proposition authorizing the Board of Education of the District to establish a Capital Reserve Fund in an amount not to exceed \$10,000,000, with a probable term of ten years, for the purpose of financing the construction of new schools, construction of additions to, and reconstruction of, various District buildings, construction and reconstruction of athletic fields and improvements, site work, and acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such buildings are to be used, with such Capital Reserve Fund being funded with such portion of the unallocated fund balance as may be determined from time to time by the Board of Education;

NOW, THEREFORE, BE IT RESOLVED BY THIS BOARD OF EDUCATION AS FOLLOWS:

Section 1. The District shall establish a Capital Reserve Fund in an amount not to exceed \$10,000,000, with a probable term of ten years, for the purpose of financing the construction of new schools, construction of additions to, and reconstruction of, various District buildings, construction and reconstruction of athletic fields and improvements, site work, and acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such buildings are to be used, with such Capital Reserve Fund being funded with such portion of the unallocated fund balance as may be determined from time to time by this Board of Education.

Section 2. The District shall transfer \$2,000,000 of unallocated fund balance to the Capital Reserve Fund.

Section 3. The Assistant Superintendent of Business is hereby authorized to take such actions as may be necessary to effect the establishment of the Capital Reserve Fund and the transfer thereto authorized pursuant to Sections 1 and 2 hereof.

Section 4. This Resolution shall take effect immediately upon its adoption.

The Motion having been duly seconded by _____, it was adopted and the following votes were cast:

AYES

NAYS

STATE OF NEW YORK)
) SS.:
COUNTY OF ORANGE)

I, the undersigned Clerk of the Port Jervis City School District, do hereby certify as follows:

1. A Regular Meeting of the Board of Education of the Port Jervis City School District, State of New York, was duly held on August 16, 2016, and Minutes of said meeting have been duly recorded in the Minute Book kept by me in accordance with law for the purpose of recording the Minutes of meetings of said Board. I have compared the attached Extract with said Minutes so recorded and said Extract is a true copy of said Minutes and of the whole thereof insofar as said Minutes relate to matters referred to in said Extracts.

2. Said Minutes correctly state the time when said Meeting was convened and the place where such meeting was held and the members of said Board who attended said Meeting.

3. Public Notice of the time and place of said Meeting was duly given to the public and the news media in accordance with the Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, and that the members of said Board had due notice of said Meeting and that the Meeting was in all respects duly held and a quorum was present and acted throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and have hereunto affixed the corporate seal of the Port Jervis City School District this ____ day of August, 2016.

District Clerk

[Seal]

Port Jervis City School District
Fund Balance Projection
July 1, 2016

unaudited
do not anticipate
any changes *je* 8/10/16

Unassigned @ 6/30/16 unaudited/not final \$ 11,156,901
Assigned @ 6/30/16 \$ 1,050,000

4% Limit Allowed \$ (2,736,628) 16/17 budget

Projected Fund Balance Application DEC \$ (75,000) *consider need to blacktop lot once wells closed
funds not included in the \$75,000*

Asbestos Removal Fund \$ (608,000)

May 2014 Repair Reserve Set Aside \$ (250,000)

Apply towards IT Audit \$ (20,000)

\$ 7,467,273

		Total Proj Appli
17/18 Fund Balance Application	\$ (1,050,000)	\$ (1,050,000)
18/19 Fund Balance Application	\$ (1,050,000)	\$ (1,050,000)
19/20 Fund Balance Application	\$ (1,000,000)	\$ (1,000,000)
20/21 Fund Balance Application	\$ (1,000,000)	\$ (1,000,000)
21/22 Fund Balance Application	\$ (950,000)	\$ (950,000)
	\$ (5,050,000)	\$ (5,050,000)
<i>funds available to apply</i>		\$ 2,417,273

T - traced to audited financial statements

Conclusion: the five year plan is sustainable with continued management of revenues and expenditures need to manage

Note: Plan assumes no excess revenue over expenditures each of the years; it is my recommendation that the dependence on fund balance to offset any given tax warrant be in the \$750,000 to \$750,000 range (\$750,000 represents 1.5% of a \$64m budget). This expectation is not unreasonable. The plan also keeps the 4% limit intact for unforeseen emergencies.

1% on levy is approximately \$272,000

Note: Without excess revenues over expenditures, the plan would require tapping into the 4% allowed. Fund balance will continue to be managed carefully.

Recommendation:

Adopt a resolution to transfer \$2,000,000 to the newly established Capital Reserve to address the imminent need to address the aging Middle School

Capital Reserve Resolution adopted by taxpayers - May 2016