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# OGDENSBURG CITY SCHOOL DISTRICT RESERVE PLAN

Updated and Approved: 06.23.2025

The New York State Comptroller's guidance on the Reserve Fund describes the importance of Reserve Funds for good financial management:

*“Reserve funds, like other savings plans, are mechanisms for accumulating cash for future capital outlays and other allowable purposes. The practice of planning ahead and systematically saving for capital acquisitions and other contingencies is considered prudent management.*

*Planning today and saving incrementally for expected future events can help mitigate the financial impact of major, nonrecurring or unforeseen expenditures on your annual operating budget. Establishing and funding allowable reserve funds for a clear purpose can help smooth out spikes in the annual budget and in the real property tax levy”*

## **Reserve for Unemployment Insurance**

**Authorized** – General Municipal Law Section 6-m

**Purpose** – This reserve is used to reimburse the State for payments made to claimants where the district uses the benefit reimbursement method. The District does subscribe to the benefit reimbursement method, meaning we reimburse the State for actual claims incurred. We do not pay NYS a fixed premium for unemployment insurance coverage.

**Funding Methods** – This reserve was funded from General fund.

**Use of Reserve** – The District recommends utilizing the Unemployment Insurance Reserve to offset expenditures to the New York State Unemployment Insurance Fund.

**Monitoring of Reserve** – This reserve will be monitored by the Business Manager.

**Funding Level** – A funding level equal to approximately five (5) years of project Unemployment Insurance is desired. During the period when aid was drastically reduced, this reserve was highly funded so that it could cover the high unemployment insurance cost due to numerous lay-offs. It has not been added to since that period.

**6/30/2024 Actual Balance: \$947,449**

**Recommended Balance: \$550,000 with interest earned**

## **Reserve for Retirement Contributions - ERS**

**Authorized** – General Municipal Law Section 6-r, as amended by Chapter 59, Laws of 2019

**Purpose** – This reserve is used to fund employer contributions to the NYS and Employees' Retirement System only. Payments to the Teachers Retirement System are not allowed from this reserve.

**Funding Methods** – Funds are placed in this reserve from General fund.

**Use of Reserve** – The District recommends utilizing the ERS Retirement Contribution Reserve to offset the district cost to the New York State and Local Employees' Retirement System for a five (5) year period.

**Monitoring of Reserve** – This reserve is monitored by the Business Manager.

**Funding Level** – A funding level equal to approximately five years' worth of retirement system billings is desired.

**6/30/2024 Actual Balance: \$ 1,043,967**

**Recommended Balance: \$ 1,575,000 with interest earned**

### **Reserve for Retirement Contributions - TRS**

**Authorized** – General Municipal Law Section 6-r, as amended by Chapter 59, Laws of 2019

**Purpose** – This reserve is used to pay employer contributions to the NYS Teachers' Retirement System only. Payments to the Employees' Retirement System are not allowed from this reserve.

**Funding Methods** – Funds are placed in this reserve from General fund.

**Use of Reserve** – The district recommends utilizing the TRS Retirement Contribution Reserve to offset the annual district employer contribution cost to the Teachers' Retirement System.

**Monitoring of Reserve** – This reserve is monitored by the Business Manager.

**Funding Level** – This reserve annual contribution of moneys will not exceed 2% of the total TRS compensation or salaries of all the teachers employed and the balance will not exceed 10% of the total TRS compensation or salaries of all teachers employed during the immediately preceding fiscal year.

**6/30/2024 Actual Balance: \$ 521,783**

**Recommended Balance: \$ 1,650,000 with interest earned**

### **Reserve for Tax Certioraris**

**Authorized** – Education Law Section 3651(1-a)

**Purpose** – These reserves is used to pay for prior year judgments and claims in tax certiorari proceedings. Current year refunds should be paid through the budget.

**Funding Methods** – Future funding methods may include transfer from General fund or transfers from other reserves. Funds placed in this reserve that are not used to pay tax certiorari judgments or claims must be returned to the General Fund after three years, unless renewed.

**Use of Reserve** – This reserve would be used to pay for prior year tax certiorari claims. Pending the determination of current legal action.

**Monitoring of Reserve** – These reserves will be monitored by the Business Manager. It is anticipated that detailed calculations will be required each year to support the amounts in this reserve.

**Funding Level** – Since actual liabilities have not yet been determined, a realistic funding level cannot be determined at this time.

<b>Actual Balance 06/30/2024</b>	<b>Recommended Balance for 06/30/2025</b>
2017-2018 = \$136,175	2017-2018 = \$19,788
2018-2019 = \$137,651	2018-2019 = \$20,002
2019-2020 = \$142,253	2019-2020 = \$25,242
2020-2021 = \$145,023	2020-2021 = \$25,734
2021-2022 = \$101,274	2021-2022 = \$81,041
2022-2023 = \$120,399	2022-2023 = \$100,108
2023-2024 = \$99,202	2023-2024 = \$82,483
	2024-2025 = 115,283

### **Reserve for Accrued Employee Benefits Liability**

**Authorized** – General Municipal Law Section 6-p

**Purpose** – This reserve is used to pay for unused accumulated leave time contractually provided to certain groups of employees. This typically includes payment for unused sick and vacation pay. This fund cannot be used to pay for items such as: retirement incentives, Social Security and Medicare payments and retiree health insurance.

**Funding Methods** – This reserve was funded from General Fund.

**Use of Reserve** – This reserve is used when an employee separates from the District and payment of accumulated leave is required. These transactions flow through the General Fund budget with the offsetting revenue coming from a drawdown of this reserve, as needed.

**Monitoring of Reserve** – This reserve is monitored by the Business Manager. Annually, a detailed analysis of the liability is computed and is used to support the funding of this reserve equal to or less than the liability.

**Funding Level** – This reserve should be funded at 100% of the accrued liability for unused accumulated leave time.

**6/30/2023 Actual Balance: \$ 708,548**

**Recommended Balance: \$ 708,548 with interest earned**

### **Capital Reserve – 10 Million**

**Authorized** – Education Law Section 3651(1)

**Creation** – This reserve was created on May 17, 2022 via voter approval. The voters approved a maximum limit of \$10,000,000 including interest.

**Purpose** – This reserve is used to pay for future capital improvements.

**Funding Methods** – This reserve will be funded from General fund. Funds placed in this reserve are restricted for use of specific voter-authorized capital improvement projects.

**Use of Reserve** – Use of this reserve requires voter approval of capital improvement projects.

**Monitoring of Reserve** – This reserve is monitored by the Business Manager.

**Funding Level** – As stated in the approved proposition, the reserve was created with a maximum limit of \$10,000,000 including interest for the probable term of 10 years.

**6/30/2024 Actual Balance: \$ 372,221**

**May 17, 2022 Voter Approval \$10,000,000**

**January 23, 2024 Voter Approved Use of Funds (\$2,500,000)**

**Recommended Balance: \$ 7,500,000 with interest earned**

### **Mandatory Debt Service Reserve**

**Authorized** – General Municipal Law Section 6-1

**Purpose** – This reserve is required when there are proceeds of the cash sale of a capital improvement and state and federal aid received for a capital improvement, generally to the retirement of outstanding obligations issued to finance such improvement.

**Funding Methods** – Voter approval is not required to establish and fund this reserve.

**Use of Reserve** – Funds are to be appropriated and withdrawn annually to retire outstanding obligations.

**Monitoring of Reserve** – This reserve is monitored by the Business Manager.

**Funding Level** – As stated, the reserve is required to be funded when one of the criteria outlined above is met. These funds are to be invested and all interest accrues to the reserve.

**6/30/2024 Actual Balance: \$ 789,927**

**Recommended Balance: \$ 789,927 with interest earned**