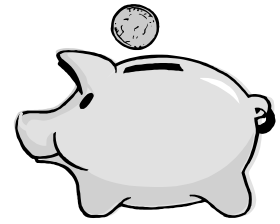


Long-Term Fiscal Planning at GCS

from the Budget Advisory Committee - Spring 2005



Many school districts have initiated Capital Reserve funds to moderate changes in taxes due to capital projects (ex. roof replacement, building repairs, driveway paving). The Budget Advisory Committee has recommended that the District conduct long-term planning whenever feasible. Long-term planning is a fiscally responsible approach, which maintains the value and safety of school properties and moderates changes in school tax rates.

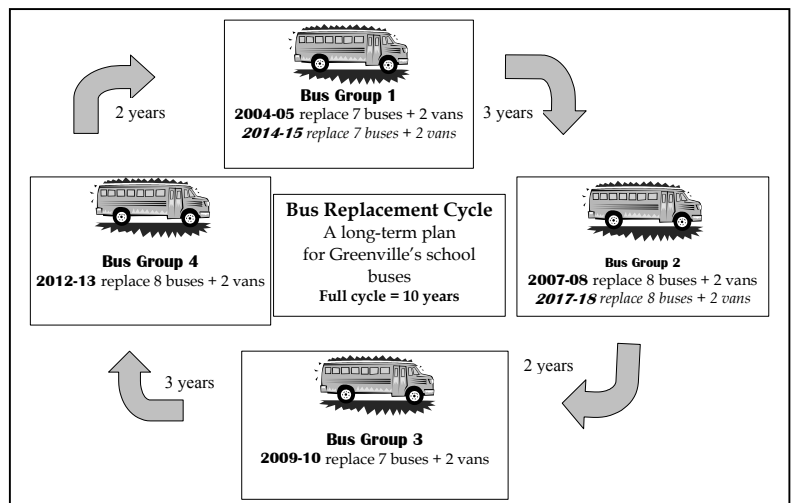
Capital Reserve Fund. Greenville Central School District is proposing the establishment of a Capital Reserve Fund, which would serve as a savings account to do repairs, construction and maintenance to buildings and grounds. **Voter approval is needed to establish the fund. Voter approval will also be needed each time the Board of Education proposes spending any of the Capital Reserve funds.**

The proposed Capital Reserve Fund being put forward by the Board of Education could only accrue for a ten year period and is capped at \$1,000,000.

Money for the Capital Reserve Fund would come from the District's Unappropriated Fund Balance, which is money left over at the end of the budget year due to savings on the purchase of goods and services. Money placed in the Capital Reserve Fund does not represent any increase in the total budget or taxes. By accumulating these savings the District can spread out the costs of capital items.

The establishment of the Capital Reserve Fund will be presented to voters as a proposition on the ballot of the 2005-2006 Budget Vote on Tuesday, May 17, 2005 in the Scott M. Ellis Elementary School cafeteria from 1 to 9pm.

Bus Replacement Plan. Last year the District presented a Bus Replacement Plan which is a long-term plan. The Bus Replacement Plan maintains a safe and reliable bus fleet with a planned and predictable cost to taxpayers. Under the plan buses are purchased with 5-year bonds (loans) on a rotating basis, renewing our bus fleet every 10 years. District voters will need to approve a bond every 2 or 3 years. A school district can only borrow money (take out a bond) with voter approval. Last May voters voted to approve a bond as part of this plan. The next bus bond vote will be in May 2007.



The proposed Capital Reserve Fund and the Bus Replacement Plan are each ways to plan for expenses over the long term.

For more information on the proposed Capital Reserve Fund contact the Greenville Central School District Office at (518) 966-5070