

**BOARD OF EDUCATION
UTICA CITY SCHOOL DISTRICT
SPECIAL MEETING – June 30, 2023 – 8:00 A.M.
Administration Building – 929 York Street – Kernan School**

BOARD MEMBERS PRESENT: Joseph H. Hobika Jr, Presiding; Danielle Padula, Donald Dawes, Tennille Knoop, James Paul

BOARD MEMBERS ABSENT: Robert Cardillo, David Testa

ADMINISTRATORS PRESENT: Steven Falchi, Acting Superintendent, Mike Ferraro, Heather Mowat, Kathy Hughes

President Hobika, Jr. called the Special Meeting to order at 8:00 a.m. After the Pledge of Allegiance, Board Clerk Kathy Hughes conducted roll call. All members of the Board of Education were present with the exception of Robert Cardillo and David Testa.

Presentations and Resolutions

President Hobika, Jr.: We have presentations and resolutions. What we're looking to accomplish today is the establishment of some reserves. It's either the establishment or re-establishment of the reserves, and a resolution to adopt and approve the Utica City School District Risk Assessment Report for the fiscal year of 2021-2022. That was something that was presented first of all, it's in your packets second of all it's been presented, I think, at least three times in Audit and Finance Committee meetings. Let's take these out of order. We'll take a resolution to adopt and approve the Utica City School District, actually it's in the Superintendent's Report. Do you have anything that you'd like to add, Acting Superintendent Falchi?

Mr. Falchi: No, but I do have a couple of comments if you don't mind.

President Hobika, Jr.: Sure

Mr. Falchi: So, I just wanted to recap that these reserves will enable the School District to address any unexpended unappropriated surplus fund balance for the fiscal year 22-23, and that's pursuant to the real property tax law. With that establishing these reserves will also help to mitigate any financial impact of major non-recurring or unforeseen expenditures on the School Districts annual operating budget and what you'll notice in the resolution, there's an up to amount and the School Districts will be able to determine the actual amounts of each of those reserves once the business office finishes closing the books for fiscal year 22-23. Then the Board has the authority to move those funds into a general fund via a Board Resolution down the road. I just want to let the Board of Education know the District is in the process of developing a financial management and reserve plan moving forward which will address long term fiscal planning and we will certainly share that with the Board as it's developed.

President Hobika, Jr.: Good. Dr. Davis, do you have any comments you'd like to add? You'd have to come up to the mic and turn it on.

Dr. Davis: I do. I'm just here as a visitor today, but thank you for having me. Just one other thing, most School Districts do this in June so that as we close out our books that overage over the 4%, we are going to try and mitigate that for the District, and then plan forward with the Audit Committee for some long-range financial planning. So once the books are closed out, I'm recommending that we meet with the Audit Committee to actually determine that dollar amount that will

go into those reserves as a team. I think that would be the best way to go. We did put the up to amount to allow you the flexibility. So, there is a cutoff point for where your liabilities are.

President Hobika, Jr.: Some rationale based on actual numbers.

Dr. Davis: Based on actual liabilities to cover things that are out there.

President Hobika, Jr.: Heather, do you have anything that you'd like to add?

Ms. Mowat: I concur with the Superintendent. We've been looking at this for the past couple of days. I know that we've met as an Audit and Finance Committee yesterday to kind of review it. As you know, the Board is required to provide a corrective action plan and this just furthers that corrective action plan.

Superintendent's Report

SUPERINTENDENT'S REPORT	SPECIAL MEETING	JUNE 30, 2023
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FOR ACTION:

Volume LVII

Report No. S – 257

SUBJECT:

**Resolution Establishing an Unemployment
Insurance Reserve Fund**

Authorization is requested of the Board of Education to approve the following Resolution:

**RESOLUTION ESTABLISHING AN
UNEMPLOYMENT INSURANCE RESERVE FUND**

BE IT RESOLVED, by the Board of Education of the Utica City School District, pursuant to Section 6-m of the General Municipal Law, as follows:

1. The Board hereby establishes a reserve fund to be known as the Unemployment Insurance Reserve Fund;
2. The source of funds for such Reserve Fund shall be such amounts as may be provided therefore by budgetary appropriation or such revenues as are not required by law to be paid into any other fund or account;
3. Moneys in such Reserve Fund may be appropriated only for purposes identified in the General Municipal Law Section 6-m and other lawful purposes;
4. The Treasurer is hereby authorized and directed to deposit and invest the monies of such Fund in accordance with Section 10 and 11 of the General Municipal Law and other applicable law;
5. The sum not to exceed \$500,000.00 is hereby appropriated to the Unemployment Insurance Reserve Fund; the source of funds shall be unreserved fund balance of the 2022-23 budget; and
6. This Resolution shall take effect immediately.

Dated: June 30, 2023

District Clerk
Utica City School District

FOR ACTION:

Volume LVII

Report No. S – 258

SUBJECT:

Resolution Establishing a Liability Reserve Fund

Authorization is requested of the Board of Education to approve the following Resolution:

RESOLUTION ESTABLISHING A LIABILITY RESERVE FUND

BE IT RESOLVED, by the Board of Education (the "Board") of the Utica City School District (the "School District"), pursuant to Section 1709(8-c) of the Education Law, as follows:

1. The Board hereby establishes a reserve fund to be known as the Liability Reserve Fund;
2. The source of funds for such Liability Reserve Fund shall be such amounts as may be provided therefore by budgetary appropriation or other sources authorized by law;
3. The Treasurer is hereby authorized and directed to deposit and invest the monies of such Fund in accordance with Sections 10 and 11 of the General Municipal Law and other applicable law;
4. The sum of up to \$7,000,000.00 being no more than three percent, exclusive of any planned balance presently authorized (and in combination with the sum appropriated to any Property Loss Reserve Fund), from the unreserved fund balance of the 2022-23 budget, is hereby appropriated to such fund; and
5. This Resolution shall take effect immediately.

Dated: June 30, 2023

District Clerk
Utica City School District

SUBJECT:**Resolution Establishing Retirement Contribution Reserve Sub-Fund for TRS Contributions**

Authorization is requested of the Board of Education to approve the following Resolution:

RESOLUTION ESTABLISHING RETIREMENT CONTRIBUTION RESERVE SUB-FUND FOR TRS CONTRIBUTIONS

WHEREAS, on June 30, 2022 the Utica City School District (the "District") established a Retirement Contribution Reserve Fund pursuant to General Municipal Law ("GML") § 6-r to fund contributions to the New York State and Local Employees' Retirement System; and

WHEREAS, the Board of Education (the "Board") has determined it is also appropriate to establish a sub-fund within the Retirement Contribution Reserve Fund to fund contributions to the New York State Teachers' Retirement System ("TRS") pursuant to GML § 6-r.

NOW THEREFORE, BE IT RESOLVED, by the Board of Education of the Utica City School District, pursuant to GML § 6-r, as follows:

1. The Board hereby establishes a sub-fund within the Retirement Contribution Reserve Fund to be known as the "Retirement Contribution Reserve TRS Sub-Fund".
2. The source of funds for this Sub-Fund shall be (1) such amounts as may be provided therefor by budgetary appropriation or raised by tax therefor; (2) such revenues as are not required by law to be paid into any other fund or account; (3) such other funds as may be legally appropriated; and (4) such amounts as may be transferred from other reserve funds as authorized by applicable law.
3. The Board may authorize expenditures from this Sub-Fund by resolution. Except as otherwise provided by law, moneys in this Sub-Fund may only be appropriated to finance retirement contributions to the TRS, and/or to offset all or a portion of the amount deducted from the moneys apportioned to the District from the State for the support of schools pursuant to Education Law § 521.
4. No member of the Board or employee of the District shall: (a) authorize a withdrawal from this Sub-Fund for any purpose except as provided in GML § 6-r; or (b) expend money withdrawn from the Sub-Fund for a purpose other than as provided in GML § 6-r.
5. The moneys contributed to the Sub-Fund during any fiscal year shall not exceed 2% of the total compensation or salaries of all teachers employed by the District who are members of TRS paid during the immediately preceding fiscal year, and the balance of the Sub-Fund shall not exceed 10% of the total compensation or salaries of all teachers employed by the District who are members of TRS paid during the immediately preceding fiscal year.
6. The Treasurer is hereby authorized and directed to deposit and invest the monies of such Fund in accordance with Sections 10 and 11 of the GML and other applicable law.
7. The District shall account for the Sub-Fund separate and apart from all other funds of the District to show: the source, date and amount of each sum paid into the Sub-Fund; the interest earned by the Sub-Fund; capital gains or losses resulting from the sale of investments of the Sub-Fund; the order, purpose, date and amount of each payment from the Sub-Fund; the assets of the Sub-Fund, indicating cash balance and a schedule of investments. The District, within sixty (60) days of the end of each fiscal year, shall furnish a detailed report of the operation and condition of the Sub-Fund to the Board.

CONT'D:

8. The sum of \$1,143,530.00 is hereby appropriated to the Sub-Fund; the source of funds shall be unreserved fund balance of the 2022-23 budget.
9. This Resolution shall take effect immediately.

Dated: June 30, 2023

District Clerk
Utica City School District

SUBJECT:

Resolution Establishing Tax Certiorari Reserve Fund

Authorization is requested of the Board of Education to approve the following Resolution:

**RESOLUTION ESTABLISHING
TAX CERTIORARI RESERVE FUND**

BE IT RESOLVED, by the Board of Education of the Utica City School District, pursuant to Section 3651 of the Education Law, as follows:

1. The Board hereby establishes a reserve fund to be known as the Tax Certiorari Reserve Fund.
2. The source of funds for such Reserve Fund shall be such amounts as may be provided therefor by budgetary appropriation or such revenues as are not required by law to be paid into any other fund or account.
3. Monies in such Reserve Fund may be appropriated only for the payment of judgments and claims in tax certiorari proceedings in accordance with Article Seven of the Real Property Tax Law or for other purposes as may be permitted by applicable law; any monies deposited to such Reserve Fund which are not expended for the payment of judgments or claims arising out of such tax certiorari proceedings for the tax roll in the year such monies are deposited to the said fund and/or which will not reasonably be required to pay any such judgment or claim shall be returned to the general fund on or before the first day of the fourth fiscal year following the deposit of such monies to said reserve fund; such monies shall be deemed reasonably required to pay any such judgment or claim if the proceeding or claim has not been finally determined or otherwise terminated or disposed of after the exhaustion of all appeals.
4. The Treasurer is hereby authorized and directed to deposit and invest the monies of such Reserve Fund in accordance with Sections 10 and 11 of the General Municipal Law and other applicable law and as provided by section 3651 of the Education Law. Any interest earned or capital gains realized on the money so deposited or so invested shall accrue to and become a part of each such fund. A separate account to be kept of each fund established. Such account shall show: (a) the date and amount of each sum paid into the fund; (b) the interest earned by such fund; (c) the capital gains or losses resulting from the sale of investments of the fund; (d) the interest or capital gains which have accrued to the fund; (e) the amount and date of each withdrawal from the fund; (f) the assets of the fund indicating the cash balance therein and a schedule of the amounts invested in federal or state obligations.
5. The total of the monies held in such reserve fund shall not exceed that amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of such tax certiorari proceedings.
6. This Resolution shall take effect immediately.

Dated: June 30, 2023

District Clerk
Utica City School District

FOR ACTION:

Volume LVII

Report No. S – 261

SUBJECT:

Resolution to Transfer Monies to ERS Reserve Fund

Authorization is requested of the Board of Education to approve the following Resolution:

RESOLUTION TO TRANSFER MONIES TO ERS RESERVE FUND

WHEREAS, on June 26, 2018, the Utica City School District (the "School District") established a retirement contribution reserve fund pursuant to Section 6-r of the General Municipal Law to fund amounts payable by the School District to the New York state and local employees' retirement system ("ERS Reserve"); and

WHEREAS, Education Law Section 3653 requires that no monies may be paid or transferred into any reserve fund established by a school district unless expressly authorized by a resolution of its board of education; and

WHEREAS, it has been determined by the Board of Education of the School District that up to \$3,000,000.00 held in the unreserved fund balance of the General Fund are surplus funds, and that it is in the School District's best interest to transfer such moneys to the School District's ERS Reserve Fund.

NOW, THEREFORE, BE IT RESOLVED that the Board of Education of the School District does hereby approve the transfer of up to \$3,000,000.00 from the unreserved fund balance of the 2022-23 budget to the ERS Reserve Fund created in accordance with Section 6-r of the General Municipal Law. This Resolution shall take effect immediately.

Date: June 30, 2023

District Clerk
Utica City School District

FOR ACTION:

Volume LVII

Report No. S – 262

SUBJECT:

Resolution to Approve and Adopt the Utica City School District Risk Assessment Report for Fiscal Year 2021-2022

Authorization is requested of the Board of Education to approve and adopt the Utica City School District Risk Assessment Report for Fiscal Year 2021-2022.

Mrs. Knoop made a motion to accept the Superintendents Report and it was seconded by Mrs. Padula.

THIS CONCLUDED THE SUPERINTENDENT'S REPORT.

President Hobika, Jr.: Any discussion, questions, comments?

Mr. Dawes: Should we go over the establish of the reserves or do you want to go over these individually? I don't care one way or the other.

President Hobika, Jr.: First of all, they're just the establishment of the funds. Someone has made a very conservative estimate, that's number one. Number two, those are going to be subject to significant change based on actual numbers once the year-end report is done. I mean, at this point, we're just creating the opportunity to do it as opposed to actually.

Mr. Dawes: We're just putting it out there.

President Hobika, Jr.: Right. We're just making sure, this is good fiscal management. It's something that we have not done in the last; at least my five years and I don't know when the last time we did it. This is all part of the plan to bring the District into a more reasonable financial approach and more reasoned financial approach. Any other questions or comments?

There being no further discussion; motion passes 5-0.

President Hobika, Jr.: Motion carries, we have established the opportunity to fill the reserves. Are there any other issues today?

Mr. Falchi: I have none at this time.

Ms., Mowat: Do we need to go over the Risk Assessment? Do we need to do a separate vote for that?

President Hobika, Jr.: I believe that it is actually in the Superintendent's Report. I was going to do it separately but it's in the Superintendent's Report.

Adjournment

Mr. Paul made a motion to adjourn the June 30, 2023, Special Meeting; seconded by Mrs. Padula.

The June Special Meeting was adjourned at 8:08 a.m.

There being no further discussion; **motion carried 5-0.**

Respectfully transcribed and submitted,

STEPHANIE LYNESS
Assistant Board Clerk