

# TOWN of LANSING

<b>Policy Title:</b>	<b>RESERVE FUNDS POLICY</b>		
<b>Current Revision Date:</b>	<b>04.15.2026</b>	<b>Resolution/Motion #</b>	<b>26-TBD</b>
<b>Previous Revision Date:</b>	05.18.2016; 7.19.2017; 3.20.2019	Resolution/Motion #	16-92/17-99/19-69

## Purpose and Objective:

Saving for future projects, acquisitions, and other allowable purposes is an important planning consideration for the Town of Lansing. Reserve funds provide a mechanism for legally saving money to finance all or part of future infrastructure, equipment, capital repairs, and other requirements. Reserve funds can also provide a degree of financial stability by reducing reliance on indebtedness to finance capital projects and acquisitions. In uncertain economic times, reserve funds can also provide the town with a welcomed budgetary option that can help mitigate the need to cut services or to raise taxes. In good times, money not needed for current purposes can often be set aside in reserves for future use.

In addition to reserve funds, maintaining a reasonable amount of unassigned fund balance within operating funds is another important financial consideration for the town. A reasonable level of unrestricted, unappropriated fund balance provides a cushion for unforeseen expenditures or revenue shortfalls and helps to ensure that adequate cash flow is available to meet the cost of operations. Combining a reasonable level of unassigned fund balance with specific legally established reserve funds provides resources for both unanticipated events and other identified or planned needs.

## General Policy:

1. The Town shall maintain reserves required by law, ordinance, and/or bond covenants.
2. If reserves and/or fund balances fall below required levels as set by this policy, the Town shall include within its annual budget a plan to restore reserves and/or fund balance to the required levels.
3. The creation and use of reserve funds must follow New York State statutes.
  - a. **Capital Reserve Funds** (GML Section 6-c)
    - i. **Specific Capital Reserves** – The Town Board’s authorization (resolution) establishing a specific improvement or equipment capital reserve must state the estimated maximum cost of the item(s) of equipment or improvement. A permissive referendum is required upon establishment, unless the period of probable usefulness of the specific capital improvement or equipment is less than five years. There are no referendum requirements for expenditures. Expenditures from a specific capital reserve shall require prior Board approval unless previously authorized by the Town Board for expenditure within the Town’s annual budget.
    - ii. **Type Capital Reserves** – The Town Board shall authorize (by resolution) the establishment of a type improvement or equipment reserve but there is no requirement to state an estimated maximum cost of the equipment or improvement in the resolution. A referendum is not required when establishing a type capital reserve fund, however, a permissive referendum is required prior to expenditure, unless the period of probable usefulness of the type capital improvement or equipment is less than five years.

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b. **Repair Reserve Funds** – (GML Section 6-d)

The purpose of a repair reserve is to pay for certain repairs to capital improvements or equipment. The type of repairs must not recur annually or at short intervals. A resolution appropriating moneys from a repair reserve fund is subject to public hearing and at least five days must elapse between the publication of the notice of hearing and the date specified for the hearing. In an emergency, moneys in a repair reserve fund may be expended without giving notice and without holding a public hearing. To make such an emergency expenditure, the Town Board must pass a resolution approved by at least a two-thirds vote. In addition, at least one-half of the expenditure must be repaid in the next fiscal year and the balance repaid by the end of the fiscal year after that.

## **Reserve Funding Levels:**

- **Building Repair Reserve**
  - FUND: A – General Fund, Whole Town
  - AUTHORIZED RESERVE: Repair Reserve
  - CREATION RESOLUTION: Unknown
  - PRIOR UPDATE RESOLUTION: 16-92
  - PRIOR OPTIMAL FUNDING LEVEL: \$150,000
  - REVISED OPTIMAL FUNDING LEVEL: \$150,000
  - BASIS OF FUNDING LEVEL: This funding level considers the estimated cost of structural and mechanical failures of any of the buildings owned by the Town of Lansing. This includes, but is not limited to, the Community Center, Town Hall, archive building, one-room schoolhouse, and buildings in parks.
  - CONDITIONS OF USE: Building Repair Reserve is for the exclusive purpose of funding major repairs to capital improvements or equipment affixed to any of the town's structures or property.
  
- **Parks & Rec Equipment Reserve**
  - FUND: A – General Fund, Whole Town
  - AUTHORIZED RESERVE: Type Capital Reserve
  - CREATION RESOLUTION: Unknown
  - PRIOR UPDATE RESOLUTION: 16-92
  - PRIOR OPTIMAL FUNDING LEVEL: \$15,000
  - REVISED OPTIMAL FUNDING LEVEL: \$20,000
  - BASIS OF FUNDING LEVEL: This funding level considers the estimated cost of large equipment used for the parks, such as commercial mowers.
  - CONDITIONS OF USE: Parks & Rec Equipment Reserve is for the exclusive purpose of equipment purchases for use at town parks and recreation facilities.

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- **Technology Reserve**

- FUND: A – General Fund, Whole Town
- AUTHORIZED RESERVE: Type Capital Reserve
- CREATION RESOLUTION: 06-293
- PRIOR UPDATE RESOLUTION: 16-92
- PRIOR OPTIMAL FUNDING LEVEL: \$20,000
- REVISED OPTIMAL FUNDING LEVEL: \$25,000
- BASIS OF FUNDING LEVEL: This funding level considers three-year replacement costs for 29 computer stations valued at \$2,500.
- CONDITIONS OF USE: Technology Reserve is for the exclusive purpose of upgrading computers, phones, and other forms of technology used for Town purposes.

- **Highway Equipment Reserve**

- FUND: DA – Highway Fund, Whole Town
- AUTHORIZED RESERVE: Type Capital Reserve
- CREATION RESOLUTION: Unknown
- PRIOR UPDATE RESOLUTION: 16-92
- PRIOR OPTIMAL FUNDING LEVEL: \$150,000
- REVISED OPTIMAL FUNDING LEVEL: \$200,000
- BASIS OF FUNDING LEVEL: This funding level considers the replacement cost of a 10-wheel truck, with the costs split between the DA and DB funds.
- CONDITIONS OF USE: Highway Equipment Reserve is for the exclusive purpose of purchasing highway equipment and vehicles within the DA-Highway Town-Wide fund.

- **Parks and Trailways Reserve**

- FUND: A – General Fund, Whole Town
- AUTHORIZED RESERVE: Type Capital Reserve
- CREATION RESOLUTION: 17-99
- PRIOR UPDATE RESOLUTION: N/A
- PRIOR OPTIMAL FUNDING LEVEL: \$150,000
- REVISED OPTIMAL FUNDING LEVEL: \$150,000
- BASIS OF FUNDING LEVEL: This funding level considers an average of \$600,000 per mile of trails with 75% of the costs covered by outside grants and funding sources.
- CONDITIONS OF USE: Parks and Trailways Reserve is for the exclusive purpose of financing the cost of capital improvements for trailways and their related park, recreational, and open spaces, including capital planning, land acquisition, equipment acquisition, and development and construction costs for the above-referenced purposes and trails.

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- **Highway Equipment Reserve**

- FUND: DB – Highway Fund, Part Town Outside of Village
- AUTHORIZED RESERVE: Type Capital Reserve
- CREATION RESOLUTION: 19-69
- PRIOR UPDATE RESOLUTION: N/A
- PRIOR OPTIMAL FUNDING LEVEL: \$150,000
- REVISED OPTIMAL FUNDING LEVEL: \$200,000
- BASIS OF FUNDING LEVEL: This funding level considers the replacement cost of a 10-wheel truck, with the costs split between the DA and DB funds.
- CONDITIONS OF USE: Highway Equipment Reserve is for the exclusive purpose of purchasing highway equipment and vehicles within the DB-Highway Part-Town fund.

- **Warren Road Sewer District Reserve**

- FUND: SS1 – Warren Road Sewer District
- AUTHORIZED RESERVE: Repair Reserve
- CREATION RESOLUTION: 26-\_\_
- PRIOR UPDATE RESOLUTION: N/A
- PRIOR OPTIMAL FUNDING LEVEL: N/A
- REVISED OPTIMAL FUNDING LEVEL: \$25,000
- BASIS OF FUNDING LEVEL: This funding level considers the cost of the replacement of two lift stations.
- CONDITIONS OF USE: Warren Road Sewer District Reserve is for the exclusive purpose of funding major repairs to capital improvements of the Warren Road Sewer District, including but not limited to repair or replacement of lift stations. This reserve may not be used to pay district operation and maintenance costs.

- **Cherry Road Sewer District Reserve**

- FUND: SS3 – Cherry Road Sewer District
- AUTHORIZED RESERVE: Repair Reserve
- CREATION RESOLUTION: 26-\_\_
- PRIOR UPDATE RESOLUTION: N/A
- PRIOR OPTIMAL FUNDING LEVEL: N/A
- REVISED OPTIMAL FUNDING LEVEL: \$5,000
- BASIS OF FUNDING LEVEL: This funding level considers the cost of repairs to sewer infrastructure.
- CONDITIONS OF USE: Cherry Road Sewer District Reserve is for the exclusive purpose of funding major repairs to capital improvements to the Cherry Road Sewer District. This reserve may not be used to pay district operation and maintenance costs.

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- **Consolidated Water District Reserve**

- FUND: SW – Consolidated Water District
- AUTHORIZED RESERVE: Repair Reserve
- CREATION RESOLUTION: 26-\_\_
- PRIOR UPDATE RESOLUTION: N/A
- PRIOR OPTIMAL FUNDING LEVEL: N/A
- REVISED OPTIMAL FUNDING LEVEL: \$200,000
- BASIS OF FUNDING LEVEL: This funding level considers the cost of 1,000 feet of water lines at approximately \$200 per linear foot.
- CONDITIONS OF USE: Consolidated Water District Reserve is for the exclusive purpose of funding major repairs to capital improvements to the Consolidated Water District. This reserve may not be used to pay district operation and maintenance costs.

## **Replenishment Plans:**

For the reserve funds that at the adoption of this policy are below the optimal funding balance, the reserve funds shall be replenished by one of the following methods:

1. General and Highway Funds – Type Capital Reserves:
  - a. The Town Board may take up to five (5) years to fully replenish the reserve from unreserved fund balance by including such replenishment in the annual budgets for those five (5) years.
  - b. Within fiscal years 2026 through 2028, if the unreserved fund balances are not sufficient to replenish the reserves, then the reserve funds may be fully replenished from the Host Community Agreement (HCA) funds received from the Yellow Barn Solar Project, per the HCA allocation plan as established by the Town Board.
2. General and Highway Funds – Repair Reserves:
  - a. Per GML Section 6-d, replenishment of expenditures from the Reserve requires that at least one-half of the expenditure must be repaid in the next fiscal year and the balance repaid by the end of the fiscal year after that.
3. Special Districts – Repair Reserves:
  - a. The reserve funds shall be initially funded from the fund balance of each special district.
  - b. Per GML Section 6-d, replenishment of expenditures from the Reserve requires that at least one-half of the expenditure must be repaid in the next fiscal year and the balance repaid by the end of the fiscal year after that.

This policy shall be reviewed and approved annually with revisions as needed.

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Revision History:

05.18.2016 Resolution #16-92; 7.19.2017 Resolution #17-99; March 20, 2019 Resolution #19-69  
04.15.2026 Resolution #26-TBD To update language and include reserves that were not previously included.