

# Capital Reserve 2023

**What and Why?**



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# What is a capital reserve?

- It is in essence, a “savings” account to put funds aside to cover all or part of the cost of a larger capital improvement (**major upgrades to buildings and grounds**).
- Voters must approve the creation of a capital reserve with a specific list of projects.
- Voters must also separately approve the use of the reserve funds.



# Why do school districts establish a capital reserve?

- It allows communities to put money aside for needed capital projects.

- It allows districts to **use money that they already have.**
- It prevents capital projects from causing budget spikes in any single year.



# What is the North Shore CSD Capital Reserve Proposal this Year?

- The North Shore CSD established a capital reserve in 2016 with voter approval.
- Most of the projects on the list are completed and funds remain. There is approximately \$1.9 million remaining in the reserve. This includes funds previously allocated to projects that have been completed and will be transferred back to the reserve.
- The District is asking voters to **amend** the original list of projects to include the replacement of the High School turf field (**Proposition 2**).
- The District is also asking voters to **expend funds (already in the capital reserve)** to replace the High School turf field and complete classroom renovations for a dance studio (**Proposition 3**).

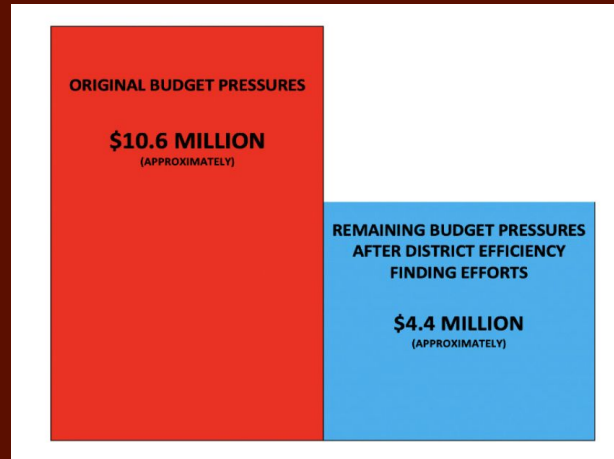


# Why is North Shore CSD asking voters to amend and expend the 2016 capital reserve this year?

- The North Shore High School **turf field** is near the end of its useful life.
- The **dance program** is growing and students need a dedicated space.



# Why is North Shore CSD asking voters to amend and expend the 2016 capital reserve this year?



- With the historical \$10.6 million in budget pressures (**\$3.5 million in loss of revenue and \$7.1 million in costs**), the HS turf field and dance studio could not fit into the budget proposal **without** significantly **increasing** the budget and taxes.



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