

Establishing A Restricted Capital Reserve Fund - Decarbonization Capital Reserve - Under Section 6-C Of The New York State General Municipal Law

Referred to: The Energy, Environment and Sustainability Committee (Chairwoman Greene and Legislators Hansut, Levine, Maloney, and Stewart), The Public Works, Capital Projects and Transportation Committee (Chairwoman Petit and Legislators Erner, Fabiano, Litts, and Nolan), and The Ways and Means Committee (Chairman Gavaris and Legislators Cahill, Criswell, Roberts, and Ronk)

Chair of the Legislature, Tracey A. Bartels, offers the following:

WHEREAS, this resolution has been submitted at the request of the County Executive; and

WHEREAS, the 2024 - 2029 proposed Capital Improvement Program has outlined various capital improvements to aging and outdated fossil fuel related building infrastructure; and

WHEREAS, the Ulster County Executive is requesting the Ulster County Legislature establish a Restricted Capital Reserve – Decarbonization Capital Reserve to provide eighteen million dollars (\$18,000,000.00) in funding to offset the costs of the projects as laid out in the 2024 - 2029 proposed Capital Improvement Program; and

WHEREAS, this dedicated reserve will fund capital projects that improve energy efficiency in buildings and operations, and replace fossil fuel-reliant HVAC and other equipment at the end of its useful life with clean, energy-efficient technologies; and

WHEREAS, these investments are intended to both reduce climate-damaging emissions and provide long-term operational savings to the County government as building improvements are made over time; and

WHEREAS, General Municipal Law Section 6-C allows the governing board of any county, city, village, town or sewer and water improvement district to establish capital reserve funds for the financing of all or part of the cost of the construction, reconstruction, or acquisition of a type of capital improvement or the acquisition of a type of equipment; and

WHEREAS, current calculations for the end of fiscal year 2023 estimate that Ulster County will end with an unrestricted fund balance in excess of one hundred ten million dollars (\$110,000,000.00), and

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WHEREAS, Ulster County's adopted Fund Balance Policy requires the unrestricted fund balance within the General Fund to be between 15% and 20% of current General Fund operating expenditures; now, therefore be it

RESOLVED, that out of the ending unassigned fund balance for the fiscal year ended December 31, 2023, the sum of eighteen million dollars (\$18,000,000.00) be restricted for the establishment of a Restricted Capital Reserve Fund for the Decarbonization Capital Reserve of the County of Ulster, and the Commissioner of Finance of the County is hereby authorized, empowered, and directed to transfer from said unassigned fund balance the said sum of eighteen million dollars (\$18,000,000.00) dollars to said Fund; and, be it further

RESOLVED, such fund is to be known as the "Restricted Capital Reserve – Decarbonization Capital Reserve" (the "Fund"); and, be it further

RESOLVED, the Restricted Capital Reserve – Decarbonization Capital Reserve is accounted for within the Restricted Fund Balance; and, be it further

RESOLVED, there may be paid into such Fund such amounts as may be provided therefore by budgetary appropriation or raised by tax therefore, and such revenues as are not required by law to be paid into any other fund or account, including the proceeds from the sale of any capital improvement or equipment owned by the County; and, be it further

RESOLVED, moneys in the Fund may be appropriated:

a. Only to finance design, construction, reconstruction, or acquisition for the purpose of capital projects that improve energy efficiency in County buildings and operations, or that replace fossil fuel-reliant HVAC and other equipment at the end of useful life with clean, energy-efficient technologies for which bonds may be issued.

b. For the payment of interest on and principal of indebtedness, other than indebtedness evidenced by bonds and notes described in paragraphs A and D of section five of article eight of the state constitution, and indebtedness for assessable improvements or renewals thereof, all or part of the unexpended balance remaining in a fund established for the decarbonization plan. Any such appropriation may not be made unless the improvement has been completed or acquired, and shall not include any moneys required to satisfy all outstanding claims arising from the construction, reconstruction or acquisition of such capital improvement. and, be it further

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RESOLVED, the Ulster County Commissioner of Finance shall account for the Fund separate and apart from all other funds of the County of Ulster; and such accounting shall show: the source, date and amount of each sum paid into the Fund; the interest earned by such Fund; capital gains or losses resulting from the sale of investments of the Fund; the interest or capital gains which have accrued to the Fund; the order, source thereof, date and amount of each appropriation and withdrawal from this Fund; the assets of the Fund, indicating cash balance therein and a schedule of the amounts invested in federal or state obligations; and, be it further

RESOLVED, not later than sixty (60) days after the start of each fiscal year and at such times as may be required by the Ulster County Legislature (the "Legislature") or the Ulster County Executive (the "Executive"), the Commissioner of Finance shall furnish to the Legislature and the Executive a detailed report of the operation and condition of the Fund during the preceding fiscal year which shall include a statement of receipts and disbursements, and a statement of the balance of the Fund as of the last day of such preceding fiscal year and such other dates as may be specified by the Legislature; Not later than thirty (30) days prior to the last date provided by the Ulster County Charter (the "Charter") for the filing of the executive capital budget, the Commissioner of Finance shall furnish to the County Executive a statement of the current balance of the Fund; and, be it further

RESOLVED, any request for appropriation from the Decarbonization Capital Reserve shall include a project-specific alternatives analysis providing quantitative documentation related to anticipated energy efficiency and or clean energy benefits; and, be it further

RESOLVED, any project funded with the Decarbonization Capital Reserve will have project level energy reporting data provided annually in the Ulster County Benchmarking Report produced in accordance with Resolution No. 447 of 2016; and, be it further

RESOLVED, any interest earned or capital gains realized on the moneys so deposited or invested shall accrue to and become a part of such Restricted Capital Reserve Fund; and, be it further

RESOLVED, an expenditure shall be made from the Fund only by authorization of the Legislature, the cost of which may be financed therefrom,

and move its adoption.

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ADOPTED BY THE FOLLOWING VOTE:

AYES: 15 NOES: 7
(Noes: Legislators Corcoran, Fabiano, Hansut,
Litts, Lopez, Roberts, and Ronk)
(Absent: Legislator Stewart)

Passed Committee: Energy, Environment and Sustainability as amended on December 7, 2023

Passed Committee: Public Works, Capital Projects and Transportation on December 11, 2023

Passed Committee: Ways and Means as amended on December 12, 2023

FINANCIAL IMPACT:

**\$18,000,000.00 – RESTRICTED CAPITAL RESERVE – DECARBONIZATION
CAPITAL RESERVE**

