



RESOLUTION

AUTHORIZING THE EXPENDITURE OF AN AMOUNT NOT TO EXCEED \$3,362,000 FROM THE SCHOOL CAPITAL RESERVE FUND (ACCOUNT #981-5368) FOR THE PURPOSE OF PAYING SCHOOL BONDED DEBT PRINCIPAL AND AUTHORIZING THE TRANSFER OF AN AMOUNT NOT TO EXCEED \$3,362,000 FROM FY2009 ACCOUNT #592-85025 "DEBT SERVICE, PRINCIPAL SCHOOL BONDED DEBT" INTO FY2009 ACCOUNT #581-99985 "SCHOOL DEPARTMENT, BUDGET ADJUSTMENT"

CITY OF NASHUA

In the Year Two Thousand and Nine

RESOLVED by the Board of Aldermen of the City of Nashua that an amount not to exceed \$3,362,000 be expended from the School Capital Reserve Fund (Account #981-5368) for the purpose of paying school bonded debt principal, and that an amount not to exceed \$3,362,000 be transferred from FY2009 Account #592-85025 "Debt Service, Principal School Bonded Debt" into FY2009 Account 581-99985 "School Department, Budget Adjustment" for the purpose of covering the FY2009 school budget deficit. The transfer amount shall be certified by the city's chief financial officer.

LEGISLATIVE YEAR 2009

RESOLUTION:

R-09-214

PURPOSE:

Authorizing the expenditure of \$3,362,000 from the School Capital Reserve Fund (Account #981-5368) for the purpose of paying school bonded debt principal and authorizing the transfer of \$3,362,000 from FY2009 Account #592-85025 "Debt Service, Principal School Bonded Debt" into FY2009 Account #581-99985 "School Department, Budget Adjustment"

SPONSOR(S):

Mayor Donnalee Lozeau

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

Reduces the available balance in the School Capital Reserve Fund. The current balance in the capital reserve fund is \$7,802,406.

ANALYSIS

NRO Sec 30-13, A establishes a School Capital Reserve Fund under RSA Chapter 34 for the purpose of financing costs of school building, construction, additions and renovations. NRO Sec 30-13, B provides that "expenditures from said fund shall be as directed by resolution adopted by majority vote of the Board of Aldermen." This resolution authorizes \$3,362,000 to be expended from the school capital reserve fund for the purpose of paying school bonded debt principal. RSA 34:1, VII states that a capital reserve fund may finance all or a part of the cost of the repayment of bonded debt issued for the purpose specified in the fund (school building, construction, additions and renovations).

This resolution also authorizes a transfer of \$3,362,000 from FY2009 school bonded debt principal payments into the FY2009 school budget for the purpose of covering the FY2009 year-end school department deficit. In other words, it reallocates FY2009 funding in the General Fund operating budget to match department expenditures. Charter Sec. 53 permits the Board of Aldermen to transfer any unencumbered appropriation balance or any portion thereof from one department, fund or agency to another. NRO § 5-130, H provides that "when proposed legislation to transfer or reappropriate a particular appropriation or portion thereof has had its first reading, such funds shall not be expended or transferred while the legislation is pending".

**Approved as to account
structure, numbers,
and amount:**

Financial Services Division

By: _____

Approved as to form:

Office of Corporation Counsel

By: Dorothy Clarke

Date: July 29, 2009

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SCHOOL CAPITAL RESERVE FUND (ACCOUNT
981-5368) FOR THE PURPOSE OF PAYING
SCHOOL BONDED DEBT PRINCIPAL AND
AUTHORIZING THE TRANSFER OF AN AMOUNT
NOT TO EXCEED \$3,362,000 FROM FY2009
ACCOUNT #592-85025 "DEBT SERVICE,
PRINCIPAL SCHOOL BONDED DEBT" INTO
FY2009 ACCOUNT #581-99985 "SCHOOL
DEPARTMENT, BUDGET ADJUSTMENT"

IN THE BOARD OF ALDERMEN

1ST READING AUGUST 11, 2009

Referred to:

BUDGET REVIEW COMMITTEE

2nd Reading AUGUST 20, 2009

3rd Reading _____

4th Reading _____

Other Action _____

Passed AUGUST 20, 2009

Indefinitely Postponed _____

Defeated _____

Attest: Paula Bergera City Clerk

Approved: Orville Hozean Mayor's Signature

8/20/09
Date

Endorsed by

Orville Hozean

MAYOR

COX

Richard Flynn

FLYNN

CLEMONS

Vetoed: _____

Veto Sustained: _____

Veto Overridden: _____

Attest: _____
City Clerk

President