



## **ORDINANCE**

### **RELATIVE TO DISCONTINUING THE SCHOOL BUILDING AND CONSTRUCTION CAPITAL RESERVE FUND**

### ***CITY OF NASHUA***

*In the Year Two Thousand and Five*

*The City of Nashua ordains* that Chapter 2 “Administration”, Article X “Taxation and Finance”, Division 4 “Trustees of Trust Funds, Capital Reserve Funds”, Section 2-786 “School buildings and construction capital reserve account” is hereby repealed and the capital reserve fund which it established is hereby discontinued pursuant to RSA 34:11-a.

The reason for discontinuing the fund is that past appropriations to said fund were made with the intention of making annual payments of principal and interest on bonds issued for school construction, but the State Department of Revenue Administration has ruled that only direct payments for capital improvements are permissible, not payments on debt for capital improvements. Upon discontinuance, the money would be available for payment of principal and interest, as originally intended, and re-appropriation of some of the money to a newly established similar capital reserve fund.