RESOLUTION

ESTABLISHING THE USE OF FUND BALANCE FOR TAX RATE

CITY OF NASHUA

In the Year Two Thousand and Eleven

RESOLVED by the Board of Aldermen of the City of Nashua that pursuant to NRO §5-135, B, $4,300,000 of the undesignated general fund balance shall be applied to the Calendar Year 2011 (Fiscal Year 2012) Tax Rate. With approval of this action, undesignated fund balance remains at or above the five (5) percent minimum as recommended by Department of Revenue Administration and the ten (10) percent minimum as established by NRO §5-136, A.
Mayor’s Surplus Use and Overlay Notification

Undesignated Fund Balance:

- Projected Balance 06/30/2011: $30,573,822
- Transfer from Property & Casualty Insurance Fund: $500,000
- Apply to Tax Rate: $(4,300,000)
- Adjusted Balance 06/30/2011: $26,773,822

Total General Fund Appropriations: $227,212,971

% Undesignated Fund Balance: 11.8% (10% minimum per NRO 5-135)

FY2011 Overlay:

- Prior Year: $1,500,000 in Reserve for Abatements/Prior Year Overlay
- Current Year: $1,800,000 in Tax Rate calculations
- Total: $3,300,000
LEGISLATIVE YEAR 2011

RESOLUTION: R-11-155

PURPOSE: Establishing the use of fund balance for tax rate

SPONSOR(S): Mayor Donnalee Lozeau

COMMITTEE ASSIGNMENT:

FISCAL NOTE: This resolution would apply $4,300,000 of undesignated general fund balance to the FY11 tax rate. Of that sum, $3,800,000 is from fund balance consisting of an anticipated surplus in the FY11 operating budget of $2,500,000 and $1,300,000 from fund balance. The remaining amount of $500,000 is from the proposed transfer from the Property & Casualty Unallocated Insurance Fund.

ANALYSIS

This resolution applies $4,300,000 of the undesignated general fund balance to the Calendar Year 2011 (Fiscal Year 2012) Tax Rate. With approval of this action, undesignated fund balance remains at or above the five (5) percent minimum as recommended by Department of Revenue Administration and the ten (10) percent as established by NRO §5-136, C.

A resolution to transfer $500,000 from the Property & Casualty Unallocated Insurance Fund into General Fund Undesignated Fund Balance is being introduced concurrently, and the calculations related to this resolution are based on the passage of that transfer resolution.

Per NRO §5-135, B, in order to use undesignated general fund balance to reduce the tax rate, this resolution must be approved on or before the board’s second meeting in September (September 27, 2011) “by 10 members of the Board of Aldermen.”

The account analysis required by NRO §5-19, J is attached.

Approved as to account Structure, numbers, and amount: Financial Services Division

By: ____________________________

Approved as to form: Office of Corporation Counsel

By: ____________________________

Date: ____________________________

Sept. 8, 2011
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IN THE BOARD OF ALDERMEN

1ST READING SEPTEMBER 13, 2011

Referred to:

BUDGET REVIEW COMMITTEE

2nd Reading SEPTEMBER 27, 2011

3rd Reading

4th Reading

Other Action

Passed SEPTEMBER 27, 2011

Indefinitely Postponed

Defeated

Attest: [Signature] City Clerk

[Signature] President

Approved: [Signature] Mayor's Signature

October 3, 2011 Date

Endorsed by [Signature] MAYOR

Vetoed:

Veto Sustained:

Veto Overridden:

Attest: [Signature] City Clerk

[Signature] President