



## STAFF REPORT

AGENDA ITEM #: 23-83  
COUNCIL MTG OF: July 11, 2023  
FROM: Dave Caron, Town Administrator  
OFFERED BY: Administration  
PREPARED BY: Mark A. Fleischer, Chief Financial Officer  
SUBJECT: Transfer Funds from the Fire Facilities and Equipment Capital Reserve

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**INTRODUCTION:** Transfer funds from the Fire Facilities and Equipment Capital Reserve fund to cover the FY23 interest only bond payment related to the construction of the replacement Fire Station in the amount of \$519,187.77.

### TOWN ADMINISTRATOR COMMENTS

The Town Council is encouraged to approve the transfer of funds from Fire Facilities and Equipment Capital Reserve Fund to cover FY23 interest only bond payment related to the 2022 Fire Station and Culvert bond.

### BACKGROUND

Per Resolution #2022-038, the Town Council authorized the construction of a replacement Central Fire Station and per Resolution #2022-036, a bond offering was authorized to fund the project.

### DISCUSSION

Issuance of long-term debt for the Fire Station project occurred in July 2022. An interest only payment on this debt issuance in the amount of \$519,187.77 was made in January 2023 from OMO. This payment was not included in the FY23 budget, as the sale of the bond which finalized the interest rate occurred after the FY 23 budget was adopted. We did, however, anticipate this payment, which is budgeted within the project cash flow; we are utilizing the Fire Facilities and Equipment Capital Reserve as the mechanism to receive funds and make payments for the project.

### FISCAL IMPACT

A transfer from the Fire Facilities and Equipment Capital Reserve Funds to OMO interest expense **OBJ #981000** in the amount of **\$519,187.77** will properly fund the interest payment related to this long-term debt with no supplemental appropriation required and no effect on the tax rate.

### RECOMMENDED ACTION & MOTION BY COUNCIL

I move the adoption of Resolution #2023-054 (please read the motion). Please see Resolution #2023-054



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## RESOLUTION

Number# 2023-054

### To Authorize Expenses from the Fire Facilities Capital Reserve Fund

WHEREAS, the Town Council previously established a Capital Reserve Fund for Fire Facilities; and,

WHEREAS, the Town Council under Resolution #2022-038 authorized the construction of a replacement Central Fire Station to a location in southwest Derry; and

WHEREAS, the Capital Reserve Fund is used as vehicle to receive and expend funds for the station's construction and payment of debt service; and

WHEREAS, the Town incurred interest expenses in FY23 associated with the issuance of long-term debt to fund the project;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that the Town Council, as agents to expend, hereby approve the transfer of \$519,187.77 from the Fire Facilities Capital Reserve Fund to pay FY23 debt service on the Central Fire Station bond.

This Resolution shall take effect immediately upon its passage.

Adopted: July 11, 2023

Attest:

X \_\_\_\_\_

Charles Foote, Council Chair

Date: \_\_\_\_\_

X \_\_\_\_\_

Cristina Guilford, Town Clerk

Date: \_\_\_\_\_