

§1706. Reserve fund

Community school districts may establish a reserve fund as follows: [PL 1989, c. 132, §3 (NEW).]

1. Establishment. A community school district may establish a reserve fund for school construction projects, financing the acquisition or reconstruction of a specific or type of capital improvement, financing the acquisition of a specific item or type of capital equipment or any of the expenditures listed under section 1485, subsection 1, paragraph A by including a request in the district budget, which must include a description of the purpose of the reserve fund, and receiving voter approval.

The district school committee is the trustee of the reserve fund. The reserve fund must be deposited or invested by the treasurer under the direction of the school committee.

[PL 2019, c. 588, §7 (AMD).]

2. Deposit or investment. All district funds, including reserve funds and trust funds to the extent that the terms of the instrument or vote creating the fund do not prohibit, shall be deposited or invested by the treasurer under the direction of the district school committee according to the requirements for the deposit or investment of municipal funds contained in Title 30-A, section 5706.

[PL 1989, c. 132, §3 (NEW).]

3. Expending money from reserve funds. The district school committee may expend the sum in the reserve fund when authorized to do so by a vote of the district at a district meeting or a district budget meeting, when an article for that purpose is set out in the warrant calling the meeting, except that the district school committee may expend funds from a reserve fund by a vote of the committee in accordance with the procedure in subsection 4:

A. In the event of an emergency that requires the immediate expenditure of funds and when, in responding to the emergency, a vote of the district for permission is cost-prohibitive; or [PL 2019, c. 588, §8 (NEW).]

B. When the expenditure is required by law. [PL 2019, c. 588, §8 (NEW).]
[PL 2019, c. 588, §8 (AMD).]

4. Procedure for expending money from reserve funds by vote of committee. The procedure for the district school committee to expend funds from the reserve fund pursuant to subsection 3, paragraph A or B must be as follows.

A. The district school committee shall provide public notice of the regular or special meeting at which the vote to expend funds from the reserve fund will be taken. [PL 2019, c. 588, §9 (NEW).]

B. The district school committee shall hold a public hearing prior to the vote to expend funds from the reserve fund. [PL 2019, c. 588, §9 (NEW).]

C. The vote to expend funds from the reserve fund must be recorded in the meeting minutes of the district school committee. [PL 2019, c. 588, §9 (NEW).]

[PL 2019, c. 588, §9 (NEW).]

SECTION HISTORY

PL 1989, c. 132, §3 (NEW). PL 2019, c. 588, §§7-9 (AMD).

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