§ 124.00 Bonds for pensions; ascertainment of amount thereof to be excluded. a. As used in this section, the term "accrued liabilities" shall mean the liabilities of a pension or retirement system or fund accrued, both on account of pensioners on the pension roll and prospective pensions to dependents of such pensioners and on account of prior service of active members of such system or fund, on the date of issuance of bonds to place such system or fund on a solvent basis.

b. In ascertaining the power to contract indebtedness of a municipality which maintains a pension or retirement system or fund on a solvent basis, there may be excluded outstanding serial bonds issued subsequent to January first, nineteen hundred thirty-nine, by such municipality to place such pension or retirement system or fund on a solvent basis.

c. 1. In relation to bonds to be issued subsequent to the effective date of this chapter, to place a pension or retirement system or fund of a municipality on a solvent basis, prior to the issuance of such bonds, the finance board of such municipality shall submit a request to the superintendent of financial services to ascertain the amount of such bonds which may be issued for such purpose. Such request shall indicate whether the municipality proposes to deposit in such system or fund such bonds or the proceeds of such bonds. Such request shall be in such form and shall contain such additional information as shall be prescribed by the superintendent of financial services.

2. Upon the receipt of such request, the superintendent of financial services forthwith shall review the facts set forth therein. He shall have the power to examine the accounts and records of such system or fund and of the municipality with respect thereto. He may also require the chief fiscal officer and other public officers, boards and agencies to furnish such additional data and information as he deems necessary to enable him to make his determination.

3. The superintendent of financial services shall thereupon issue to such municipality a certificate setting forth the amount of bonds which may be issued, which shall not exceed, in the aggregate, an amount

sufficient to provide for the payment of the accrued liabilities of such system or fund. If the bonds are to be deposited in such system or fund, such certificate shall also set forth the interest rate or rates on such bonds and the maturities thereof necessary to provide for the payment of such accrued liabilities.

4. Upon the issuance of such bonds, such bonds or the proceeds thereof, in accordance with the statement in the request, shall be deposited in such system or fund. Such system or fund shall thereafter be maintained on a solvent basis.

d. Any time after there have been deposited in a pension or retirement system or fund, bonds issued subsequent to January first, nineteen hundred thirty-nine, to place such system or fund on a solvent basis, or the proceeds of such bonds, the chief fiscal officer of the municipality issuing such bonds, if he is of the opinion that such fund or system is solvent may, in his discretion, file a financial statement of such fund or system with the superintendent of financial services for the purpose of obtaining the exclusion referred to in paragraph b of this section. Such statement shall be in such form and shall contain such information as shall be prescribed by the superintendent of financial services to enable him to determine whether or not such fund or system is solvent. Such statement shall be verified by the chief fiscal officer of the municipality.

e. Upon the receipt of such a financial statement, the superintendent of financial services forthwith shall review the facts set forth therein. He shall have the power to examine the accounts and records of such system or fund and of the municipality with respect thereto. He may also require the chief fiscal officer and other public officers, boards and agencies to furnish such additional data and information as he deems necessary to enable him to make his determination.

f. The superintendent of financial services shall issue a written certificate setting forth his determination as to whether or not such bonds may be excluded. If the exclusion is allowed by the superintendent of financial services, such certificate shall also state the amount of

bonds to be excluded and shall constitute the authorization for the exclusion of such bonds in ascertaining the power of such municipality to contract indebtedness. Such certificate shall be effective for a period of one year from the date thereof. If the superintendent of financial services disallows the claim of the municipality for the exclusion, he shall set forth the reasons for such disallowance. The determination of the superintendent of financial services shall be conclusive.

g. Certificates issued by the superintendent of financial services pursuant to this section shall be executed under his hand and seal in triplicate. One of such triplicates shall be filed in the department of financial services, one in the department of audit and control and one in the office of the chief fiscal officer of the municipality. All such triplicates shall be public records.