

Bond Counsel Critical for Municipal Bond Success

Implementing a municipal capital project often takes a significant amount of time, so it is critical to start planning early. This is especially true if the municipality is seeking a bond for the project, as that process may take many months or even a year, considering the municipality must approve the bond at an annual or special town meeting. In addition, there are many statutory requirements that municipalities must carefully follow in the bond process. If an error occurs in that process, the municipality may have to start the process anew, which may affect the marketability of the bond. For these reasons, it is important to start working with a qualified local bond attorney early in the bond process.

Bond counsel will be able to guide the municipality through the rigorous bond process and provide the necessary validation that the municipality is in a good position to take on the debt. The opinion of bond counsel is a form of assurance, in theory, for issuers and investors that all legal requirements have been satisfied. The Vermont Municipal Bond Bank, which provides Vermont municipalities with low-cost financing for obtaining bonds, lists approved bond counsel that it will work with on its website, vmdbb.org/municipal-bonds/approved-legal-counsels/.

At VLCT's Municipal Budgeting workshop on September 12 in Montpelier, the Vermont Municipal Bond Bank will discuss its lending services, financial planning assistance, and the processes for loan application and repayment. For the most up-to-date information on this and other workshops, visit our website's events and trainings page, vlct.org/training-events.

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