

Tools & Tips - Borrowing

VLCT Resource: [When Can the Legislative Body Borrow Money Without Voter Approval?](#)

Other Resource: [Vermont Statute on Indebtedness](#)

Common Sources of Loans:

- Local/Regional Banks
- [Vermont Municipal Equipment Loan Fund](#) for the purchase of construction, fire, emergency, or heavy equipment or vehicles.
- [Vermont Bond Bank Pooled Loan Program](#). Program Requirements:
 - Require evidence of voter approval and authority
 - Legal opinion from local bond counsel. [Vermont Bond Bank Approved Legal Counsels](#)
 - Annual report for three years or three years of financial audits (preferred).
 - Minimum requirement for financial audit from last completed year. [VLCT Auditing Resources](#).
 - Term of financing and useful life of asset financed must align.

VLCT Tip: *The staff at the Vermont Bond Bank are knowledgeable and easy to work with and will support you every step of the way. HOWEVER, there are statutory requirements for holding a bond vote and documenting all steps in the bond approval process that MUST be met. Do it right the first time: contact an approved bond counsel early in the process of bringing your project to the voters for approval – you'll save money in the long run!*

Among a long list of procedural and documentation requirements, Bond Counsel will provide assistance with:

- **Notice of Intent to Bond:** Legislative body Declaration of Official Intent ("reimbursement resolution").
- **Necessity Resolution** adopted by legislative body of municipality authorizing improvements and submission of the proposition of incurring indebtedness therefor to municipality at annual/special meeting.

- **Drafting the Article** for the Town Meeting Warning.
- **Public Notice Requirements** for Town consideration of bond vote. 24 V.S.A. § 1756: publishing the Warning in a newspaper once a week for three consecutive weeks on the same day of the week and posting the Warning in five public places. [Vermont Statute on Notice of Meeting; Authorization \(for bonding](#)
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Debt Management

VLCT Resource: [VLCT Model Debt Management Policy with Guidance.docx](#)

Vermont Bond Bank Resource: The Vermont Bond Bank regularly supports communities with customized debt capacity benchmark analysis (ken@vtbondagency.org).

NEW! VLCT Tool:

[Debt Service Impact on Tax Rate Spreadsheet \(08/25/2025\)](#)

Having a tough time getting started?

VLCT's Municipal Support Team is here to help! Government Finance Specialist Marguerite Ladd, mladd@vlct.org, and Municipal Operations Specialist Kathleen Ramsay, kramsay@vlct.org.

**VLCT Tools are to be used for informational and general guidance purposes only. It is your responsibility to verify the results, adapt the tool(s) to your specific circumstances, and ensure that any data entered is accurate and appropriate for your intended use. By using VLCT Tools, you acknowledge and agree that any reliance you place on their functionality or outputs is strictly at your own risk. Use at your own discretion.*

Publication Date

09/03/2025