

# 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 Counsel](#)
  - 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](mailto: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](mailto:mladd@vlct.org), and Municipal Operations Specialist Kathleen Ramsay, [kramsay@vlct.org](mailto:kramsay@vlct.org).

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