Tools & Tips - Borrowing

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VLCT Resource: When Can the Legislative Body Borrow Money Without Voter Approval?(opens in a new tab)

Other Resource: Vermont Statute on Indebtedness(opens in a new tab)

Common Sources of Loans:

- Local/Regional Banks
- Vermont Municipal Equipment Loan Fund(opens in a new tab) for the purchase of construction, fire, emergency, or heavy equipment or vehicles.
- Vermont Bond Bank Pooled Loan Program(opens in a new tab). Program Requirements:
    - Require evidence of voter approval and authority
    - Legal opinion from local bond counsel. Vermont Bond Bank Approved Legal Counsels(opens in a new tab)
    - Annual report for three years or three years of financial audits (preferred).
    - Minimum requirement for financial audit from last completed year. VLCT Auditing Resources(opens in a new tab).
    - 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*

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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(opens in a new tab)
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Debt Management

VLCT Resource: **VLCT Model Debt Management Policy with Guidance.docx**(opens in a new tab)

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

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NEW! VLCT Tool:

Debt Service Impact on Tax Rate Spreadsheet (08/25/2025) (XLSX, 103.74 KB)

Having a tough time getting started?

VLCT's Municipal Support Team is here to help! Government Finance Specialist Marguerite Ladd, **mladd@vlct.org**(opens in a new tab)**,** and Municipal Operations Specialist Kathleen Ramsay, **kramsay@vlct.org**(opens in a new tab)**.**

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Publication Date

09/03/2025

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