

RESERVE FUND POLICY

Town of Groton

PURPOSE. The selectboard of the Town of Groton believes that sound financial management requires that sufficient funds be maintained by the Town for specific needs of the town and is specified in each individual reserve account.

Funds can also be used for unanticipated expenditures and revenue shortfalls during the course of the fiscal year as may be caused by economic downturns, natural disaster, and other unforeseen circumstances. Maintaining such funds will help sustain the stability of the Town tax rate and reduce the need for short-term borrowing.

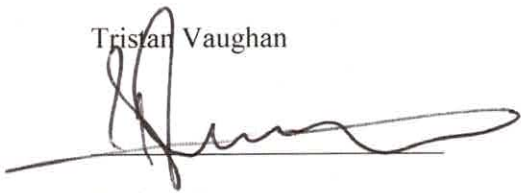
OBJECTIVE. Upon recommendation of the selectboard, at the Annual Town Meeting, voters of the Town authorized establishment of a reserve fund (as needed) in accordance with 24 V.S.A. § 2804. The selectboard's objective is for adequate funds to be set aside in this reserve fund and that these moneys not be spent for regular town expenditures or used to reduce property taxes.

RESERVE FUND EXPENDITURES. A reserve fund is established by the voters. Any expenditure of the reserve fund by the selectboard for such purposes shall require approval of a majority of selectboard members at a duly warned selectboard meeting. In accordance with 24 V.S.A. § 2804(a), expenditure of the reserve funds for any other purpose shall require the authorization of a majority of the voters present at an annual or special town meeting. Once a reserve is established and the initial amount is approved by the voters, the funding happens annually during the Budget Process. The Selectboard determines an appropriate funding level to adequately cover the needs of each reserve.

The foregoing Policy is hereby adopted by the selectboard of the Town of Groton, Vermont, on this 3rd day of May 2023 and is effective as of this date until amended or repealed.

Selectboard

Tristan Vaughan



Zachary Conaway



Aaron Smith

