

**RESERVE FUND POLICY
TOWN OF POMFRET, VERMONT**

Approved November 15, 2023

POLICY STATEMENT. A long-standing and sound financial management practice of the Selectboard is annual review of the Town's reserve fund balances to ensure they are funded with regular appropriations in accordance with the Town's capital spending plan. Growing reserve balances over time allows for spending from those funds as needed and in accordance with their purposes, rather than resorting to the Town's operating funds. Adequately funded reserves promote a stable Town tax rate and reduce the need to incur short-term debt.

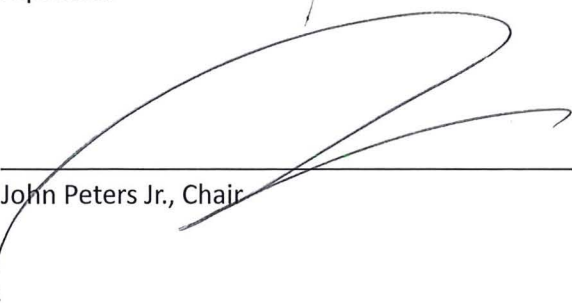
TOWN RESERVE FUNDS. Upon recommendation of the Selectboard from time to time, the voters of the Town established reserve funds with specific purposes and intended uses, each in accordance with 24 V.S.A. § 2804(a).¹ These funds and their purposes will continue until amended or repealed by a majority of the voters present and voting at a duly warned annual or special town meeting.

RESERVE FUND EXPENDITURES. Reserve funds may not be used for regular Town expenses or to reduce current taxes to be raised. All expenditures from reserve funds shall require approval by a majority of Selectboard members at a duly warned meeting, upon a finding that such expenditure is consistent with the purpose of the applicable reserve fund and the purpose of this Policy (or in the case of the Town Rainy Day Reserve Fund and the Town Rainy Day Reserve Fund, consistent with the Rainy Day Reserve Funds Policy). All other expenditures from reserve funds require authorization of a majority of the voters present and voting at a duly warned annual or special town meeting.

[Remainder of page intentionally blank. Signature page follows.]

¹ **Note:** The appendix to this Policy lists all reserve funds of the Town existing on the "last updated" date shown on the appendix and, based on research by members of the Financial Management Committee, the date each fund was established and the purpose for which it was established. The appendix may not be current or complete after the date hereof.

APPROVED by the Selectboard this 15th day of November, 2023, and effective until amended or repealed.



John Peters Jr., Chair



Benjamin Brickner, Vice-Chair



Meg Emmons



Steve Chamberlin



Emily Grube

[Remainder of page intentionally blank. Appendix follows.]

APPENDIX
to
RESERVE FUND POLICY

Fund Name	Fund No.	Date Established	Fund Purpose
Abbott Memorial Library Building Reserve	440	March 5, 2013 (Article 11)	To repair and maintain the Abbott Memorial Library.
American Rescue Plan Act (ARPA) Reserve	180	August 2021 (initial funding)	The purposes described in 31 C.F.R. § 35.1 <i>et seq.</i> , including to respond to the COVID-19 public health emergency and its negative economic impacts, provide government services, and make necessary investments in public infrastructure. Funds are the Town’s share of the Coronavirus State and Local Fiscal Recovery Fund created by ARPA.
Communications Reserve	410	March 5, 2013 (Article 12)	To purchase and repair communications equipment used by the Fire Department, FAST Squad and town employees.
Fire Department Non-Vehicle Reserve	402	March 4, 2014 (Article 10)	To purchase non-vehicular fire equipment including, but not limited to, hose and associated accessories, self-contained breathing apparatus and personal protective equipment.
Fire Department Vehicle Reserve ²	400	March 1, 1994 (Article 15)	To purchase fire department vehicles.
Highway Bridges Reserve	424	March 5, 1991 (Article 14)	To repair bridges in the Town.
Highway Equipment Reserve	420	March 2, 2021 (Article 18)	To fund purchases of highway equipment.

² **Note:** Originally approved in 1994 by the voters as the “Fire Equipment Capital Fund”, then immediately referred to in town reports as “Fire Equipment Sinking Fund”, then as of the 2003 town report as the “Fire Equipment Reserve Fund”.

Fund Name	Fund No.	Date Established	Fund Purpose
Highway Paving Reserve	422	March 3, 2015 <i>(Article 15)</i>	To repave Town roads.
Highway Rainy Day Reserve	475	March 7, 2017 <i>(Article 13)</i>	To cover unanticipated revenue shortfalls and to pay non-recurring and unanticipated highway fund expenses.
Reappraisal Reserve	160	March 3, 2015 <i>(Article 13)</i>	To cover the expenses of future town-wide reappraisals.
Restoration and Preservation Reserve	350	June 2020 <i>(initial funding)</i>	The purposes described in 32 V.S.A. § 1671(c), including to restore, preserve, digitize, store and conserve municipal records. Funds are a portion of each records recording fee collected by the Town, as required by state law.
Teago Village Reserve	460	March 3, 2021 <i>(Article 15)</i>	To improve pedestrian and vehicular traffic flow in the village area of South Pomfret.
Town Buildings Reserve	452	March 5, 2013 <i>(Article 13)</i>	To repair and maintain town buildings.
Town Rainy Day Reserve	470	March 7, 2017 <i>(Article 15)</i>	To cover unanticipated revenue shortfalls and to pay non-recurring and unanticipated Town fund expenses.