TOWN OF ALBURGH BALANCED BUDGET POLICY

PURPOSE. The selectboard of the *Town of Alburgh* believes that sound financial management requires that the annual budget be developed and administered in such a way that annual revenue from property taxes and other sources equals annual expenses. Adoption and administration of balanced budgets will help maintain the stability of the tax rate and reduce the need for borrowing.

BUDGET DEVELOPMENT AND APPROVAL. Each year, the selectboard will develop and present to the voters an operating budget that balances annual revenues and annual expenditures for all funds. The selectboard will avoid proposing annual budgets that overestimate revenues, defer maintenance or replacement of essential capital assets, roll over short-term debt, or inadequately fund Town obligations. Upon voter approval of the annual budget, and after the grand list has been lodged in the office of the town clerk, the selectboard will set the tax rate necessary to raise the specific amounts voted, in accordance with 17 V.S.A. § 2664.

BUDGET ADMINISTRATION. The selectboard administers the budget through its authority to sign orders for payment of town funds. 24 V.S.A. §§ 1576, 1622 and -1623. To approve orders, the selectboard must, by majority of the total number of members of the board, vote to authorize the treasurer to disburse money. The selectboard may also vote to authorize one or more of its members to examine and approve the payment of certain town expenses. To fulfill this responsibility effectively, the selectboard must have timely and accurate information about the status of the town's finances. To this end, the selectboard and treasurer have adopted a financial reporting policy under which the treasurer prepares monthly financial reports for the selectboard's budget management purposes.

The selectboard recognizes that unanticipated expenditures and revenue shortfalls, caused after voters approve the budget, may require transfer of money between line items or even deficit spending. The selectboard will try to administer the municipal budget to provide services in a manner consistent with the voters' expectations considering actual circumstances that arise during the fiscal year, and will manage the budget to avoid, to the extent possible, deficit spending or the need to borrow money to pay current operating expenses.

LINE-ITEM TRANSFERS. During the fiscal year, all transfers between budget line items will require a majority vote of the selectboard. The vote will identify the line items that are subject to transfer, the reason for the transfer, and the reason funds are available for transfer. At the close of the fiscal year, the treasurer will present a budget closing plan to the selectboard, making recommendations for transfers between line items, and recommending the application of any budget surplus. Approval of the budget closing plan will require majority approval of the selectboard. Any annual budget deficit will be addressed in accordance with 24 V.S.A. § 1523(a).

The foregoing Policy is hereby adopted by the selectboard and treasurer of the Town of Alburgh, Vermont, this 8th day of June, 2016, and is effective as of this date until amended or repealed.

SIGNATURES

Treasurer

Chairperson

Selectboard members:

Alex McCracken

Russell Duchaine

Jim Hokenberg

Walter Kane

Tom Ward