

**Selectboard Agenda
Johnson Municipal Offices**

Date: Tuesday, September 7th, 2021

Agenda:

CALL TO ORDER

REVIEW OF AGENDA AND ANY ADJUSTMENTS, CHANGES AND ADDITIONS

7:00 p.m. Review and approve minutes of meetings past August 30, 2021

7:05 p.m. Treasurer's Report and review and approve bills, warrants, licenses and any action items.

7:15 p.m. Administrators Report

Members of the Public:

None Scheduled

ADMINISTRATOR'S REPORT: (D) Discussion (I) Information (A) Action

1. (D, A) Procurement Policy Updates (15 minutes)
2. (D, A) Municipal Building Sidewalk Paving (10 minutes)
3. (D, A) Miscellaneous Town Paving Projects (15 minutes)
4. (D, A) Financing and Purchase of Salt Truck (5 minutes)
5. (D, A) Historical Society Planning for Holcomb House (10 minutes)
6. (D, A) Holcomb House Repairs (10 minutes)
7. (D, A) Cemetery Maintenance (10 minutes)
8. (D, A) Tractor Parade (5 minutes)
9. (D, A) Review Speed Limit Ordinance (10 minutes)
10. (D, I) Financial Security Review (15 minutes)

Selectboard issues/concerns, Executive Session (if needed) Adjourn

Town Administrator's Report

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ADMINISTRATOR'S REPORT: (D) Discussion (I) Information (A) Action

1. (D, A) Procurement Policy Updates (15 minutes)

Updates to address some of the concerns we've heard about the procurement policy have been made.

2. (D, A) Municipal Building Sidewalk Paving (10 minutes)

The village has made a few more details of their sidewalk proposal available. The work will be conducted by Dale Tatro. The scope of work is to include the main sidewalk in between the parking lot and the front and side door. Existing segments will be replaced on an improved bed, and the currently removed segments will be replaced.

3. (D, A) Miscellaneous Town Paving Projects (15 minutes)

The town has a proposal from All Things Asphalt for several small paving projects around town. Including the Library parking lot and the trench on River Road East.

4. (D, A) Financing and Purchase of Salt Truck (5 minutes)

The loan agreement is available to sign for the purchase of the International CV515.

5. (D, A) Historical Society Planning for Holcomb House (10 minutes)

The Historical Society is providing notice that they would like to begin the planning necessary for an expansion to occupy the second floor. They would like the Selectboard to express their conceptual support.

6. (D, A) Holcomb House Repairs (10 minutes)

The Holcomb House experienced significant water infiltration during the spring melt last year. It is possible that we may be able to make repairs from inside without major renovations to the roof. A proposal we've received would include assessing and insulating the ceiling in the problem area, followed by an assessment of the insulation in the nearby exterior wall.

7. (D, A) Cemetery Maintenance (10 minutes)

Duncan Hastings is willing to continue cemetery maintenance for another year.

8. (D, A) Tractor Parade (5 minutes)

Tom Carney has proposed hosting a Tractor Parade on October 2nd from River Road East and up to Legion Field. If we wish to support it, we will also have to ask for a Parade Permit from the state for the portion on Route 15.

9. (D, A) Review Speed Limit Ordinance (10 minutes)

As we await the results of the speed limit study on Hogback Road, we could send the ordinance out for legal review if so desired.

10. (D, I) Financial Security Review (15 minutes)

Discussion about next steps to investigate to improve our security.

GENERAL INFORMATION ITEMS

Information Items:

- 1. Employment Resume: D.H.**
- 2. Federal Licensing Renewal**
- 3. Lamoille Housing: 2021 Annual Meeting**
- 4. ICMA Membership Renewal**
- 5. Act 250 Application: Johnson Hardware & Rental**

Budget Items:

Legal Issues:

VLCT: PACIF

- 1. Annual Business Meeting Voting Delegates and Procedure**

State/Federal Issues:

Administrator's Correspondence:

Workshops: 2021 Town Fair

Newsletters:

Brochures & Ads:

Selectboard issues/concerns:

Executive Session:

Other Business:

Adjourn

Procurement Policy

Town of Johnson, Vermont

SECTION 1 PURPOSE:

The purpose of this Purchasing Policy is to obtain the highest quality goods and services for the Town of Johnson at the lowest possible price, to exercise financial control over the purchasing process, to clearly define authority for the purchasing function, to allow fair and equal opportunity among qualified suppliers, and to provide for increased public confidence in the procedures followed in public purchasing.

SECTION 2 AFFIRMATIVE ACTION AND LOCAL PREFERENCE:

Whenever possible, qualified small, minority and women-owned businesses shall be included in the solicitation lists for bids or non-bid purchases. If the purchase is federally funded in whole or in part, minority and women owned businesses must be included in the solicitation lists and all other affirmative action requirements outlined in the grant provisions must be followed. The Town may exercise a preference for local businesses for purchases funded exclusively by the Town but only if such a preference does not result in unreasonable prices or rates due to a lack of competition. For purchases funded in whole or in part with federal funding the Town may not exercise a preference for local businesses.

SECTION 3 CODE OF CONDUCT:

Employees, officers, and agents of the Town who are involved in the procurement and selection of bids and purchases shall make reasonable efforts to avoid real, apparent, or potential conflicts of interest. No employee, officer or agent of the Town shall participate in selection, award, or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- the employee, officer, or agent,
- any member of his or her immediate family,
- his or her partner, or
- an organization which employs, or is about to employ, any of the above, has a financial or personal interest in the firm/vendor selected for award.

An employee, officer or agent of the Town who is involved in the procurement and selection of a bid or purchase and who has a real or apparent conflict of interest must disclose that conflict of interest within the context of a duly warned Selectboard meeting that occurs before the bid selection or purchase takes place. Such disclosure must be documented in the minutes for that meeting which shall be retained as part of the official record surrounding the bid or purchase.

Officers, employees and agents of the Town will not solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub - agreements.

Officers, employees and agents who fail to follow the above Code of Conduct shall be sanctioned or disciplined, to the extent permitted by law, for violations of the above standards.

SECTION 4 DOCUMENTATION:

Records documenting the procurement process for any Minor or Major purchases, as those terms are defined below, including the reason for the specific procurement method chosen, the basis for the award and contract pricing (showing evidence that the process was fair and equitable), as well as any other significant decisions that were part of the procurement process shall be maintained for a period of at least three years from the date of the submission to the Federal government of the final expenditure report if the purchase or project was funded with federal grants, or until the completion of any litigation, claim, negotiation, audit, or other action involving the records, whichever is longer. Otherwise, records shall be maintained by the Town in accordance with the retention and disposition schedules as set by the Vermont State Archivist.

SECTION 5 PURCHASING AUTHORITY:

a. Purchasing Agents.

The following employees are designated to act as Purchasing Agents for the Town:

Town Administrator
Public Works Supervisor
Recreation Coordinator
Town Clerk
Library Director

Purchasing Agents are responsible for ensuring that the best possible price, quality, and timeliness are obtained with each purchase and Purchasing Agents shall review all proposed procurements to avoid unnecessary or duplicative purchases of equipment, supplies and services. Purchasing Agents shall also ensure that competition is not restricted with limits on the geographic location of vendors, with unreasonable requirements or qualifications placed on vendors, or by allowing vendors to be selected who have engaged in noncompetitive pricing practices.

b. Incidental Purchases.

Employees who have been designated to act as Purchasing Agents may make or approve purchases of up to \$500-1,000 without prior selectboard approval, provided those purchases are limited to the amount of the budget authorized by the Town.

c. Minor Purchases.

Employees who have been designated to act as Purchasing Agents may make purchases with a value between \$1,001 and \$25,000 only with prior approval of the Selectboard and are limited to the amount of the budget authorized by the Town. Although not required, competitive quotes from at least two vendors should be obtained whenever possible.

d. Major Purchases.

All purchases over \$25,000 require prior approval of the Selectboard. The Selectboard shall review all proposed procurements to avoid unnecessary or duplicative purchases of equipment, supplies and services. The Selectboard shall also ensure that competition is not restricted with limits on the geographic location of vendors, with unreasonable requirements or qualifications placed on vendors or bidders, or by allowing vendors to be selected who have engaged in noncompetitive pricing practices.

If federal funding is used for purchases between \$10,000 (\$2,000 in the case of construction projects subject to Davis Bacon requirements) and \$250,000, price or rate quotes must be obtained from two or more qualified sources following the affirmative action provision of this policy and all provisions regarding fair and unrestricted competition.

For all major purchases with a value between \$5,000 and \$10,000, price and rate quotations shall be obtained from at least two qualified vendors to ensure that the Town has received a fair and reasonable price. Vendors will be selected based on cost, the quality of the goods and services offered, and the ability, capacity, and skill of the vendor demonstrated under prior contracts with the Town.

Large purchases with a value of \$10,000 or more must follow a sealed bid process as outlined below.

Purchases at or exceeding \$250,000 or construction projects of any value that are funded with federal dollars must follow a sealed bid process as outlined below and also follow any procurement guidance as outlined in the grant agreement. In addition, a pricing analysis must be completed by the purchasing agent or a qualified consultant prior to issuing the request for proposal to ensure that there is a reasonable estimate against which to compare bid proposal pricing.

SECTION 6 SEALED BID PROCESS:

The sealed bid process shall be initiated by the issuance of a Request for Bids prepared by the Selectboard or its designee. Notice of the Request for Bids shall be made by letters to known providers soliciting bid responses, advertisements posted in three public locations within the Town, and advertisements placed in a newspaper of general circulation in the region.

a. BID SPECIFICATIONS.

A list of bid specifications shall be prepared for each purchase over \$10,000 and shall be available for inspection at the Town office. Bid specifications shall include:

Bid name.

Bid submission deadline.

Date, location, and time of bid opening.

Specifications for the project or services including quantity, design, and performance features.

Bond and/or insurance requirements.

A copy of the proposed contract.

Any special requirements unique to the project or purchase.

Delivery or completion date.

For construction projects in excess of \$500,000, language that sets a requirement for a bid guarantee in the amount of 5% of the bid price from all bidders, as well as performance and payment bonds in the amount of 100% of the contract price from the contractor awarded the bid. If federally grant funded, the bidders must also include costs for Davis Bacon compliance if that is a requirement of the federal agency providing the funding.

For construction projects over \$2,000, a statement that contractors will be provided with a copy of the most current wage determination (from the DOL website at <http://www.wdol.gov/dba.aspx>) and must comply with the Davis Bacon Act.

Language that reserves for the Selectboard the right at its sole discretion to reject any and all bids, wholly or in part, to waive any informalities or any irregularities therein, to accept any bid even though it may not be the lowest bid, to call for rebids, to negotiate with any bidder, and to make an award which in its sole and absolute judgment will best serve the Town's interest. The Selectboard reserves the right to investigate the financial condition of any bidder to determine his or her ability to assure service throughout the term of the contract.

Once a Request for Bids has been issued, the bid specifications will be available for inspection at the Town office.

b. BID SUBMISSION.

All bids must be submitted in sealed envelopes, addressed to the Town in care of the Selectboard, and plainly marked with the name of the bid and the time of the bid opening. Bid proposals will be date stamped on the outside of the envelope immediately upon receipt. Any bid may be withdrawn in writing prior to the scheduled time for the opening of bids. Any bids received after the time and date specified shall not be considered and shall be returned to the bidder unopened.

Bidders shall bid to specifications and any exceptions must be noted by the bidder. A bidder submitting a bid thereby certifies that the bid is made in good faith without fraud, collusion, or

connection of any kind with any other bidder for the same work, and that the bidder is competing solely on his/her behalf without connection with or obligation to any undisclosed person or firm.

c. **BID OPENING.**

Every bid received prior to the bid submission deadline will be publicly opened and read aloud by the Selectboard. The bid opening will include the name and address of bidder; for lump sum contracts, the lump sum base bid, and the bid for each alternate; for unit price contracts, the unit price for each item and the total, if stated; and the nature and the amount of security furnished with the bid if required.

d. **CRITERIA FOR BID SELECTION.**

In evaluating bids, the Selectboard will consider the following criteria:

- Price.
- Bidder's ability to perform within the specified time limits.
- Bidder's experience and reputation, including past performance for the Town.
- Quality of the materials and services specified in the bid.
- Bidder's ability to meet other terms and conditions, including insurance and bond requirements.
- Bidder's financial responsibility.
- Bidder's availability to provide future service, maintenance, and support.
- Nature and size of bidder.
- Local, minority, and women-owned businesses may be granted preference. Such preference may not exceed 15% of the lowest bid.
- Contract provisions that are acceptable to the Town.

- For construction projects over \$2,000, contractor's indication of acceptance of wages in the current wage determination provided as part of the Request for Bids.

- Any other factors that the Selectboard determines are relevant and appropriate in connection with a given project or service.

In addition to the above, in the case of a contract supported by federal funds, the additional criteria shall apply:

There shall be no preference exercised for local contractors or suppliers.

Minority and women-owned businesses must be included in the solicitation list for the request for proposal.

13. The Selectboard will not select a bidder who is listed on the Excluded Parties List System website (<https://www.sam.gov>).

e. CHANGE ORDERS.

If specification changes are made prior to the close of the bid process, the Request for Bids will be amended and notice shall be sent to any bidder who already submitted a bid and a new bid process will be initiated. Once a bid has been accepted, if changes to the specifications become necessary, the Selectboard will prepare a change order specifying the scope of the change. Once approved, the contractor and an authorized agent of the Town must sign the change order.

f. EXCEPTIONS.

The following exceptions may apply, however there must be written documentation created and maintained that outlines the process and rationale for such exceptions:

i. Competitive Proposals.

If time does not permit the use of sealed bids, or the award will be made on the basis of non-price related factors, a competitive proposal process shall be initiated by the issuance of a Request for Bids (RFB) or Request for Qualifications (RFQ) prepared by the Selectboard or its designee that includes the factors that will be used to evaluate and compare the proposals. Bids or qualifications shall be obtained from an adequate number of qualified sources (at least two vendors) to ensure that the Town has received a fair and reasonable price and all notification and record keeping requirements of the sealed bid process shall be followed. If architectural or engineering services are being solicited, this process should be used with the most qualified firm or individual awarded the bid and price or fees negotiated after the award. If competitive proposals are used, all of the above steps in the sealed bid process should be followed except that: 1) the bid submission need not be sealed; and 2) price will not be the primary factor in the proposal selection.

ii. Sole Source Purchases.

If the Selectboard determines that there is only one possible source for a proposed purchase, it may waive the bid process and authorize the purchase from the sole source.

iii. Recurring Purchases.

If the total value of a recurring purchase of a good or service is anticipated to exceed \$50,000 during any fiscal year, the bid process shall be utilized and shall specify the recurring nature of the purchase. Once a bid has been accepted, all future purchases shall be made from that bidder without necessity of additional bids, until such time as the Selectboard votes to initiate a new bid process.

iv. Emergency Purchases.

The Selectboard may award contracts and make purchases for the purpose of meeting the public emergency without complying with the bid process. Emergency expenditures may include immediate repair or maintenance of town property, vehicles, or equipment if the delay in such repair or maintenance would endanger persons or property or result in substantial impairment of the delivery of important Town services.

v. Professional Services.

The bid process shall not apply to the selection of providers for services that are characterized by a high degree of professional judgment and discretion including legal, financial, auditing, risk management, and insurance services.

Federally funded non-competitive purchases for \$250,000 or more require a cost analysis to determine the reasonableness of the proposed pricing and should be completed in accordance with the requirements of the federal or state agency issuing the grant funding.

The foregoing Policy is hereby adopted by the Selectboard of the Town of Johnson, Vermont, this _____ 2021 and is effective as of this date until amended or repealed.

SIGNATURES.

Selectboard Chair

Selectboard members:

All Things Asphalt llc

34 VT Route 105
West Charleston, VT 05872 US
allthingsasphaltvt@gmail.com



Estimate

ADDRESS
Johnson Highway

ESTIMATE 1049
DATE 08/25/2021
EXPIRATION DATE 09/01/2021

DATE	ACTIVITY	DESCRIPTION	AMOUNT
	Assorted paving	This includes paving in the section of the road by the Manchester sawmill, the 2 saw cut portions in the road around the catch basin/manhole, the library parking lot and the sidewalk around the library. Laying a total of 72 tons of asphalt. All to be preped by the town prior to our arrival as discussed.	11,500.00
TOTAL			\$11,500.00

Accepted By

Accepted Date



August 11, 2021

Dear Selectboard,

After over 6 years of successful occupancy at the Holcomb House our collection of historical artifacts continues to grow. We now feel the need to expand our space requirements in order to adequately exhibit these artifacts and present programs of historical interest. We therefore established a committee to explore options for occupancy of the second floor apartment of the Holcomb House by the Historical Society. We understand the Selectboard has appointed Eben Patch to be the Selectboard's representative to this committee and welcome that appointment.

As a practical matter, the Committee will need formal authorization from the Selectboard to act on behalf of the town to investigate and evaluate options and develop a detailed plan for occupancy, for consideration by the Selectboard. By this letter, we seek that authorization. Any further steps on the Committee's part do not make sense without a commitment from the Selectboard to proceed along this path.

Our goal would be to present a cost neutral detailed plan to the Selectboard, including but not limited to: costs of needed renovations, costs of compliance with state and federal regulations for public access, cost savings (utilities) and cost avoidance to the town (improvements needed to continue as a rental unit), allocation of costs, payment in lieu of rent proposals.

All of this is a pretty large undertaking. We anticipate having to hire someone qualified to prepare drawings and specifications which will be needed to obtain state public building permits. If Selectboard authorization to proceed is granted, we would then seek funding from Johnson Historical Society, Inc to accomplish this task.

The Committee has sought and received approval from the full Historical Society Board to send this letter. We would greatly appreciate receiving your support and authorization in writing and are happy to answer any questions you might have.

Thank you for your consideration.

Richard Simays, President

Johnson Historical Society

Speed Limit Ordinance

Town of Johnson, Vermont

Article 1 Authority

Pursuant to the provisions of Title 23, Vermont Statutes Annotated, Section 1007 and 1008, and Title 24, Vermont Statutes Annotated Sections 1971 and 2291(1)(4) and (5), and such other general enactments as may be material hereto, it is hereby ordained by the Board of Selectmen of the Town of that the following Traffic Ordinance is adopted for the Town of , Vermont.

Article 2 Definitions

The definitions of Title 23, Vermont Statutes Annotated, Section 4 are incorporated by reference.

Article 3 Scope

The ordinance establishes special traffic regulations on public highways within the Town of , Vermont.

Article 4 Speed Regulations

On the basis of engineering and traffic studies, the following speed limits are hereby established.

Plot Road – 35 miles per hour for the length of the road.

School Street – 25 miles per hour for the length of the road.

Hogback Road –

Mine Road – 35 miles per hour for the length of the road.

Wilson Road – 35 miles per hour for the length of the road.

Foote Brook – 35 miles per hour for the length of the road.

Upper French Hill – 25 miles per hour for 1,320 feet from intersection with Railroad Street. 35 miles per hour for remainder of the length of the road.

Codding Hollow Road – 35 miles per hour for the length of the road.

Cemetery Road – 35 miles per hour for the length of the road.

Swamp Road – 35 miles per hour for the length of the road.

Clay Hill Road – 25 miles per hour for 600 feet from intersection with School Street. 30 miles per hour until intersection with Gould Hill. 35 miles per hour from intersection with Gould Hill for remainder of the road.

Ben Ober Hill Road – 35 miles per hour for the length of the road.

Fox Lot Road – 35 miles per hour for the length of the road.

Tree Farm Road – 25 miles per hour for the length of the road.

Ober Hill Road – 35 miles per hour for the length of the road.

Mudgett Hill Road – 35 miles per hour for the length of the road.

Spitzer Hill – 35 miles per hour for the length of the road.

Whitcomb Island Road – 35 miles per hour for the length of the road.

Hoag Road – 35 miles per hour for the length of the road.

Rocky Road – 35 miles per hour for the length of the road.

Hunter Road – 35 miles per hour for the length of the road.

Sinclair Road – 25 miles per hour from intersection with Vermont Route 100C to Rocky Road.

Gould Hill – 25 miles per hour for 3,960 feet from intersection with Vermont Route 15. 35 miles per hour for the remainder of the road.

Prospect Rock – 35 miles per hour for the length of the road.

West Settlement – 35 miles per hour for the length of the road.

RR St./Lendway Lane – 25 miles per hour for the length of the road.

River Road East – 25 miles per hour from intersection with Railroad Street for 2,200 feet. 35 miles per hour for the remainder of the road.

Grow Road – 35 miles per hour for the length of the road.

Collins Hill – 25 miles per hour for 1,320 feet from intersection with Lower Main East. 35 miles per hour for the remainder of the road.

Wescom Rd – 25 miles per hour from intersection with Vermont Route 15 for 1,500 feet. 35 miles per hour for the remainder of the road.

Duke's Road – 35 miles per hour for the length of the road.

Article 5 General Provisions

Section 1. Separate Offenses:

Each violation of a provision of this ordinance shall be deemed a separate offense.

Section 2. Penalties:

The provisions of this ordinance shall be cumulative to the fullest extent permitted by law with respect to all other statutes or ordinances now or hereafter adopted regardless of their order of passage or enactment.

Section 3. Severability:

The provisions of this ordinance are declared to be severable and if any provisions hereof be adjudged invalid such judgment shall not affect the validity of any other provisions.

Section 4. Designation:

This ordinance may be referred to as the Traffic Ordinance and in a prosecution hereunder a copy of such ordinance, certified by the Town Clerk shall be prima facie evidence thereof. An allegation that the act constituting the offense charged is contrary to a specified provision of this ordinance shall be a sufficient reference hereto.

Section 5. Repeal of Prior Ordinances:

Any other ordinance or traffic regulation heretofore adopted by the Town of is hereby repealed.

Section 6. Publication and Posting:

This ordinance shall be published in the on _____, 2021 and shall be filed with the Town Clerk on _____, 2021. Adopted by the Board of Selectmen, Town of at its meeting held on the day of _____, 2021.

DRAFT

The Government Finance Officers Association (GFOA) strongly recommends financial policies be a component of any governmental financial management program. They are guidelines for operational and strategic decision-making related to financial matters, identifying acceptable or unacceptable courses of action, establishing parameters in which the government can operate, and providing standards against which a government's fiscal performance can be judged.

While Vermont's larger municipalities likely operate with written financial policies, many of the small and mid-sized towns and villages do not. These smaller municipalities can face many of the same economic forces as larger municipalities, but the consequences of poor financial decision-making may actually be more severe because of their smaller budgets and less diverse tax base.

Why Adopt Financial Policies?

VLCT believes that the adoption of written financial policies can have a number of benefits for Vermont municipalities:

- Financial policies help educate those municipal officials who may not have a background in government financial management. In Vermont, most elected and appointed municipal officials have no background or expertise in government finance. Nevertheless, these officials may be responsible for the administration of municipal budgets comprising hundreds of thousands or even millions of dollars. Written financial policies can help inform officials, either trained or untrained, of good financial practice, making it more likely that these good practices will be implemented and followed.
- Financial policies may help prevent and resolve conflicts in local government. The responsibilities of Vermont's municipal officers frequently overlap and clear lines of authority can be hard to identify. As a result, the administration of Vermont local government can seem complex, even in the smallest town. The key to effectively navigating this complexity is effective communication and cooperation among local officials. Financial policies can clarify both the responsibilities of local officials and lines of authority. The process of adopting written financial policies can also afford local officials the opportunity to engage in communication and develop common financial goals for their municipalities. Active participation in the process makes it more likely that all the parties involved in financial decision-making will abide by a common set of rules.
- Financial policies can provide continuity and efficiency in the town's financial operations. Selectboard members and other municipal officers often serve relatively short terms and new officers may not be experienced in dealing with financial issues.

Financial policies can eliminate the need to reinvent responses to recurring situations, thereby increasing efficiency by standardizing operations.

- Financial policies can fill some of the gaps in Vermont’s rudimentary municipal finance laws. Vermont is a Dillon’s Rule state, meaning that our municipalities have only those authorities specifically delegated to them by the Legislature and such additional functions as may be necessary to exercise those authorities. For this reason, municipal officials often turn to Vermont statutes for guidance when questions arise. Unfortunately, Vermont’s municipal finance statutes have not kept pace with modern financial practices and often fail to provide local officials adequate guidance on the finance issues they commonly face. Well-crafted local financial policies can overcome some of these shortcomings in Vermont’s municipal finance laws.
- The adoption of financial policies can foster confidence in local government by increasing transparency, accountability, and consistency in municipal decision-making. The policies can help local officials make more informed decisions about providing services, acquiring and managing capital assets, safeguarding a town’s resources, and promoting financial stewardship, all of which may result in a more stable tax rate. The adoption of policies also can help promote strategic thinking in tough economic times.

Where Does a Municipality Start?

Rather than attempt to adopt several financial policies at once, local officials should first consider the town’s circumstances and needs. For example, a review of a town’s internal controls may reveal areas of weakness in cash management, in which case the treasurer and selectboard should consider adopting a cash receipts policy. Perhaps the selectboard is trying to closely manage a very tight town budget and needs to receive timely and informative financial reports from the treasurer; here, an accounting, auditing, and financial reporting policy would be useful. Maybe the treasurer and selectboard are considering changing banks, which may provide an opportunity for adoption of an investment policy or a credit card policy. In any case, municipal officials should remember that there is no such thing as a “one size fits all” municipal financial policy. Each policy should be tailored to meet the town’s particular needs and circumstances.

Who Within the Municipal Organization Would Adopt Financial Policies?

As noted previously, the responsibilities of Vermont’s municipal officers frequently overlap. In many instances, several boards or officers may be involved in a particular transaction or function. In that case, VLCT recommends that the applicable policy be adopted jointly by the boards or officers involved. For example, the law provides that money received by the treasurer on behalf of the town may be invested and reinvested by the treasurer with the approval of the selectboard. Accordingly, the town’s investment policy should be jointly crafted and adopted by the treasurer and selectboard. On the other hand, the purchase of goods and services is the

responsibility of the selectboard, and that body would adopt a purchasing policy addressing such things as prior authorization of certain purchases and bidding requirements.

How Are Financial Policies Adopted?

Municipal officers are not required to follow any special procedure when adopting financial policies, except that a policy adopted by a town board (e.g., selectboard, board of auditors) may only be adopted by a majority of board members at a meeting held in accordance with Vermont's Open Meeting Law. Note that only municipal officers can adopt municipal policies. Unlike ordinances, there is no permissive referendum process for municipal policies. That being said, a drafting process that invites participation and buy-in from stakeholders – including other municipal officers, employees, and staff – is more likely to result in an effective and useful document. Involving these individuals in the drafting phase of the policy will also insure that the policy is reasonable and realistic in terms of the staff resources needed for compliance.

After initial adoption, local officials should annually review the town's financial policies to insure that each policy remains current. This may involve minor edits or major revisions resulting from economic or legislative changes. Remember, a policy adopted by one board or officer can be rejected or modified by the next officer or board. Annual review will help insure that all of the officials subject to the policy agree with its terms.

VLCT Models and Guidance

VLCT's model financial policies address several common financial issues that Vermont municipalities face. They have been assembled with the particular needs of small and mid-sized Vermont municipalities in mind. Each model policy assumes that the municipality operates with a basic three or five-member selectboard, elected or appointed treasurer and clerk, and elected auditors. Municipalities that have eliminated the office of auditor – or that operate with a town manager, administrator, bookkeeper, finance officer, or other staff – will need to modify these policies accordingly. ***Please review this info sheet prior to using financial policy models.*** Model financial policies are located on the VLCT website: <https://www.vlct.org/resource/model-municipal-financial-policies>

Please note that these model financial policies are for illustrative purposes only. VLCT makes no express or implied endorsement or recommendation of any financial policy, nor does it make any express or implied guarantee of legal enforceability or legal compliance, nor does VLCT represent that any particular policy is appropriate for any particular municipality. Your legal counsel should review any proposed financial policy before adopting it.