

Balanced Budget Policy
Town of Waterford

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

Budget Development and Approval: Each year, in coordination with the treasurer, 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 town 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 approved budget in accordance with 17 V.S.A 2664.

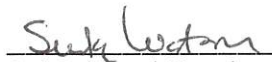
Budget Administration: The selectboard administers the town budget through its authority to sign orders for payment of town funds. 24 V.S.A 1576, 1621, and 1622. To approve orders, the selectboard must, by majority of the total number of members of the board, authorize the treasurer to disburse money. To carry out 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 quarterly financial reports for the selectboard's budget management purposes.

The selectboard recognizes that unanticipated expenditures and revenue shortfalls caused by circumstances not foreseen at the time a budget is approved by the voters may require transfer of money between line items or even deficit spending. The selectboard will endeavor to administer the Town budget to provide services in a manner consistent with the voters' expectations considering actual circumstances that arise during the calendar year, and will manage the budget to avoid, to the extent reasonably possible, deficit spending or the need to borrow money to pay current operating expenses.

Line Item Transfers: During the fiscal year, transfers between funding sources require the signature of the selectboard chair. Transfers will be made consistent with any applicable statute or legal obligations that may encumber or restrict the use of certain funds, including 19 V.S.A 312. At the close of the calendar year, the treasurer will present the final budget vs. actual report, making recommendations for the application of any budget surplus. Any annual budget deficit will be addressed in accordance with 24 V.S.A 1523(a).

This policy is hereby adopted by the selectboard and treasurer of the Town of Waterford, Vermont this 23 day of September and is effective as of this date until amended or repealed.


Selectboard Member


Selectboard Member


Selectboard Member


Selectboard Member


Selectboard Member

9/23/24
Date