

Proposed Reserve Fund Purpose Statements

24 VSA §2804(a) states:

At an annual or special meeting duly warned, a municipality may establish a reserve fund to be under the control and direction of the legislative branch of the municipality. The reserve fund shall be kept in a separate account and invested as are other public funds and may be expended for such purposes for which established [emphasis added], or when authorized by a majority of the voters present and voting at an annual or special meeting duly warned, for other purposes.

The following articles ask if the voters will create specific reserve funds as provided for in 24 VSA §2804(a) for the purposes as described below:

Article No.	Article Question	Purpose Statement
7.	Shall the voters approve the formation of an Unanticipated Expenses and Emergency Reserve Fund (to be governed by the purpose statement provided in the Town Report), initially funded through a transfer of \$750,000 from the FY22 unrestricted fund balance, and to be maintained in subsequent years at a level between 12 and 16% of the annual operating budget through: (i) transfer of unexpended monies remaining in the general fund from the prior year's operating budget, as approved by the voters; and/or (ii) allocations in the proposed operating budget as approved by the voters?	To fund operations by providing sufficient working capital for adequate cash-flow, help defray the cost of borrowing, or financial impacts caused by economic downturns, shortfalls of revenues, the imposition of additional costs by other governmental agencies including courts, cutbacks in distributions from state or federal governments, natural disasters, and other unforeseen circumstances.
8.	Shall the voters approve the establishment of an Operational Performance and Development Fund (to be governed by the purpose statement provided in the Town Report), to be initially funded through a transfer of \$110,000 from the FY22 unrestricted fund balance?	To support reviews of town operations, technical studies, and meeting grant match requirements as needed.
11.	Shall the voters approve the establishment of the Emerald Ash Borer Response Fund (to be governed by the purpose statement provided in the Town Report)?	To support the mapping and response to Emerald Ash Borer affected trees in the Town of Norwich.