

Policy #: 9
Date Approved: 11/06/23
Date Amended:

TOWN OF RICHMOND

RESTRICTED RESERVE FUND POLICY

PURPOSE: To define and account for contributions to, and spending from, Restricted Reserve Fund accounts. All transactions are performed in accordance with Town of Richmond Finance Department procedures.

RESTRICTIONS: The contributions to, and spending from, each Reserve Fund account are defined by the entity listed in the “**Restricted By**” column below. For each Fund, there is a document managed by the Finance Department that describes the conditions for transactions and any required minimum or maximum balance, the fund expiration date or spending deadline, and the person responsible for oversight.

Funding Target: Each Reserve Fund’s fund balance is influenced by the Capital Plan or by the restricting entity. The formal, Selectboard-signed Capital Plan, covers five years based on projections for capital equipment and projects needed over the next 15 years. This allows the Town to prepare for larger expenses spread over a longer period of time. The Capital Plan specifies the timing of purchases and projects.

Reserve Funds with a Funding Target preceded with an asterisk (*) may be driven by the Capital Plan. The target sum and usages are determined and voted on by the Selectboard when the need arises for the monies to be used. Contributions from tax dollars are voted on as part of the annual budget, by the Town of Richmond voters.

Fund Uses: The uses are stipulated by the restricting entity. In the case of voter restrictions, the Selectboard votes on creating reserves and funding them with taxes. Voter restricted reserve contributions and expenditures are presented in the budget, and the budget is then voted on by registered voters in the Town of Richmond.

At any time, the Selectboard may vote on creating a new reserve fund. This generally is needed when new monies become available to the town for a specific project that will occur over several years. Sequestering the monies in a specific reserve fund assures that the use will be limited to the intended purpose. There may be future monies available, or future tax revenues to be put into that Fund.

Fund Balance Replenishment: Replenishment of these reserve funds may happen via any of the above sources of funding. The need for a particular reserve fund may come to end and not be replenished. At the closure of a Fund, the remaining Fund balance is allocated by Selectboard vote.

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Reserve Fund Name	Funding Target	Restricted by	Fund Duration	Source of funds
Adam Muller Flag		Donor	Until fully expended	Donor
Andrews Community Forest	*	Donor	Permanent	Donor & Timber Revenue
ARPA	*	Grant Agreement	Until fully expended	Federal
Conservation Commission	*	Voters	Permanent	Tax dollars
Fire Department Capital	* 5 year plan	Voters	Permanent	Tax dollars
Fire Department Impact Fees	Based on new homes	State Statute	Permanent	New Homeowner
Fire Safety Equipment & Gear	* 5 year plan	Voters	Permanent	Tax dollars
Fourth of July Celebration		Voters & Donors	Permanent	Tax dollars & Donors
Highway Capital	* 5 year plan	Voters	Permanent	Tax dollars
Highway Bridge & Culvert	* 5 year plan	Voters	Permanent	Tax dollars
Highway Guardrail	* 5 year plan	Voters	Permanent	Tax dollars
Library	* 5 year plan	Voters	Permanent	Tax dollars
Lister Education		Grant Agreement	Until fully expended	State
Police	* 5 year plan	Voters	Permanent	Tax dollars
Planning & Zoning Legal		Voters	Permanent	Tax dollars
Railroad Street		Grant Agreement	Until fully expended	Grant
Reappraisal	Based on # of parcels	State Statute 32 VSA 5405	Permanent	State
Records Restoration		State Statute 32 VSA 1671 Subsection C	Permanent	State
Recreation Path		Donor	Until fully expended	Donor
Sidewalks (new) Reserve	* 5 year plan	Voters & Grant Agreement	Permanent	Tax dollars & Grant
Tennis Fund		Donor	Until fully expended	Donor

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Reserve Fund Name	Funding Target	Restricted by	Fund Duration	Source of Funds
Town Center		Voters	Permanent	Tenants
Tree Replacement		Donor	Until fully expended	Donor

Jay Furr

Bard Hill

David Sander

Jeff Forward

Lisa Miller