

# **Town of Shelburne, Vermont**



## **230<sup>th</sup> Annual Town Report Fiscal Year 2017**

**Town Meeting: March 5, 2018  
Australian Ballot Voting: March 6, 2018**

## DEDICATION



JAMES W. WARDEN

Chief Jim Warden retired as Shelburne Police Chief in August 2017, completing 30 years of service to the Town. Before coming to Shelburne, Jim was Police Chief in Clarks Summit PA, St. Albans VT, and the East Greenville-Pennsburch PA Police District.

During his time as Shelburne's Police Chief, the Shelburne Emergency Communications Center grew from servicing 5 agencies to 33, becoming one of the largest dispatch centers in the state. The center also became one of the State's E911 call answering points during this time. The Police Department call volume increased by 50% from 6,000 to 9,000 incidents per year as the community grew. Other accomplishments included starting a neighborhood watch program, staffing drug takeback days, starting a youth Police Explorers program, offering theft prevention workshops for local businesses and participating in the CVU Graduation Challenge program. Throughout his career, Chief worked with a number of K-9 units training search and rescue dogs. He also taught the popular dog obedience classes through the Shelburne Recreation Department and in other surrounding towns.

Chief maintained an active presence in the community, working events at Shelburne Farms, Shelburne Museum, Town parades, Shelburne Day and Halloween. He was part of the Safe Halloween street patrol every Halloween night and even served as Ole St. Nick for Shelburne's Annual Tree Lighting Event. His sense of humor and outgoing personality were appreciated by all.

In recognition of his service and commitment to the Town of Shelburne, we dedicate this Shelburne Town Report to this remarkable man, Chief James Warden, who will always be known as Chief. We wish him well in his retirement.

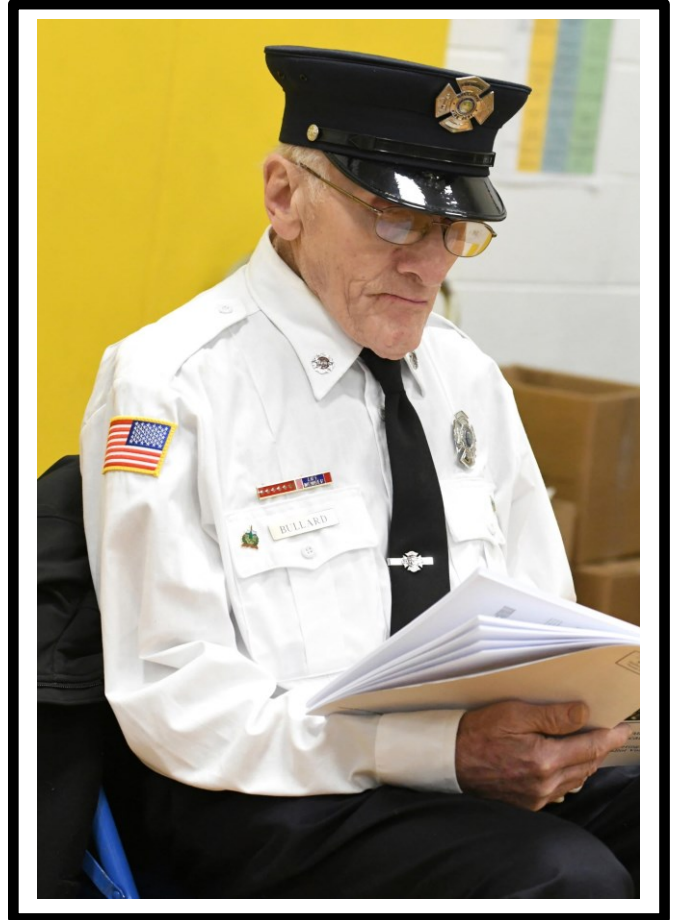
# In Recognition of 50 Years of Service!

The Town of Shelburne would like to recognize the hard work and dedication of these two men for their 50 years of Service.



*Paul Goodrich, Highway Superintendent*

Paul joined the Highway Dept. in June of 1967 and has served as Road Commissioner/Supt. since 1983. In 1967 there were 15 miles of roads in Shelburne and the Highway budget was \$80,000. Now, 50 years later, there are 52 miles of roads and the highway budget is \$1.2 million. Paul is well known for his hard work, dedication to his job, and responsiveness to citizen requests. He scrutinizes his budget closely each year, getting the best pricing possible and never exceeding his annual budget. He drives all the roads in Shelburne on a regular basis looking for safety issues and work that needs to be done. We congratulate Paul on his 50 years of service and thank him for his continued hard work and dedication.



*Cullen Bullard, Shelburne Fire Dept Volunteer*

Cullen joined the Shelburne Fire Dept. in December of 1967 and has been a valued member of the department ever since. He can be counted on to help out regardless of the task—responding to calls, painting and maintaining the station, maintaining vehicles, participating in parades and other community events. Whatever the need, Cullen was always there to help. He worked with a group (including Paul Goodrich) that converted a used fuel oil delivery truck into the Department's first tanker truck. He responded to numerous calls, driving the department's 1941 GMC Buffalo pumper truck, which was recently restored with Cullen's help pointing out the details that needed to be preserved. We congratulate and thank Cullen for his 50 years of service to the Town of Shelburne

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**GENERAL INFORMATION**

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**NOTE: SCHOOL REPORTS:**

***\*\* The Champlain Valley School District (“CVSD”) Annual School Report including the proposed 2018-2019 Budget and Annual Report Card is available in the following ways:***

- Posted on the web at [www.cvsdvt.org](http://www.cvsdvt.org) ,
- Upon request, a printed copy will be sent to your home address, Please call 985-1914, or
- A printed copy may be picked up at your local school or town office.

***Please Note: The CVSD School Report includes information that was previously included in this annual Town Report.***

*NOTE: All financial statements in this report cover the Fiscal Year from July 1 through June 30. FY 2016-2017 (FY 2017) covers the period from July 1, 2016, to June 30, 2017. Some departmental and committee written reports may cover periods not precisely coinciding with the Fiscal Year.*

*In order to reduce printing and production costs for this Town Report, some financial information in the Town audit is printed in compressed format. Please contact the Town offices if you would like a full sized copy of the Town audit, which is also available on the Town Web site [www.shelburnevt.org](http://www.shelburnevt.org)*

## ELECTED OFFICIALS

Thomas A. Little, Moderator - 1 year term .....Term Expires 2018  
Diana Vachon, Town Clerk .....Term Expires 2018  
Robert Lake, Constable - 2 year term .....Term Expires 2018

## SELECTBOARD

Colleen Parker - 3 year term .....Term Expires 2020  
John P. Kerr – Resigned, October 2017 .....Term Expires 2019  
Jaimesen Heins- Appointed, November 2017 .....Term Expires 2018  
Gary von Stange, Chair – 3 year term .....Term Expires 2018  
Jerry Storey, Vice Chair - 2 year term.....Term Expires 2018  
Josh Dean, - 3 year term.....Term Expires 2019

## CHAMPLAIN VALLEY SCHOOL DISTRICT DIRECTORS

Joan Lenes.....Term Expires 2018  
Russell Caffry .....Term Expires 2019  
David Connery, Chair .....Term Expires 2020

## JUSTICES OF THE PEACE

Nancy E. Baker	Mary Kehoe
Joan Lenes	Jennifer Leopold
Robert Lake	Thomas Little
William Deming	Becky Moore
Peter Gadue	Randolph Rowland
Laura Gannon-Murakami	George Schiavone
Jaimesen Heins	Lee Suskin
	David Webster

## REPRESENTATIVES - CHITTENDEN DISTRICT # 5 2 Year Term

Kate Webb, 5-1 .....Term Expires 2018  
Jessica Brumsted, 5-2.....Term Expires 2018

## CHAMPLAIN WATER DISTRICT

Peter Gadue .....Term Expires 2018

**TOWN OFFICIALS  
APPOINTED BY THE SELECTBOARD**

Town Manager .....	Joe Colangelo
Town Attorney .....	Monaghan, Safar, Ducham
Emergency Management Director .....	Robert Lake
Emergency Management Coordinator .....	Robert Lake
Grand Juror .....	Tim Pudvar
Health Officer .....	Robert Lake
Deputy Health Officer.....	Peter Gadue
Town Service Officer.....	Joe Colangelo
Fence Viewer .....	Steve Gronlund
Harbormaster.....	Dan Couture
Tree Warden.....	David Hall
Treasurer .....	Colleen T. Haag
Poet Laurette .....	Rick Bessette

**PLANNING COMMISSION - 3 Year Term**

Perry Gagliardi .....	Term Expires 2020
Kate Lalley .....	Term Expires 2020
Andrew Everett .....	Term Expires 2018
Dick Elkins.....	Term Expires 2019
Jason Grignon, Vice/Acting Chair, .....	Term Expires 2019
Susannah Kerest.....	Term Expires 2019
Asim Zia.....	Term Expires 2018
Graham Byers, student .....	Term Expires 2018

**DEVELOPMENT REVIEW BOARD - 3 Year Term**

Mark Sammut, Vice Chair .....	Term Expires 2020
Ian McCray.....	Term Expires 2020
Lisa LaMantia .....	Term Expires 2020
Joanna Watts, Clerk .....	Term Expires 2019
Jeff Pauza, .....	Term Expires 2019
Jeff Hodgson .....	Term Expires 2019
Mary Kehoe, Chair.....	Term Expires 2018
Norm Blais, Alternate .....	Term Expires 2018
Jeff McBride, Alternate.....	Term Expires 2018
Alex von Stange, Alternate .....	Term Expires 2018

**RECREATION COMMITTEE - 3 Year Term**

Ann Clark.....	Term Expires 2020
Marvin Thomas.....	Term Expires 2020
Kelli Magnier .....	Term Expires 2020
Kathleen Pudvar.....	Term Expires 2018
Bruce Whitbeck .....	Term Expires 2018
Renee Davitt.....	Term Expires 2018
Peggy Coutu, Chair .....	Term Expires 2019
Susan McLellan.....	Term Expires 2019
LynnAnn Prom.....	Term Expires 2019

### WATER COMMISSION - 3 Year Term

John Schold, Chair .....	Term Expires 2020
Steve Smith .....	Term Expires 2018
Peter Gadue .....	Term Expires 2019
Mike Abrams .....	Term Expires 2019
Michael Regan .....	Term Expires 2019

### PIERSON LIBRARY TRUSTEES - 3 Year Term

Laureen Mathon .....	Term Expires 2020
John Boscia .....	Term Expires 2020
Jane McKnight .....	Term Expires 2019
Lisa Merrill .....	Term Expires 2019
Barbara Comeau .....	Term Expires 2019
Ruth Hagerman, Chair .....	Term Expires 2018
Cathy Townsend .....	Term Expires 2018

### CEMETERY COMMISSION - 3 Year Term

Jennifer Martin Brown .....	Term Expires 2019
Ron Gagnon .....	Term Expires 2018
Stuart Morrow, Chair .....	Term Expires 2019
Deborah Belcher .....	Term Expires 2019
Open .....	Term Expires 2020

### HISTORIC PRESERVATION AND REVIEW COMMISSION - 3 Year Term

Fritz Horton, Chair .....	Term Expires 2020
David Webster .....	Term Expires 2020
Tom Koerner .....	Term Expires 2020
Dorothea Penar, Vice Chair .....	Term Expires 2018
Marc Vincent .....	Term Expires 2018
Ann Milovsoroff .....	Term Expires 2019
Eileen Warner .....	Term Expires 2019

### TREE ADVISORY COMMITTEE - 3 Year Term

Ann Milovsoroff .....	Term Expires 2020
Jan Gannon .....	Term Expires 2020
Gail Henderson-King, Chair .....	Term Expires 2018
David Hall .....	Term Expires 2018
Dawn Keough-Schmidt, Resigned Sept. 2017 .....	Term Expires 2018
Hope Johnson .....	Term Expires 2019
Tod Warner .....	Term Expires 2019

### STORM WATER ADVISORY COMMITTEE

John DuBrul .....	Term-Undefined
Mike Schramm .....	Term-Undefined
Marty Illick .....	Term-Undefined
Susan Moegenburg .....	Term-Undefined
Chip Stulen .....	Term-Undefined
Chris Davis .....	Term-Undefined
Dick Elkins .....	Term-Undefined



## NATURAL RESOURCES AND CONSERVATION COMMITTEE - 3 Year Term

Gail Albert, Chair.....	Term Expires 2018
Sean MacFaden.....	Term Expires 2020
Susan Moegenburg.....	Term Expires 2020
Peg Rosenau.....	Term Expires 2019
Fred Morgan.....	Term Expires 2019
Don Rendall.....	Term Expires 2018
Peggy Day.....	Term Expires 2019
Jon Cocina.....	Term Expires 2019
Kyle Bergeron.....	Term Expires 2019

## BIKE AND PEDESTRIAN PATHS COMMITTEE - 3 Year Term

Wendy Saville, Chair.....	Term Expires 2020
Jeff Zweber.....	Term Expires 2019
Chris Trapani.....	Term Expires 2018
Steve Antinozzi.....	Term Expires 2018
Kevin Boehmcke.....	Term Expires 2018
Joplin James.....	Term Expires 2019
Kate Lalley.....	Term Expires 2019
Student- Vacant.....	Term Expires 2018

## SOCIAL SERVICE COMMITTEE - 1 Year Term

Georgine Grover, Chair.....	Term Expires 2020
Barbara Marden.....	Term Expires 2020
Sue Irish.....	Term Expires 2021
Kristin Prior.....	Term Expires 2020
Kristina Sylvester.....	Term Expires 2020
Debra Niemasz, Vice Chair.....	Term Expires 2019

## ETHICS COMMITTEE - 1 Year Term

Peter Gadue, Alternate.....	Term Expires 2018
Mike Ashooh.....	Term Expires 2020
Gwen Webster.....	Term Expires 2020
Lee Suskin, Chair.....	Term Expires 2018
Tom Little, Vice Chair.....	Term Expires 2018
Bill Deming.....	Term Expires 2019

## VETERANS COMMITTEE - 2 Year Term

Eric Hanley.....	Term Expires 2018
Colleen Haag.....	Term Expires 2019
Sam Feitelberg.....	Term Expires 2019
Perry Melvin.....	Term Expires 2018
Carroll "Bud" Ockert.....	Term Expires 2018
Jim Donaldson,.....	Term Expires 2018
Paul Goodrich.....	Term Expires 2019
Pete Gadue.....	Term Expires 2019
Al Dunbar.....	Term Expires 2019
Arthur Kunin.....	Term Expires 2019

## CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION - 2 Year Term

John Zicconi.....	Term Expires 2018
George Schiavone, Alternate.....	Term Expires 2018

### CHITTENDEN COUNTY TRANSPORTATION AUTHORITY - 3 Year Term

Denis Barton .....Term Expires 2020  
Joe Colangelo, Alternate.....Term Expires 2020

### CHITTENDEN SOLID WASTE MANAGEMENT DISTRICT - 2 Year Term

Tim Loucks .....Term Expires 2019  
Joe Colangelo, Alternate.....Term Expires 2019

### FRIENDS OF SHELBURNE VILLAGE DOG PARK COMMITTEE - 3 Year Term

Lissy Wolf.....Term Expires 2020  
Mary West.....Term Expires 2020  
Kristin Prior .....Term Expires 2019  
Erica Eulau.....Term Expires 2018  
Bill Blackmore.....Term Expires 2018  
Bob Owens.....Term Expires 2019  
Kay Boyce, Chair.....Term Expires 2019

### TOWN ADMINISTRATION

Town Manager .....Joe Colangelo  
Director of Administration.....Ann Janda  
Chief of Police Through July 31, 2017 .....James Warden  
Chief of Police, (Acting Aug-2017 to Jan-2018), Chief (Feb-2018--) .....Aaron Noble  
Planning Director .....Dean Pierce  
Assessor .....Ted Nelson  
Highway Superintendent.....Paul Goodrich  
Water Superintendent.....Rick Lewis  
Water Quality Superintendent.....Chris Robinson  
Parks and Recreation Director .....Betsy Cieplicki  
Maintenance Director.....Darwin Norris  
Library Director .....Kevin Unrath  
Chief of Fire Department .....Jerry Ouimet  
Chief of Rescue .....Linda Goodrich  
Zoning Administrator.....Joe Colangelo  
DRB Coordinator/Assistant Zoning Enforcement Officer .....Kaitlin Mitchell  
Network & Web Page Administrator.....Betty Marcher  
Finance Director.....Peter Frankenburg  
Tax Collector .....Joe Colangelo  
Assistant Town Treasurer .....Sue Moraska

### TOWN CLERK'S APPOINTMENTS

Assistant Town Clerks .....Lisa Mann  
Sue Moraska

### SCHOOL OFFICIALS

Alison Celmer .....Community School K-4 Principal  
Scott Sivo .....Community School 5-8 Principal  
Adam Bunting.....CVUHS Principal  
Elaine Pinckney .....CVSD Superintendent

## TAX NOTICE

Town Property Tax payments are due each year on: August 15, November 15, and March 15. If the due date falls on either a weekend or a Town holiday, that tax payment is due on the next business day. Late payments are subject to a 5% penalty and 1.5% interest for each month or portion thereof.

Property tax payments may be left at the Town offices on weekdays between 8:00 A.M. and 5:00 P.M, and after hours at the Police Dept. Dispatch Center. Questions about tax payments can be answered by calling 985-5120 or going to the town web site [www.shelburnevt.org](http://www.shelburnevt.org). Please enclose the tax payment stub with your payment to ensure proper crediting of your account.

We offer an automatic payment service, where property tax payments are automatically withdrawn from the property owner's bank account on each tax installment due date. Please contact the Town offices or call 985-5120 if you would like to take advantage of this service.

### TAX RATE COMPARISONS

	Town	Education	Town	State	Local	Total	Total
<u>Year</u>	<u>Grand List</u>	<u>Grand List</u>	<u>Rate</u>	<u>Rate</u>	<u>Agmt. **</u>	<u>Tax Rate</u>	<u>Taxes Billed</u>
2009-10 (Homestead tax rate)	14,386,046	14,399,694	0.3196	1.2408	0.0007	1.5611	23,103,000
2009-10 (Non residential tax rate)			0.3196	1.3515	0.0007	1.6718	
2010-11 (Homestead tax rate)	14,230,844	14,240,508	0.3196	1.2920	0.0007	1.6123	23,453,000
2010-11 (Non residential tax rate)			0.3196	1.3791	0.0007	1.6994	
2011-12 (Homestead tax rate)	14,345,890	14,335,981	0.3290	1.2905	0.0006	1.6201	23,748,000
2011-12 (Non residential tax rate)			0.3290	1.3821	0.0006	1.7117	
2012-13(Homestead tax rate)	14,509,208	14,525,578	0.3374	1.3402	0.0007	1.6783	24,683,404
2012-13 (Non residential tax rate)			0.3374	1.3982	0.0007	1.7363	

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
Town Grand List (at 01-July)	14,613,419	14,699,970	15,128,384	15,058,306	15,192,592
Percent Change from prior yr.	0.7%	0.6%	2.9%	0.2%	0.9%
Education Grand List	14,627,166	14,674,289	15,112,601	15,036,990	15,171,201
Common Level of Appraisal	100.20%	99.70%	98.54%	96.11%	96.00%
Town Tax Rate	0.3470	0.3571	0.3602	0.3724	0.3879
Local Agreement Tax Rate *	0.0007	0.0008	0.0008	0.0007	0.0006
Homestead School tax Rate **	1.3814	1.4506	1.4916	1.5385	1.4748
Non-Residential School tax Rate **	1.4371	1.5196	1.5577	1.5971	1.5990
 Total Homestead Tax Rate	 \$ 1.7291	 \$ 1.8085	 \$ 1.8526	 \$ 1.9116	 \$ 1.8633
Total Non-residential Tax Rate	\$ 1.7848	\$ 1.8775	\$ 1.9187	\$ 1.9702	\$ 1.9875
 Total Town Taxes billed (as of July)	 \$ 5,070,819	 \$ 5,248,731	 \$ 5,448,591	 \$ 5,606,446	 \$ 5,892,246
Total Local Agrmt. Taxes billed (July)	10,230	11,488	11,849	10,435	8,519
Total School Taxes billed (as of July)	20,536,055	21,696,956	22,964,137	23,492,909	23,164,851
 Total Taxes billed (as of July)	 \$ 25,617,104	 \$ 26,957,175	 \$ 28,424,577	 \$ 29,109,790	 \$ 29,065,616

\* The local Agreement tax rate was established per Town vote in 2007 to exempt a portion of the appraised value of property owned by qualified disabled veterans from paying property taxes.

\*\*The State of Vermont defines "Homestead" property as residential property where the owner, who must be a Vermont resident, resides. "Non-Residential" property includes all other properties.

## ESTIMATE OF PROPERTY TAX RATE FOR 2018-19

Per the Town Charter, the Selectboard is to provide an estimate of the property tax rate for the ensuing year. The Selectboard will set the actual rate in July 2018. The education tax rates are set by the State of Vermont.

Homeowners may be eligible for an education property tax reduction from the State of Vermont. Consult the 2017 Vermont income tax return booklet or tax department web site (<http://tax.vermont.gov>) for further information. Please note that under the current law, the State of Vermont requires all Vermont residents who own and occupy a Vermont Homestead to file a Homestead Declaration with the State annually by April 15.

	Homestead	Non-Residential
<u>Estimated Property Tax Rates:</u>	<u>Property (1)</u>	<u>Property (1)</u>
<b>Town Tax Rate (2)</b>	\$0.4190	\$0.4190
<b>Education Tax Rate (3)</b>	\$1.5863	\$1.7000
<b>Local Agreement Rate (4)</b>	<u>\$0.0007</u>	<u>\$0.0007</u>
Total School + Town	\$2.0060	\$2.1197
<b>Articles Voted Separately, if Approved :</b>		
Town Article II. (Selectboard Salaries)	\$0.0004	\$0.0004
Town Article VI. (Open Space Fund)	\$0.0020	\$0.0020
	-----	-----
Sub-Total, Separate Articles	\$0.0024	\$0.0024
<b>Total Estimated Tax Rate:</b>	<b><u>\$2.0084</u></b>	<b><u>\$2.1221</u></b>

### NOTES

- 1 "Homestead" property is defined as residential property where the owner, who must be a Vermont resident, resides. "Non-Residential" property includes all other properties.
2. The Town tax rate will be based on the 2018 town grand list as of July 2018. The estimated tax rate shown here assumes a grand list of \$15,269,000.
3. The Education Tax Rates are preliminary estimates and subject to change by the State of Vermont.
4. The local Agreement tax rate was established per Town vote in 2007 to exempt a portion of the appraised value of property owned by qualified disabled veterans from paying property taxes.

TOWN OF SHELBURNE, VERMONT  
WARNING  
ANNUAL TOWN MEETING

The legal voters of the Town of Shelburne, Vermont are hereby notified and warned to meet at the Shelburne Community School in said Town of Shelburne on Monday, March 5, 2018 at 7:30PM to act upon any of the following articles not involving voting by Australian Ballot and to hold a public hearing on items to be voted on by Australian Ballot; said meeting to be adjourned and to reconvene in the Municipal Offices in said Town on Tuesday, March 6, 2018 to vote for Town Officers and to transact any business involving voting by Australian Ballot to begin at 7:00AM and to close at 7:00PM.

- Article I      To hear and act on the report of the Town officers and the Auditor's report for the budgetary period July 1, 2016 through June 30, 2017 (Fiscal Year 2017).
- Article II     Will the voters determine the compensation to be paid to the Selectboard for Fiscal Year 2018 - 2019? [Note: Current compensation are Chair \$1,500, all others \$1,200]
- Article III    To transact any other business proper to come before said meeting.

BALLOT QUESTIONS

- Article IV     To elect all Town officers as required by law.
- Article V      Shall the Town adopt the Selectboard's proposed budget of \$8,749,307 of which \$6,397,010 is to be raised by taxes?
- Article VI     Shall the Town raise by taxes the amount of \$30,000 for the purpose of obtaining options and/or the acquisition of lands, or the rights in land, which would preserve open space and natural resources; any unexpended portion of such sum be placed in the Open Space Fund? [current balance of Open Space Fund = \$171,154]
- Article VII    Shall the Town of Shelburne enter into an agreement for the formation of a union municipal district to be known as the Chittenden County Public Safety Authority, for the purpose of providing regional emergency dispatch?

Dated at Shelburne, Vermont this 23rd Day of January 2018 by the SELECTBOARD

\_\_\_\_\_  
Gary von Stange, Chair

\_\_\_\_\_  
Jerry Storey, Vice Chair

\_\_\_\_\_  
Josh Dein

\_\_\_\_\_  
Colleen Parker

\_\_\_\_\_  
Jaime Heins

Filed this 24<sup>th</sup> Day of January, 2018 in the office of the Shelburne Town Clerk.

\_\_\_\_\_  
Diana Vachon, Town Clerk

**TOWN OF SHELBURNE**  
**GENERAL FUND FISCAL YEAR 2017-18 PROPOSED BUDGET**  
**REVENUE AND EXPENDITURE SUMMARY**  
**JULY 2018 TO JUNE 2019**

REVENUE CATEGORIES	FY 2017 2016-17 BUDGET	FY 2017 2016-17 ACTUAL	FY 2018 2017-18 BUDGET	FY 2019 2018-19 BUDGET	FY 2019 INCR (DECR)	% CHG.
Taxes, Penalties & Interest	\$5,680,446	\$5,647,137	\$5,975,246	\$6,492,410	\$517,164	8.7%
Town Clerk's Office	147,825	105,521	144,580	167,190	22,610	15.6%
Highways & Public Works	300,300	304,863	270,300	157,100	(113,200)	-41.9%
Police & Emergency Dispatch	447,831	787,389	468,500	442,200	(26,300)	-5.6%
Water & Sewer Admin.	89,318	89,318	90,212	92,918	2,706	3.0%
Cemetery	15,200	4,100	6,200	6,200	-	0.0%
Planning & Zoning	111,075	65,564	92,300	101,325	9,025	9.8%
Parks & Recreation	186,832	172,727	185,807	156,111	(29,696)	-16.0%
Library	0	8,718	0	0	-	-
Investment Interest	1,000	467	1,000	500	(500)	-50.0%
Applied Fund Balance	0	0	0	0	-	-
Rescue	240,751	267,007	259,919	509,207	249,288	95.9%
Building Use/Lease Income	144,564	146,943	144,564	145,850	1,286	0.9%
Transfer from Funds / Misc.	374,085	387,825	491,424	478,296	(13,128)	-2.7%
<b>TOTAL REVENUES</b>	<b>\$7,739,226</b>	<b>\$7,987,580</b>	<b>\$8,130,052</b>	<b>\$8,749,307</b>	<b>\$619,255</b>	<b>7.6%</b>
<b>EXPENDITURE CATEGORIES</b>						
Selectboard/VLCT/Town Rpts.	\$26,130	\$25,926	\$27,030	\$21,011	(\$6,020)	-22.3%
Legal	32,000	257,283	60,000	60,000	\$0	0.0%
Town Manager's Office	195,435	212,813	231,988	277,316	45,329	19.5%
Administrative Services	99,095	88,131	96,225	112,510	16,285	16.9%
Elections	12,000	13,191	2,500	16,000	13,500	540.0%
Finance & Insurance	531,588	540,052	568,269	535,888	(32,381)	-5.7%
Town Clerk's Office	255,474	239,551	238,437	275,573	37,136	15.6%
Planning & Zoning	315,198	264,540	299,422	321,339	21,917	7.3%
Assessing/Reappraisal	100,531	78,536	85,925	80,786	(5,140)	-6.0%
Buildings & Grounds	323,530	408,048	334,169	352,160	17,991	5.4%
Public Works/Stormwater	98,977	91,761	117,128	141,128	24,000	20.5%
Police	1,618,859	1,758,183	1,628,680	1,698,054	69,374	4.3%
Fire Dept.	203,501	186,310	381,701	416,305	34,604	9.1%
Public Safety/Dispatch	633,709	656,183	652,013	700,427	48,414	7.4%
Highway	1,317,332	1,170,085	1,351,778	1,243,773	(108,005)	-8.0%
Health/Social Services	41,389	40,000	41,389	41,389	-	0.0%
Rescue	237,598	274,168	259,919	509,207	249,288	95.9%
Cemetery	50,748	51,592	51,086	52,538	1,452	2.8%
Parks & Recreation	327,670	317,498	334,377	328,084	(6,293)	-1.9%
Harbormaster	37,212	32,939	50,100	51,000	900	1.8%
Library	376,147	390,019	401,092	411,573	10,481	2.6%
Debt Service	547,491	543,347	572,624	803,419	230,795	40.3%
Inter-Governmental Transfers	193,960	195,710	194,000	198,632	4,632	2.4%
Benefits (included in Depts)	120,952	60,213	102,200	84,195	(18,005)	-17.6%
Selectbrd Discr./Other Projects	12,700	13,452	18,000	17,000	(1,000)	-5.6%
Community Improvement	30,000	30,000	30,000	0	(30,000)	-100.0%
<b>TOTAL EXPENDITURES</b>	<b>\$7,739,226</b>	<b>\$7,939,532</b>	<b>\$8,130,052</b>	<b>\$8,749,307</b>	<b>\$619,255</b>	<b>7.6%</b>
<b>Revenue - Expenditures</b>	<b>(0)</b>	<b>48,048</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Grand List		15,058,306	15,192,600	15,268,563	75,963	0.5%
<b>Tax Rate</b>		<b>\$0.3724</b>	<b>\$0.3879</b>	<b>\$0.4190</b>	<b>\$0.0311</b>	<b>8.0%</b>
Tax rate Change From Prior Yr.		\$0.0122	\$0.016	\$0.031		
Tax rate % Change From Prior Yr.		3.4%	4.2%	8.0%		



LINE #	REVENUE CATEGORIES	FY 2017 2016-17 BUDGET	FY 2017 2016-17 ACTUAL	FY 2018 2017-18 BUDGET	FY 2019 2018-19 BUDGET	FY 2019 INCR (DECR)	% CHG.	Notes
<b>TAXES</b>								
1	Property Taxes	5,606,446	5,562,565	\$5,892,246	<b>\$6,397,010</b>	\$504,764	8.6%	
2	Late Homestead Filing Penalty	13,000	9,113	13,000	<b>13,000</b>	0	0.0%	
3	Delinquent tax Penalty Charges	36,000	43,437	40,000	<b>42,400</b>	2,400	6.0%	
4	Delinquent tax Interest Charges	25,000	32,023	30,000	<b>40,000</b>	10,000	33.3%	
5 SUB-TOTAL, TAXES		\$5,680,446	<b>\$5,647,137</b>	\$5,975,246	<b>\$6,492,410</b>	\$517,164	8.7%	
<b>TOWN CLERK'S OFFICE</b>								
6	Liquor Licenses	3,000	2,770	2,865	<b>2,865</b>	0	0.0%	
7	Animal Licenses	6,000	5,822	6,000	<b>6,000</b>	0	0.0%	
8	Animal License Transfer to Dog Park	(800)	(734)	(800)	<b>(800)</b>	0	0.0%	
9	Marriage/Civil Union Licenses	600	550	540	<b>550</b>	10	1.9%	
10	Deed Recordings	50,000	41,592	50,000	<b>50,000</b>	0	0.0%	
11	Misc. Income	300	447	300	<b>300</b>	0	0.0%	
12	Green Mtn Passports	175	178	175	<b>175</b>	0	0.0%	
13	Vault Time Fee	1,200	813	1,300	<b>800</b>	(500)	-38.5%	
14	Copier Use	6,800	5,795	7,000	<b>7,000</b>	0	0.0%	
15	Vital Statistics Copies	3,800	5,130	4,000	<b>4,000</b>	0	0.0%	
16	Passport Fees	8,500	20,450	12,000	<b>15,000</b>	3,000	25.0%	
17	Motor Vehicle Registrations	250	324	200	<b>300</b>	100	50.0%	
18	LandRecords Preservation System				<b>60,000</b>	60,000		
19	Trsf. from Records Preservation Fund	68,000	22,385	61,000	<b>21,000</b>	(40,000)	-65.6%	Note 1
20 SUB-TOTAL, TOWN CLERK OFFICE		147,825	<b>105,521</b>	144,580	<b>167,190</b>	22,610	15.6%	
<b>HIGHWAYS / PUBLIC WORKS</b>								
21	Hwy State Aid	145,000	144,880	145,000	<b>145,000</b>	0	0.0%	
22	Hwy Permits	2,100	2,065	2,100	<b>2,100</b>	0	0.0%	
23	Road Cut Permits	8,000	11,724	8,000	<b>10,000</b>	2,000	25.0%	
24	State Paving/Road Constr. Grant	30,000	91,215			0		
25	Highway Stormwater Grant		10,866					
26	Bik/Ped Path Grant	115,200	40,565	115,200		(115,200)	-100.0%	Note 2
27	Construction Reimbursements		3,548			0		
28 SUB-TOTAL, HIGHWAY/PUBLIC WORKS		300,300	<b>304,863</b>	270,300	<b>157,100</b>	(113,200)	-41.9%	
<b>POLICE &amp; EMERGENCY DISPATCH</b>								
29	Judicial Fees	60,000	59,278	60,000	<b>60,000</b>	0	0.0%	
30	Special Duty Reimbursement	12,000	46,779	17,000	<b>17,000</b>	0	0.0%	Note 3
31	Special Duty Enforcement Grants		297,695					Note 3
32	Equipment Grants	22,500	13,792	22,500	<b>10,000</b>	(12,500)	-55.6%	
33	Other Fees	300	506	300	<b>300</b>	0	0.0%	
34	Animal Enforcement	500	0	500	<b>500</b>	0	0.0%	
35	Insurance Reports	2,200	2,303	2,200	<b>2,200</b>	0	0.0%	
36	Fingerprinting	8,000	13,390	8,000	<b>8,000</b>	0	0.0%	
37	Burn Permits		1,063		<b>1,000</b>	1,000		
38	Dispatch Contracts	241,331	253,843	257,000	<b>257,000</b>	0	0.0%	Note 4
39	State E911 Call Center	90,000	90,000	90,000	<b>76,200</b>	(13,800)	-15.3%	Note 5
40	Alarm Permits	11,000	8,740	11,000	<b>10,000</b>	(1,000)	-9.1%	
41 SUB-TOTAL, POLICE & EMERGENCY DISPATCH		447,831	<b>787,389</b>	468,500	<b>442,200</b>	(26,300)	-5.6%	
<b>WATER &amp; SEWER ADMINISTRATION</b>								
42	Sewer Dept. Admin.	44,659	44,659	45,106	<b>46,459</b>	1,353	3.0%	
43	Water Dept. Admin.	44,659	44,659	45,106	<b>46,459</b>	1,353	3.0%	
44 SUB-TOTAL, WATER & SEWER ADMIN.		89,318	<b>89,318</b>	90,212	<b>92,918</b>	2,706	3.0%	Note 6

LINE #	REVENUE CATEGORIES	FY 2017 2016-17 BUDGET	FY 2017 2016-17 ACTUAL	FY 2018 2017-18 BUDGET	FY 2019 2018-19 BUDGET	FY 2019 INCR (DECR)	% CHG.	Notes
<b>CEMETERY</b>								
1	Cemetery Fund Transfer & Interest	9,000	0					
2	Cemetery Other	1,400	0	1,400	1,400	0	0.0%	
3	Interment Fee	4,800	4,100	4,800	4,800	0	0.0%	
4	<b>SUB-TOTAL, CEMETERY</b>	15,200	4,100	6,200	6,200	0	0.0%	
<b>PLANNING &amp; ZONING</b>								
5	Building Permits & Cert of Occup.	40,000	40,380	51,000	52,500	1,500	2.9%	
6	Site Plan/Subdiv/Cond'l Use Fees	18,000	12,755	15,000	17,500	2,500	16.7%	
7	Sign Permits	1,000	640	750	750	0	0.0%	
8	Town Regs/Plan/Public Wk spec.		196	50	75	25	50.0%	
9	Zoning Fees / Fines	500	0	500	0	(500)	-100.0%	
10	Planning/Zoning Other	1,375	5,426		500	500		
11	Indep. Technical Review Reimb.	200	6		0	0		
12	Grant Revenues	50,000	6,161	25,000	30,000	5,000	20.0%	
13	<b>SUB-TOTAL, PLANNING &amp; ZONING</b>	111,075	65,564	92,300	101,325	9,025	9.8%	
<b>PARKS &amp; RECREATION</b>								
14	Beach Stickers	12,700	13,952	16,075	16,075	0	0.0%	
15	Recreation Programs	36,867	33,375	34,807	29,085	(5,722)	-16.4%	
16	Adult Leagues	1,590	1,702	1,500	1,410	(90)	-6.0%	
17	Little League	11,860	18,983	14,840	14,790	(50)	-0.3%	
18	Babe Ruth	4,370	4,290	4,600	4,140	(460)	-10.0%	
19	Softball	4,150	2,040	3,550	2,926	(624)	-17.6%	
20	Swimming Lessons	1,000	1,160	850	850	0	0.0%	
21	Dog Obedience	5,240	3,040	4,080	2,500	(1,580)	-38.7%	
22	Martial Arts	2,815	1,753	1,280	960	(320)	-25.0%	
23	Youth Basketball	3,400	3,120	3,600	3,475	(125)	-3.5%	
24	Soccer	14,200	15,810	14,050	12,305	(1,745)	-12.4%	
25	Summer Soccer Camp	16,050	18,600	14,250	14,250	0	0.0%	
26	Ski Program	9,155	8,950	8,060	8,560	500	6.2%	
27	Concerts/Special Events	15,100	12,993	14,100	12,185	(1,915)	-13.6%	
28	Lacrosse	10,700	10,900	10,225	10,300	75	0.7%	
29	Donations	300	300	500	500	0	0.0%	
30	Recreation Facility/Field Use Fees	10,625	11,313	9,300	9,500	200	2.2%	
31	Transfer From baseball Funds	16,210	10,263	15,540	12,300	(3,240)	-20.8%	
32	Capital Project Grants/Donations	5,000	0			0		
33	Transfer from Bay Park&Other Funds	5,500	183			0		
34	Transfer From Davis Park Fund			14,600		(14,600)		
35	<b>SUB-TOTAL, PARKS &amp; RECREATION</b>	186,832	172,727	185,807	156,111	(29,696)	-16.0%	Note 7
<b>LIBRARY</b>								
36	Copier Fees		1,565					
37	Grant Revenues		323					
38	Library gifts/donations		450					
39	Materials Reimbursements		1,546					
40	Misc. income		4,834					
41	<b>SUB-TOTAL, LIBRARY</b>	0	8,718	0	0	0		

LINE #	REVENUE CATEGORIES	FY 2017 2016-17 BUDGET	FY 2017 2016-17 ACTUAL	FY 2018 2017-18 BUDGET	FY 2019 2018-19 BUDGET	FY 2019 INCR (DECR)	% CHG.	Notes
<b>FINANCIAL MANAGEMENT</b>								
1	Investment Interest	1,000	467	1,000	500	(500)	-50.0%	
2	Applied Fund Balance	0		0	0	0		
3	<b>SUB-TOTAL, FINANCIAL MANAGEMENT</b>	1,000	467	1,000	500	(500)	-50.0%	
<b>RESCUE</b>								
4	Transfer From Ambulance Fund	240,751	264,877	259,919	507,207	247,288	95.1%	Note 8
5	First Aid/ CPR Class Fees&misc.		307					
6	Misc. Income		1,823		2,000	2,000		
7	<b>SUB-TOTAL, RESCUE</b>	240,751	267,007	259,919	509,207	249,288	95.9%	
<b>MISCELLANEOUS</b>								
8	Miscellaneous	3,500	5,043	3,500	3,500	0	0.0%	
9	Compost Bin Sales		1,038					
10	Fire Dept. Grants/Donations/Misc.	5,000	16,219	171,413	171,413	0	0.0%	
11	Insurance Claims		6,085			0		
12	Pymt. in Lieu of Taxes	6,000	6,292	6,000	6,300	300	5.0%	
13	State Current Use Payment	118,000	120,023	120,000	122,000	2,000	1.7%	
14	Mooring Fees	50,100	52,750	50,100	51,000	900	1.8%	
15	Town Ctr./ Tn Hall Facilities Use	15,000	14,331	15,000	5,000	(10,000)	-66.7%	Note 9
16	Act 60/68 Administration	46,000	47,594	46,000	49,000	3,000	6.5%	
17	Retiree Health/Dental Premiums		1,272		1,848	1,848		
18	Pierson Bldg. Lease	28,564	27,736	28,564	28,850	286	1.0%	
19	CSSU Village Ctr. Lease	64,000	64,000	64,000	71,000	7,000	10.9%	
20	CSSU Bldg. Maint. Allocation	37,000	40,876	37,000	41,000	4,000	10.8%	
21	Cellular Tower Fees	76,444	76,467	43,117	22,100	(21,017)	-48.7%	Note 10
22	Transfer Fr. Rec. Impact Fees Acct.	20,000	6,000	6,000	7,000	1,000	16.7%	
23	Beaver Creek Special Assessment	49,041	49,041	45,294	44,135	(1,159)	-2.6%	Note 11
24	<b>SUB-TOTAL, MISCELLANEOUS</b>	518,649	534,768	635,988	624,146	(11,842)	-1.9%	
25	Total Non-Tax Revenue	\$2,132,781	\$2,425,016	\$2,237,806	\$2,352,297	\$114,491	5.1%	
26	<b>GRAND TOTAL</b>	\$7,739,226	\$7,987,580	\$8,130,052	\$8,749,307	619,255	7.6%	
27	Grand List	15,025,808		15,192,600	15,268,563	75,963	0.5%	
28	Tax Rate	\$ 0.3724		\$0.3879	\$0.4190	\$ 0.0311	8.0%	
29	Tax Rate Change From Prior Yr.	\$ 0.0129		\$0.015	\$0.031			

EXPENDITURE CATEGORIES		FY 2017	FY 2017	FY 2018	FY 2019	FY 2019		
ITEM		2016-17	2016-17	2017-18	2018-19	INCR	%	Notes
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG.	
<b>SELECTBOARD</b>								
1	Selectboard Salaries	6,300	6,300	6,300	0	(6,300)	-100.0%	Note 12
2	FICA	482	482	482	0	(482)	-100.0%	
3	Expenses	8,300	7,645	8,500	8,000	(500)	-5.9%	
4	VLCT Dues	8,808	8,808	9,248	9,711	462	5.0%	
5	Town Reports	2,240	2,691	2,500	3,300	800	32.0%	
<b>6 SUB-TOTAL, SELECTBOARD</b>		<b>26,130</b>	<b>25,926</b>	<b>27,030</b>	<b>21,011</b>	<b>(6,020)</b>	<b>-22.3%</b>	
7	<b>Legal Expense</b>	<b>32,000</b>	<b>257,283</b>	<b>60,000</b>	<b>60,000</b>	<b>0</b>	<b>0.0%</b>	
<b>8 SUB-TOTAL, LEGAL EXPENSE</b>		<b>32,000</b>	<b>257,283</b>	<b>60,000</b>	<b>60,000</b>	<b>0</b>	<b>0.0%</b>	
<b>MANAGERS OFFICE</b>								
9	Salaries	141,487	153,860	168,650	203,887	35,237	20.9%	Note 13
10	Benefits	48,148	50,443	52,537	62,629	10,092	19.2%	
11	Manager's Expenses	2,300	4,851	7,300	7,300	0	0.0%	Note 14
12	Vehicle Expense	2,500	2,133	2,500	2,500	0	0.0%	
13	Emergency Management	1,000	1,526	1,000	1,000	0	0.0%	
<b>14 SUB-TOTAL, MANAGERS OFFICE</b>		<b>195,435</b>	<b>212,813</b>	<b>231,988</b>	<b>277,316</b>	<b>45,329</b>	<b>19.5%</b>	
<b>ADMINISTRATIVE SERVICES</b>								
15	Technical Assistance	5,000	15,361	10,000	15,000	5,000	50.0%	Note 15
16	Training	7,000	1,314	7,000	7,000	0	0.0%	
17	Office Equipment & Repairs	1,000	1,437	5,000	2,000	(3,000)	-60.0%	
18	Postage	18,000	14,807	19,000	21,000	2,000	10.5%	
19	Copier Expenses	6,800	8,380	7,300	8,000	700	9.6%	
20	Office Supplies	6,000	5,396	7,000	8,500	1,500	21.4%	
21	Computer Software	14,110	10,877	14,110	14,110	0	0.0%	
22	Computer Hardware	10,135	2,021	8,075	10,000	1,925	23.8%	
23	Computer Tech. Assistance	11,000	17,195	12,000	19,000	7,000	58.3%	
24	Data Line	3,100	1,892	1,740	2,000	260	14.9%	
25	Telephone Exp. (Tn. Ctr & Library)	16,950	9,452	5,000	5,900	900	18.0%	
<b>26 SUB-TOTAL, ADMINISTRATIVE SERVICES</b>		<b>99,095</b>	<b>88,131</b>	<b>96,225</b>	<b>112,510</b>	<b>16,285</b>	<b>16.9%</b>	
<b>ELECTIONS</b>								
27	Election Salaries	7,500	6,815	1,000	7,800	6,800	680.0%	
28	Election Expense	4,000	5,848	1,000	7,200	6,200	620.0%	
29	BCA Expenses	500	528	500	1,000	500	100.0%	
<b>30 SUB-TOTAL ELECTIONS</b>		<b>12,000</b>	<b>13,191</b>	<b>2,500</b>	<b>16,000</b>	<b>13,500</b>	<b>540.0%</b>	Note 16
<b>FINANCE &amp; INSURANCE</b>								
31	Salaries	174,114	163,491	181,054	147,449	(33,606)	-18.6%	Note 13
32	Benefits	54,408	57,639	65,365	48,440	(16,925)	-25.9%	
33	Property/Liability Insurance	277,620	286,748	300,000	312,000	12,000	4.0%	
34	Insurance Claims: Deductible	5,000	10,413	5,000	5,000	0	0.0%	
35	Unemployment Insurance	6,446	5,810	2,000	6,000	4,000	200.0%	Note 17
36	Annual Audit	14,000	15,951	14,850	17,000	2,150	14.5%	
<b>37 SUB-TOTAL, FINANCE &amp; INSURANCE</b>		<b>531,588</b>	<b>540,052</b>	<b>568,269</b>	<b>535,888</b>	<b>(32,381)</b>	<b>-5.7%</b>	

EXPENDITURE CATEGORIES		FY 2017	FY 2017	FY 2018	FY 2019	FY 2019	%	Notes
ITEM		2016-17	2016-17	2017-18	2018-19	INCR	%	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG.	
<b>TOWN CLERK</b>								
1	Town Clerk Salaries	134,584	130,031	126,219	129,981	3,761	3.0%	
2	Town Treasurer Salary		33,654		6,435	6,435		
3	Town Clerk Benefits	40,590	40,928	38,918	42,865	3,948	10.1%	
4	Town Treasurer Benefits				492	492		
5	Expenses	2,000	2,931	2,000	3,000	1,000	50.0%	
6	Office Expense	9,800	5,873	9,800	11,300	1,500	15.3%	
7	ACS Recording Software&Supplies	18,000	15,667	21,000	21,000	0	0.0%	
8	Records Automation/Preservation	50,000	10,468	40,000	60,000	20,000	50.0%	Note 1
9	Computer Software/Hardware	500	0	500	500	0	0.0%	
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10	<b>SUB-TOTAL, TOWN CLERK</b>	255,474	239,551	238,437	275,573	37,136	15.6%	
<b>PLANNING &amp; ZONING</b>								
11	Salaries	154,843	168,081	170,919	174,344	3,425	2.0%	
12	Benefits	57,295	59,551	61,702	71,228	9,526	15.4%	
13	Zoning Enforcement Contractor	20,000	0			0		
14	Planning Expense	6,500	6,377	6,500	7,000	500	7.7%	
15	Conferences and Training	900	250	900	500	(400)	-44.4%	
16	Grant Funded Projects	18,750	19,821	39,500	42,667	3,167	8.0%	
17	Planning Projects w/o Grants	42,500	0	7,500	14,000	6,500	86.7%	
18	Planning Assistance	5,610	5,500	5,600	5,600	0	0.0%	
19	Independent Technical Review	200	0			0		
20	GIS & Permit Software	8,600	4,960	6,800	6,000	(800)		
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21	<b>SUB-TOTAL, PLANNING &amp; ZONING</b>	315,198	264,540	299,422	321,339	21,917	7.3%	
<b>ASSESSING</b>								
22	Salaries	38,024	38,168	38,785	39,560	775	2.0%	
23	Benefits	29,236	11,565	15,304	17,372	2,068	13.5%	
24	Admin Asst.	29,771	24,387	28,336	20,353	(7,983)	-28.2%	
25	Expenses	3,500	4,416	3,500	3,500	0	0.0%	
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26	<b>SUB-TOTAL, ASSESSING</b>	100,531	78,536	85,925	80,786	(5,140)	-6.0%	
<b>BUILDINGS &amp; GROUNDS</b>								
27	Salaries	100,071	94,067	101,855	109,045	7,190	7.1%	
28	Benefits	48,691	42,082	51,014	53,615	2,601	5.1%	
29	Town Center Operating expense	42,000	48,512	50,000	52,000	2,000	4.0%	
30	Town Center Bldg. Maintenance	12,600	1,739	15,000	15,000	0	0.0%	
31	Town Hall Operating expense	1,600	2,019	2,000	2,000	0	0.0%	
32	Town Hall Bldg. Maintenance	3,700	2,805	5,000	5,000	0	0.0%	
33	Town Hall & Library Heating Fuel	9,268	6,318	7,000	8,000	1,000	14.3%	
34	Town Center Heating Fuel	22,000	16,201	22,000	22,000	0	0.0%	
35	Town Center Utilities	50,600	49,362	52,300	55,000	2,700	5.2%	
36	Pierson Building Maintenance	2,000	769	7,000	14,000	7,000	100.0%	Note 18
37	Transfer to HW Equip. Fund	1,000	1,000	1,000	500	(500)	-50.0%	
38	Recreation Fields Maintenance	10,000	5,954	10,000	8,000	(2,000)	-20.0%	
39	Capital Projects	20,000	137,221	10,000	8,000	(2,000)	-20.0%	
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40	<b>SUB-TOTAL, BUILDINGS &amp; GROUNDS</b>	323,530	408,048	334,169	352,160	17,991	5.4%	
<b>STORMWATER</b>								
41	Salaries	6,500	6,500	10,000	15,000	5,000	50.0%	Note 19
42	Benefits	677	677	1,328	1,328	0	0.0%	
43	Legal/Professional Services			5,000	9,000	4,000		
44	Engineering/Planning	5,000	75	10,000	15,000	5,000	50.0%	
45	Stormwater Partnerships	8,600	15,047	8,600	8,600	0		
46	Stormwater Permit Fees	14,000	19,202	14,000	14,000	0	0.0%	
47	Stormwater Maint. (So. Burl Contract)	50,000	30,126	55,000	55,000	0	0.0%	
48	Matching Grant Funds				10,000	10,000		
49	Misc.	2,000		1,000	1,000	0		
50	Munroe Brook Flow Monitoring	12,200	20,134	12,200	12,200	0	0.0%	Note 20
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51	<b>SUB-TOTAL STORMWATER</b>	98,977	91,761	117,128	141,128	24,000	20.5%	

EXPENDITURE CATEGORIES		FY 2017	FY 2017	FY 2018	FY 2019	FY 2019	%	Notes
ITEM		2016-17	2016-17	2017-18	2018-19	INCR	%	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG.	
<b>HARBORMASTER</b>								
1	Salary	5,213	5,213	5,318	5,424	106	2.0%	
2	FICA	399	399	407	415	8	2.0%	
3	Mooring Inspections/Maint.	13,100	9,300	11,100	14,600	3,500	31.5%	
4	Seasonal Dock&Buoy Install/Removal	4,200	7,670	6,600	5,600	(1,000)	-15.2%	
5	Equipment	5,500	1,792	5,500	1,500	(4,000)	-72.7%	
6	Admin exp.	300	64	300	300	0	0.0%	
7	Transfer to Bay Park Fund	8,500	8,500	20,876	23,161	2,285	10.9%	Note 21
		-----	-----	-----	-----	-----		
8	<b>SUB-TOTAL, HARBORMASTER</b>	37,212	32,939	50,100	51,000	900	1.8%	
<b>POLICE</b>								
9	Salaries	875,407	790,487	873,259	910,953	37,694	4.3%	
10	Overtime	117,466	124,059	119,080	108,175	(10,905)	-9.2%	
11	Special Duty details		36,137			0		Note 3
12	Special Duty Enforcement Grants		262,444	17,000	17,000	0		Note 3
13	Benefits	390,839	345,379	379,010	392,362	13,352	3.5%	
14	Employee Assistance Program				4,000	4,000		
15	Community Outreach Program (50%)				6,560	6,560		Note 22
16	Office Expense	10,500	10,713	10,500	11,000	500	4.8%	
17	Telephones	10,000	11,039	10,000	11,500	1,500	15.0%	
18	Lifeline System	22,500	23,535	22,500	22,500	0		
19	Radio Expense	10,000	3,964	10,700	10,700	0	0.0%	
20	Travel/Conferences	2,500	502	2,500	5,000	2,500	100.0%	
21	Police Photos	6,300	2,091	6,000	6,000	0	0.0%	
22	Police Training	10,000	7,169	10,000	13,600	3,600	36.0%	
23	Gasoline	34,000	30,787	32,500	32,500	0	0.0%	
24	Tires	5,100	867	5,100	7,200	2,100	41.2%	
25	Vehicle Maint.	15,000	17,382	18,000	25,000	7,000	38.9%	
26	General Equipment	6,000	7,400	5,000	5,000	0	0.0%	
27	Firearms & Ammunition				2,000	2,000		
28	Finger Print Equip. Expense	3,500	3,898	3,831	4,100	269	7.0%	
29	Uniform Purchase	8,000	7,290	8,000	11,000	3,000	37.5%	
30	Uniform Cleaning	4,000	2,920	3,500	3,500	0	0.0%	
31	Building expense	2,000	2,612	2,000	2,500	500	25.0%	
32	Computer Maint.	19,000	16,066	19,000	20,000	1,000	5.3%	
33	Matching Funds for Grants	1,000	0	1,000	1,000	0	0.0%	
34	Capital Improvements	16,293	2,955	18,000	15,000	(3,000)	-16.7%	Note 23
35	Transfer to Cruiser Fund	35,000	35,000	35,000	32,000	(3,000)	-8.6%	
36	Animal Enforcement	3,100	2,135	3,100	3,100	0	0.0%	
37	C.U.S.I.	11,354	11,354	14,100	14,805	705	5.0%	
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38	<b>SUB-TOTAL, POLICE</b>	1,618,859	1,758,183	1,628,680	1,698,054	69,374	4.3%	
<b>FIRE DEPT.</b>								
39	Salaries	45,000	44,670	47,000	61,500	14,500	30.9%	
40	FICA	2,831	2,871	3,596	4,705	1,109	30.9%	
41	Volunteer Retention Fund				1,500	1,500		
42	Office Supplies/Phones	5,445	6,088	6,445	7,040	595	9.2%	
43	Heating Fuel/service	9,500	3,787	5,000	5,000	0	0.0%	
44	Fire Prev. & Training	7,000	4,210	7,000	7,000	0	0.0%	
45	Radio Maintenance	4,000	4,434	4,000	3,900	(100)	-2.5%	
46	Fire Prot. Clothing	20,500	21,797	21,900	21,300	(600)	-2.7%	
47	Gas & Oil	5,000	2,853	5,000	5,000	0	0.0%	
48	Firefighting Supplies	5,500	9,674	5,500	8,000	2,500	45.5%	
49	Equipment Maint.	24,600	27,787	24,600	27,800	3,200	13.0%	
50	Building Maint.	8,000	11,153	8,000	9,000	1,000	12.5%	
51	Fire Equipment	23,325	15,591	24,025	21,425	(2,600)	-10.8%	
52	Grant Projects			180,435	180,435	0		Note 24
53	Rescue Boat	5,300	4,877	5,700	6,700	1,000	17.5%	
54	Capital Improvements	25,000	12,773	20,000	30,000	10,000	50.0%	
55	Periodicals & Memberships	2,000	1,428	2,000	2,000	0	0.0%	
56	Membership events/incentives	6,500	10,961	7,500	10,000	2,500	33.3%	
57	Physicals/ PF Testing	4,000	1,356	4,000	4,000	0	0.0%	
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58	<b>SUB-TOTAL, FIRE DEPT.</b>	203,501	186,310	381,701	416,305	34,604	9.1%	



EXPENDITURE CATEGORIES		FY 2017	FY 2017	FY 2018	FY 2019	FY 2019	%	Notes
ITEM		2016-17	2016-17	2017-18	2018-19	INCR	CHG.	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)		
<b>EMERGENCY DISPATCH</b>								
1	Dispatch Salaries	398,833	397,890	407,576	425,926	18,350	4.5%	
2	Overtime	49,381	84,436	50,764	61,313	10,549	20.8%	
3	Benefits	134,896	134,800	145,073	156,589	11,515	7.9%	
4	Training	3,000	1,639	3,000	3,000	0	0.0%	
5	Uniforms	2,000	3,699	2,000	3,500	1,500	75.0%	
6	Uniform Cleaning	100	0	100	100	0	0.0%	
7	Capital Improvements	14,500	14,436	12,500	20,000	7,500	60.0%	
8	Dispatch Radio Equipment	15,000	15,839	15,000	12,000	(3,000)	-20.0%	
9	Technology Mgmt. Fee				4,000	4,000		
10	Pritchard Mt. Tower Lease				3,000	3,000		Note 25
11	Computer Use	16,000	3,444	16,000	11,000	(5,000)	-31.3%	
12 SUB-TOTAL, EMERGENCY DISPATCH		633,709	656,183	652,013	700,427	48,414	7.4%	
<b>HIGHWAY</b>								
13	Salaries	268,692	261,210	280,152	285,098	4,946	1.8%	
14	Overtime	28,509	25,175	29,570	29,715	145	0.5%	
15	Benefits	117,735	115,694	124,721	139,059	14,338	11.5%	
16	Inter-Dept. Assistance	1,835	1,164	1,835	2,000	165	9.0%	
17	Road Maintenance	35,000	36,951	40,000	40,000	0	0.0%	
18	Tree Removal	5,100	0	5,100	8,000	2,900	56.9%	
19	Drainage System Maintenance	15,000	517	15,000	15,000	0	0.0%	
20	Capital Projects	40,000	24,902	45,000	40,000	(5,000)	-11.1%	
21	Brook Lane Stormwater Grant Project		10,520					
22	Retreatment (Paving)	345,000	391,648	335,000	300,000	(35,000)	-10.4%	
23	Sidewalk Maintenance	2,000	0	2,000	10,000	8,000	400.0%	
24	Traffic Safety Improvements			12,000	20,000	8,000		
25	Route 7 Sidewalk Tn Ctr to Shel Mus.	128,000	8,463	128,000		(128,000)	-100.0%	Note 2
26	Line Striping and crosswalks	4,500	6,751	4,500	10,000	5,500	122.2%	
27	Engineering Svcs.	3,000	0	3,000	3,000	0	0.0%	
28	Street Signs	4,000	4,197	5,000	5,000	0	0.0%	
29	Winter Sand	5,000	3,767	5,000	5,000	0	0.0%	
30	Salt	90,000	102,348	95,000	100,000	5,000	5.3%	
31	Garage Heating Fuel	7,280	5,449	7,300	7,300	0	0.0%	
32	Garage Utilities	12,082	12,293	14,000	14,000	0	0.0%	
33	Uniforms	4,600	3,733	4,600	4,600	0	0.0%	
34	Gas & Diesel	30,000	18,981	25,000	26,000	1,000	4.0%	
35	Equip. Repair & Maint	50,000	42,379	50,000	55,000	5,000	10.0%	
36	Transfer To Equip. Repl. Fund	80,000	80,000	80,000	85,000	5,000	6.3%	
37	Garage Expense & Supplies	5,000	4,642	5,000	5,000	0	0.0%	
38	Building Maintenance	5,000	24	5,000	5,000	0	0.0%	
39	Street Light Installation/upgrade	20,000	0	20,000	20,000	0	0.0%	
40	Street & Caution Lights	10,000	9,276	10,000	10,000	0	0.0%	
41 SUB-TOTAL, HIGHWAY		1,317,332	1,170,085	1,351,778	1,243,773	(108,005)	-8.0%	
<b>HEALTH &amp; SOCIAL SERVICES</b>								
42	Salary - Health Officer	875		875	875	0	0.0%	
43	FICA	64		64	64	0	0.0%	
44	United Way/Social Service Agencies	38,000	38,000	38,000	38,000	0	0.0%	Note 22
45	Transfer to Shelburne Community Fund	2,000	2,000	2,000	2,000	0	0.0%	
46	Health Officer Expense	450	0	450	450	0	0.0%	
47 SUB-TOTAL, HEALTH & SOCIAL SERVICES		41,389	40,000	41,389	41,389	0	0.0%	

EXPENDITURE CATEGORIES		FY 2017	FY 2017	FY 2018	FY 2019	FY 2019		Notes
ITEM		2016-17	2016-17	2017-18	2018-19	INCR	%	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG.	
<b>RESCUE</b>								
1	Volunteer Compensation	16,500	21,862	16,500	16,500	0	0.0%	
2	Volunteer Incentive Compensation	30,000	27,643	30,000	28,000	(2,000)	-6.7%	
3	Paid Full/Part-Time compensation	57,787	94,850	80,000	90,000	10,000	12.5%	
4	Overtime	797	2,214	849	3,000	2,151	253.3%	
5	Benefits	29,714	22,741	29,370	23,307	(6,063)	-20.6%	
6	Medical Supplies	24,000	22,355	24,000	23,500	(500)	-2.1%	
7	Uniforms/Jump Suits	1,700	912	1,700	1,500	(200)	-11.8%	
8	Operational Expense	18,000	26,829	18,000	20,000	2,000	11.1%	
9	Ambulance Transport Billing service	19,000	16,751	19,000	17,000	(2,000)	-10.5%	
10	Oxygen	5,000	3,554	5,000	3,600	(1,400)	-28.0%	
11	Training	2,200	5,341	2,200	4,400	2,200	100.0%	
12	Office Expense	2,000	3,411	2,000	2,000	0	0.0%	
13	Office Equip.	500	3,098	500	500	0	0.0%	
14	Communications	4,000	2,926	4,000	3,000	(1,000)	-25.0%	
15	Vehicle Expense	12,000	9,888	12,000	9,500	(2,500)	-20.8%	
16	Building Heating Fuel	2,300	1,560	2,300	2,500	200	8.7%	
17	Building Utilities	6,000	5,344	6,400	6,000	(400)	-6.3%	
18	Building Maintenance	5,500	2,728	5,500	4,500	(1,000)	-18.2%	
19	Immunizations	100	160	100	150	50	50.0%	
20	Public Education	500	0	500	250	(250)	-50.0%	
21	Ambulance Replacement				250,000	250,000		
22	<b>SUB-TOTAL, RESCUE</b>	237,598	274,168	259,919	509,207	249,288	95.9%	Note 8
<b>CEMETERY</b>								
23	Salaries	29,708	30,880	30,301	30,906	606	2.0%	
24	Interments	4,800	4,500	4,000	4,800	800		
25	Benefits	2,640	2,707	2,685	2,732	46	1.7%	
26	Supplies & Tools	800	902	1,000	800	(200)	-20.0%	
27	Committee Expenses	100	108	100	100	0	0.0%	
28	Gas Expense	1,000	647	1,000	800	(200)	-20.0%	
29	Equip. Maint.	800	229	800	600	(200)	-25.0%	
30	Equip. Purchases	500	561	500	500	0	0.0%	
31	Capital Projects	5,000	5,127	5,000	5,000	0	0.0%	
32	Transfer to Tractor Fund	1,600	1,600	1,600	1,600	0	0.0%	
33	Outside Services	2,800	3,253	3,000	3,500	500	16.7%	
34	Cremation Garden	1,000	1,079	1,100	1,200	100	9.1%	
35	<b>SUB-TOTAL CEMETERY</b>	50,748	51,592	51,086	52,538	1,452	2.8%	
<b>PARKS &amp; RECREATION</b>								
36	Admin Salaries	90,316	90,930	95,182	102,844	7,662	8.0%	
37	Beach Salaries	17,536	19,303	18,755	19,939	1,184	6.3%	
38	Benefits	36,933	46,897	43,458	47,113	3,655	8.4%	
39	Admin. Expenses	8,780	7,391	8,409	6,447	(1,962)	-23.3%	
40	Online Registration Transaction Costs		1,751	530	860	330		
41	Public Information	6,830	7,012	7,413	7,413	0	0.0%	
42	Beach Maintenance	9,700	8,570	5,200	4,200	(1,000)	-19.2%	
43	Beach Equipment	1,765	1,333	1,875	2,225	350	18.7%	
44	Beach Admin. & Utilities	2,320	1,677	2,395	2,205	(190)	-7.9%	
45	Adult Sports Leagues	100	0	100	100	0	0.0%	
46	Dog Obedience	3,100	1,900	2,500	2,050	(450)	-18.0%	
47	Swim Lesson Supplies	50	0	50	50	0	0.0%	
48	Youth Basketball	3,130	1,897	3,210	3,182	(28)	-0.9%	
49	Little League Baseball	25,325	25,918	27,980	24,690	(3,290)	-11.8%	
50	Babe Ruth Baseball	4,925	4,852	4,175	5,050	875	21.0%	
51	Softball	4,148	2,205	4,233	2,926	(1,307)	-30.9%	
52	Summer Soccer Camp	14,900	12,481	12,575	13,250	675		
53	Youth Soccer	10,890	13,748	10,465	9,850	(615)	-5.9%	
54	Recreation Programs	29,910	29,534	30,457	24,750	(5,707)	-18.7%	
55	Special Events/Concerts/Firewrks	12,700	10,990	12,000	10,750	(1,250)	-10.4%	
56	Ski Program	8,600	8,135	7,650	8,150	500	6.5%	
57	Davis Park	3,500	4,288	17,910	4,000	(13,910)	-77.7%	
58	Park Maintenance	20,625	6,143	7,525	15,900	8,375	111.3%	
59	Martial Arts	2,300	1,410	1,120	840	(280)	-25.0%	
60	Lacrosse Programs	9,287	9,135	9,210	9,300	90	1.0%	
61	<b>SUB-TOTAL, PARKS &amp; RECREATION</b>	327,670	317,498	334,377	328,084	(6,293)	-1.9%	Note 7

EXPENDITURE CATEGORIES		FY 2017	FY 2017	FY 2018	FY 2019	FY 2019		Notes
ITEM		2016-17	2016-17	2017-18	2018-19	INCR	%	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG.	
<b>LIBRARY</b>								
1	Salaries	206,633	216,481	216,364	222,026	5,663	2.6%	
2	Benefits	80,143	77,082	84,778	102,347	17,569	20.7%	
3	Supplies	5,700	7,332	5,700	5,900	200	3.5%	
4	Books,Tapes,Periodicals,AV Mat'ls.	43,500	43,785	45,000	30,000	(15,000)	66.7%	
5	Rent and Temp Relocation				30,000	30,000		Note 26
6	Building Maint. Expense	6,700	13,007	13,500	5,000	(8,500)	-63.0%	
7	Library Utilities	16,171	19,224	17,300	5,000	(12,300)	-71.1%	
8	Equipment	2,000	1,820	2,150	2,200	50	2.3%	
9	Administrative Expense	2,000	1,416	2,000	2,100	100	5.0%	
10	Computer/Technology Expense	8,800	5,704	8,800	4,000	(4,800)	-54.5%	
11	Programs	4,000	4,058	5,000	2,500	(2,500)	-50.0%	
12	Public Information	500	111	500	500	0	0.0%	
<b>13 SUB-TOTAL, LIBRARY</b>		<b>376,147</b>	<b>390,019</b>	<b>401,092</b>	<b>411,573</b>	<b>10,481</b>	<b>2.61%</b>	
<b>DEBT PAYMENTS</b>								
14	Fire Truck (2010)	50,486	49,720	44,339	43,394	(946)	-2.1%	
15	Quint Ladder Truck 2017			20,000	90,689	70,689		Note 27
16	Library/Town Hall 2017				165,000	165,000		Note 27
17	Dispatch Radio Equipment	16,500	16,361			0		
18	Rec. Path 2008 Bond; 2012 issue	28,951	28,951	28,515	28,010	(505)	-1.8%	
19	Town Center Project	230,154	230,154	216,740	219,019	2,279	1.1%	
20	Recreation Fields Project	101,625	101,625	98,009	95,052	(2,956)	-3.0%	
21	Rec. Path 2008 Bond; 2008 issue	26,054	26,054	25,306	24,526	(781)	-3.1%	
22	Rec. Path 2008 Bond; 2010 issue	28,028	28,496	27,581	27,108	(473)	-1.7%	
23	Beach Sea Wall 2009 Bond	16,652	16,748	16,316	15,962	(355)	-2.2%	
24	FY 2017 Capital Projects			50,525	50,525	0		
25	Beaver Creek 2009 Bond	49,041	45,239	45,294	44,135	(1,159)	-2.6%	
<b>26 SUB-TOTAL, DEBT PAYMENTS</b>		<b>547,491</b>	<b>543,347</b>	<b>572,624</b>	<b>803,419</b>	<b>230,795</b>	<b>40.3%</b>	
<b>INTER-GOVERNMENTAL AGENCIES</b>								
27	County Tax	72,326	74,076	75,305	73,098	(2,207)	-2.9%	
28	Grtr. Burl. Ind. Devel. Corp (GBIC)	1,200	1,200	1,200	1,200	0	0.0%	
29	Chitt Cty Regional Planning(CCRPC)	18,361	18,361	18,756	19,319	563	3.0%	
30	Chitt. Cty. Transport Auth. (CCTA)	102,073	102,073	98,739	105,016	6,277	6.4%	
<b>31 SUB-TOTAL INTERGOVERNMENTAL AGENCIES</b>		<b>193,960</b>	<b>195,710</b>	<b>194,000</b>	<b>198,632</b>	<b>4,632</b>	<b>2.4%</b>	
<b>BENEFITS</b>								
32	Retirement	155,104		158,835	162,055	3,220	2.0%	
33	Social Security	235,931		240,015	248,065	8,050	3.4%	
34	HRA & Flex Spending Admin.	21,500	9,427	21,500	21,500	0	0.0%	
35	Health Insurance Reimbursements	97,752	44,322	79,000	60,995	(18,005)	-22.8%	Note 28
36	Health Insurance Premium	619,992		627,662	684,449	56,787	9.0%	Note 28
37	Long Term Disability & Life Ins.	22,744		23,580	21,564	(2,016)	-8.5%	
38	Dental Insurance	48,614		49,251	50,009	758	1.5%	
39	Employee Assistance Program	700	684	700	700	0	0.0%	
40	Retiree Dental Insurance		1,051		1,848	1,848		
41	Employee Events/Recognition		4,729			0		
42	Immunizations	1,000	0	1,000	1,000	0	0.0%	
<b>43 SUB-TOTAL BENEFITS</b>		<b>1,203,337</b>	<b>60,213</b>	<b>1,201,543</b>	<b>1,252,186</b>	<b>50,643</b>	<b>4.2%</b>	
<b>MISCELLANEOUS</b>								
44	Selectbrd. Discretionary Expenses	3,700	2,337	5,000	5,000	0	0.0%	
45	BCA Appeals Interest		99					
46	Beaver Creek 2016 assmt refund		3,802					
47	Selectbrd. Town Committees Support	6,500	1,937	1,500	1,500	0	0.0%	
48	Town Community Events	1,500	1,846	1,500	1,500	0	0.0%	
49	Compost Bin sales		1,056					
50	Tree Conservation	1,000	2,375	10,000	9,000	(1,000)	-10.0%	
<b>51 SUB-TOTAL, MISCELLANEOUS</b>		<b>12,700</b>	<b>13,452</b>	<b>18,000</b>	<b>17,000</b>	<b>(1,000)</b>	<b>-5.6%</b>	
<b>52 COMMUNITY IMPROVEMENT</b>								
53	Transfer to Open Space Fund	30,000	30,000	30,000	0	(30,000)	-100.0%	Note 29
<b>54 SUB-TOTAL COMMUNITY IMPROVEMENT</b>		<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>0</b>	<b>(30,000)</b>	<b>-100.0%</b>	
<b>55 GRANT TOTAL, ALL EXPENDITURES</b>								
		<b>\$7,739,226</b>	<b>\$7,939,532</b>	<b>\$8,130,052</b>	<b>\$8,749,307</b>	<b>\$619,255</b>	<b>7.6%</b>	

## NOTES

1. A Municipal records reserve fund has been established, funded by recording fees charged in the Town Clerk's office. This fund will be used to support an automation project to store and index land records and other Town documents electronically.
2. A sidewalk construction project along Route 7 between the Town offices and Shelburne Museum was completed in FY 2018.
3. Police "Special Duty" details include enforcement details funded by State/Federal grants as well as traffic control at construction sites and public events. These are fully paid for by grant funds or by the organizations requesting the services.
4. Shelburne Dispatch Center provides dispatching services for Shelburne Police, Fire, Rescue and 33 other fire/rescue/police agencies in Chittenden, Addison and Grand Isle Counties. Fees charged to outside agencies for this service are included in this line item.
5. The Shelburne Dispatch Center answers emergency 911 calls for Shelburne, neighboring towns and is part of the statewide E911 call taking system. The Center receives compensation from the State for providing this service.
6. The water and sewer departments receive services provided by the Town General fund (e.g. payroll and accounting, supervision by the Town Manager's office, billing and collections, etc.) The General Fund is reimbursed by the departments for these services.
7. Recreation program revenues and expenses are based on trends in participation and evaluated annually to ensure direct costs are covered by fees and/or donations wherever possible. Tennis courts at Davis Park were resurfaced in FY 2017-18.
8. All of Shelburne Rescue's capital and operating expenses are funded by revenues received from transport billings, subscriptions and donations. The Department maintains 2 ambulances. One will be replaced in FY 2018-19.
9. Revenues from Town Hall building use will be lower in FY 2018-19 due to building improvements scheduled as part of the library construction project.
10. Revenues paid by cellular phone companies with equipment located on the Town's water storage tank have been shared between the Town and Water Dept. The Water Dept. share will increase to compensate for the costs of maintaining the water tank, which are paid for in the Water Dept. budget.
11. Beaver Creek Road was upgraded to a town road in 2010. The cost of this project was funded by a bond that is being repaid by a special assessment on properties in the Beaver Creek development.
12. Selectboard Salaries will be determined by separate floor vote at town meeting on March 6<sup>th</sup>.
13. The Town web site is maintained by a part-time employee. The cost of this was moved to the Town Manager budget from the Finance Dept. in FY 2019, reflecting the reporting relationship of the position.
14. Funding to support Town Committee work and other misc. projects was moved to the Town Manager's budget in FY2018.
15. Technical Assistance in FY 2019 includes funds to study the creation of a regional emergency dispatch and 911 call center in Chittenden County.
16. Election expenses in FY 2019 reflect the cost of a statewide election.
17. Unemployment Insurance costs reflect projected premiums and claims experience..
18. The bases of the columns at the Pierson Bldg. on Falls Road (Jamie Two Coats store) will be replaced in FY 2019.
19. Currently, the Wastewater Supt. also coordinates the Town's storm water work. A Storm water utility is planned to be established in July 2019 to undertake the numerous projects required by federal and state regulations.
20. The Monroe Brook flow restoration plan was completed in FY 2015-16. An implementation plan for stormwater mitigation measures will be developed as part of the Town's overall storm water management plan. The Town has contracted with the South Burlington Wastewater Dept. to assist in this process. This will be undertaken as part of the storm water utility described in note 19.
21. Mooring fees will be transferred to the Bay Park Fund to plan for a mooring block upgrade project expected to take place over the next 2 years
22. The Town of Shelburne is participating with other area towns funding staff from the Howard Center to provide community outreach in the public helping people with mental health issues. One half of this cost is paid from the police budget and the other half from the Social Service agencies budget.
23. Capital improvements include renovating space in the police department for officer work stations, new lockers & furniture and an expanded records storage area. Approximately 20% of the cost will be paid from the budget and the remainder financed over the next 4 years.
24. The Fire Dept. has applied for an equipment grant that will be used to replace all of its mobile and portable radio equipment. This will allow the department to upgrade to current technology and replace aging equipment. The grant pays for 95% of the project.
25. The Dept. plans to relocate radio transmission equipment on an existing tower at Mt. Pritchard, which will improve radio transmissions in that area.
26. The Library budget includes the cost of relocating to temporary space during construction of the new building.
27. Debt payments include the first year of interest only for the Library building project and the first year of principal and interest for the Fire truck purchased in 2017.
28. Town reimburses ½ of the deductible through a Health Reimbursement Account. Health insurance premiums are budgeted by department. The Town pays between 80% and 90% of the Platinum health plan premium..
29. The amount transferred to the Open Space Fund will be voted by Ballot on March 6<sup>th</sup>.

**WARNING**  
**CHAMPLAIN VALLEY SCHOOL DISTRICT ANNUAL MEETING**  
**FEBRUARY 22, 2018 AND MARCH 6, 2018**

The legal voters of the Champlain Valley School District, are hereby notified and warned to meet at the Champlain Valley Union High School Room 140/142 in the Town of Hinesburg at six o'clock in the evening (6:00p.m.) on February 22, 2018, to transact any of the following business not involving voting by Australian ballot, and to conduct an informational hearing with respect to Articles of business to be considered by Australian ballot on March 6, 2018.

ARTICLE I: To elect a moderator, clerk and treasurer.

ARTICLE II: To hear and act upon the reports of the school district officers.

ARTICLE III: Shall the voters of the Champlain Valley School District authorize the Board of School Directors to borrow money by issuance of bonds or notes not in excess of anticipated revenues for the next fiscal year?

ARTICLE IV: Shall the voters of the Champlain Valley School District authorize the Board of School Directors to provide a mailed notice of availability of the Annual Report to residents in lieu of distributing the Annual Report?

ARTICLE V: Shall the voters of the Champlain Valley School District confirm and ratify the creation of a capital reserve fund as of July 1, 2017 into which have been deposited capital reserve fund balances transferred from the Champlain Valley School District forming School Districts?

ARTICLE VI: To establish the date of the Champlain Valley School District Annual Meeting of March 4, 2019 at 5pm at CVU High School and recessed and opened back up at Australian ballot voting on Town Meeting Day.

ARTICLE VII: To transact any other business proper to come before the meeting.

**BALLOT QUESTIONS**

The legal voters of the Champlain Valley School District, are hereby notified and warned to meet at their respective polling places on Tuesday, March 6, 2018, at seven o'clock in the forenoon (7:00a.m.), at which time the polls will open, and seven o'clock in the afternoon (7:00p.m.), at which time the polls will close, to vote by Australian ballot on the following articles of business:

ARTICLE VIII: Shall the voters of the Champlain Valley School District approve the expenditure by the Board of School Directors of the sum of Seventy-Six Million, Eight Hundred Thirty-Eight Thousand, Forty-One Dollars (\$76,838,041) which is the amount the Board of School Directors has determined to be necessary for the ensuing fiscal year commencing July 1, 2018? It is estimated that the proposed budget, if approved, will result in education spending of Fifteen Thousand, Seven Hundred Forty-Nine Dollars (\$15,749) per equalized pupil. This projected spending per equalized pupil is 2.3% higher than spending for the current year.

ARTICLE IX: Shall the voters of the Champlain Valley School District authorize the Board of School Directors to allocate its current fund balance, without effect upon the District tax levy, as follows: assign, Seven Hundred Fifty Thousand Dollars (\$750,000) of the school district's

current fund balance as revenue for the 2018-2019 operating budget, and assign the remaining balance One Million, Six Hundred Twenty-Five Thousand, Eight Hundred Seventy-Seven Dollars (\$1,625,877) as revenue for future budgets?

ARTICLE X: Shall the voters of the Champlain Valley School District authorize the Board of Directors to borrow money by issuance of notes not in excess of Four Hundred Eighty-Five Thousand Dollars (\$485,000) for the purpose of purchasing six (6) school buses?

ARTICLE XI: Shall Eight Hundred Nineteen Thousand, Six Hundred Sixty-Five Dollars (\$819,665) of unexpended proceeds of the former Shelburne Town School District's July 1, 2016 School Building Improvement Bond be used to make mechanical, electrical and structural upgrades and repairs to Allen Brook, Charlotte Central, Hinesburg Community and Shelburne Community schools?

#### **POLLING PLACES**

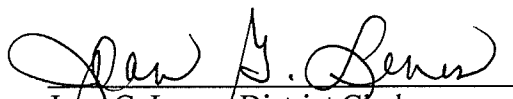
Charlotte	Charlotte Central School – Multi Purpose Room
Hinesburg	Hinesburg Town Hall – Upstairs
Shelburne	Shelburne Town Center – Gymnasium
Williston	Williston Central School – Dining Room
St. George	St. George Town Hall/ Red Schoolhouse

Ballots shall be transported and delivered to the Champlain Valley Union High School in the Town of Hinesburg and there commingled and counted by members of the Boards of Civil Authority of several towns under the supervision of the Clerk of the Champlain Valley School District.

The legal voters of the Champlain Valley School District are further notified that voter qualification, registration and absentee/early voting relative to said annual meeting shall be as provided in Section 706u of Title 16, and Chapters 43, 51 and 55 of Title 17, Vermont Statutes Annotated.

Adopted and approved at a duly noticed, called and held meeting of the Board of School Directors of the Champlain Valley School District on January 23, 2018. Received for record and recorded in the records of the Champlain Valley School District on January 24, 2018.

ATTEST:

  
Joan G. Lenes, District Clerk

  
David Connery, Chairperson



**Champlain Valley School District**  
**PROPOSED BUDGET INFORMATION**

**CVSD Board Budget Goals**

**Meet Educational Objectives**

- Ensure equity of resources across the schools
- Support academic success of all students
- Provide for innovative learning
- Support coordinated systems

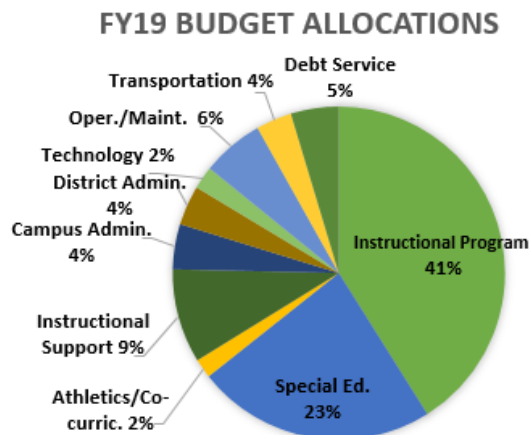
**Align with Community Input**

- Maintain current essential academic and non-academic programming for students
- Follow state guidelines for class sizes
- Maintain local school cultures
- Maintain level of academic excellence
- Identify cost saving efficiencies

**Meet Fiscal Objectives**

- Limit budget growth to no more than 2.3% of the 2017-2018 budget
- Meet Governor's challenge to limit per pupil spending growth to 2.5% in line with state's economic growth rate.

<b>FY18 Budget</b>	<b>\$75,144,760</b>
<b>FY19 Budget</b>	<b>\$76,838,041</b>
<b>Percent Increase</b>	<b>2.3%</b>



<b>Expense Changes FY18 to FY19</b>	
FY18 Budget	\$75,144,760
<b>FY18 to FY19 increases/decreases</b>	
Salary and Benefits	\$839,151
Special Education	\$51,213
Student Services (Medicaid)	\$84,000
Technology and Innovation	\$100,355
Utilities and Fuel	\$48,604
Supplies, Insurance, etc.	(\$52,595)
Consolidation Savings	(\$214,000)
<b>Operational Spending (1.2%)</b>	<b>\$856,728</b>
Debt Service (1.1%)	\$836,553
<b>CHANGE (2.3%)</b>	<b>\$1,693,281</b>
<b>FY19</b>	<b>\$76,838,041</b>

The proposed budget is increasing by 2.3% this year. A portion of that (1.1% of the 2.3%) is for debt service of construction projects. All other spending covers the increase of goods and services, such as energy costs and contractually obligated salary. These increases are partially offset by reductions in the cost of health care premiums, supplies, legal and auditing costs and insurance.

## ***BUDGET IMPLICATIONS***

### ***Homestead Tax Rate***

The forecasted state-wide homestead yield is \$9,842 which, based on the state's formula, produces a pre-CLA equalized homestead tax rate of \$1.60 (per \$100 of property value) for the CVSD towns. Adjusting for our 8¢ consolidation incentive, our equalized tax rate becomes \$1.52. Actual tax rates are adjusted further in each town for a statewide Common Level of Appraisal (CLA).

### ***Equalized Tax Rate***

<b>FY '18</b>	<b>FY '19</b>	<b>FY '19, After 8¢ Consolidation Incentive is Applied</b>
\$1.43	\$1.60	<b>\$1.52 = Adjusted Equalized Tax Rate</b>

### ***CLA and Actual Homestead Tax Rate with CLA Applied***

Adjusted Equalized Tax Rate = \$1.52	Common Level of Appraisal or CLA, issued 12/2017	Est. Actual Homestead Rate w/CLA Applied	Chg. From Previous Year
Charlotte	98.28%	\$1.5468	8.2%
Hinesburg	100.85%	\$1.5074	8.3%
Shelburne	95.83%	\$1.5863	7.6%
St. George	95.09%	\$1.5987	8.2%
Williston	95.26%	\$1.5958	11.9%

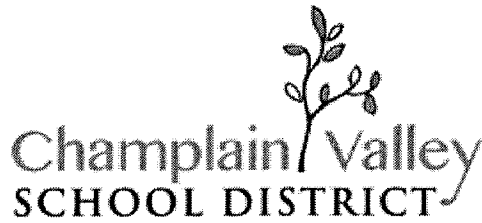
### ***Cost Per Equalized Pupil***

<b>FY '18 Cost per Equalized Pupil</b>	<b>FY '19 Cost per Equalized Pupil</b>	<b>Percent Change</b>
\$15,400	\$15,749	<b>2.3%</b>

### ***Property Tax Relief***

You may be eligible for an education property tax reduction that will be applied to your 2018-19 tax bill. To apply for tax relief contact the Vermont Department of Taxes at [www.tax.vermont.gov](http://www.tax.vermont.gov) or 802-828-2505.





5420 Shelburne Road, Suite 300, Shelburne, VT 05482  
Telephone 802-383-1234 Fax 802-383-1242

January 5, 2017

Residents of the communities of:

The former **Chittenden South Supervisory Union**, now known as Champlain Valley School District

Fiscal Audits of the Chittenden South Supervisory Union and its member schools for the Fiscal Year 2016-2017 were completed, reviewed and approved by the appropriate School Board Chair on the following dates.

<i>Charlotte Central School</i>	<i>January 9, 2017</i>
<i>Hinesburg Community School</i>	<i>December 19, 2017</i>
<i>Shelburne Community School</i>	<i>December 19, 2017</i>
<i>Williston Schools</i>	<i>December 19, 2017</i>
<i>Champlain Valley Union High School</i>	<i>December 19, 2017</i>

Copies of the Fiscal Audits are available on the web at:

**[ftp.cvsdvt.org/annualreport](http://ftp.cvsdvt.org/annualreport)**

Copies are also available by contacting the Champlain Valley School District Offices directly.

Respectfully Submitted,

Jeanne Jensen  
Chief Operations Officer, CVSD

**LEARN · THINK · LIVE · CONTRIBUTE · PURSUE EXCELLENCE**



Dear Families and Friends,

I am proud to share the Champlain Valley School District Annual Report with you the families and community members of Charlotte, Hinesburg, St. George, Shelburne and Williston. In these pages, you will find executive summaries, individual principal reports, and a compilation of student performance data, school improvement initiatives, demographic data, and the budgetary numbers that support our schools.

In this first full year of consolidation, the goal of the board was to ensure equity and autonomy across the district at a cost that our communities would support. To that end, we've developed a matrix that allows us to make standard comparisons of educational resources (number of teachers, para-educators, administrators, and other support personnel e.g.) to understand the differences that exist, to distinguish between what is merely a different way of doing things and what is either less effective or inequitable, and to determine what can be addressed in year one and what requires a multi-year plan. In this first year, we focused on class size, essential arts opportunities, administrator ratios, and our intervention framework. This work was done in collaboration with local school administration and resulted in a substantially equitable system that still allows for local autonomy. A wonderful outgrowth of this work was the development of a best practice framework for our intervention model that includes leadership and planning, direct instruction and support, and social emotional supports for all students.

The CVSD Leadership Team continues its work on personalizing instruction and making sure that the requirement that our students have a Personalized Learning Plan (PLP) results in authentic, student-centered plans that inspire and motivate our students to realize their full potentials and open the door for flexible learning pathways. Similarly, work continues around proficiency-based learning (Jeff Evans' Executive Summary) and ensuring all students succeed (Meagan Roy's Executive Summary). All CVSD professionals are invested in this important work.

And finally, it is with a good deal of gratitude and some wistfulness that we bid adieu to board members Erik Beal, Kevin Mara, and Joan Lenés. We will miss their leadership, wisdom and dedication. Erik's fiscal lens was tremendously helpful to the board as it transitioned from seven individual boards, each with their own budgets, to one single board and budget. Kevin's leadership as chair of the WSD board, Vice Chair of the CSSU board, and Merger Committee member was invaluable. Joan Lenés has served on the SCS board, the CVU board, the CSSU board, and the CVSD board for a quarter of a century. Her tenure was marked by an unfailing commitment to each and every student and a dogged determination to be of service. They will all be missed.

It is a privilege to serve as your superintendent and to work with an outstanding group of professionals and public servants.

Respectfully submitted,  
Elaine F. Pinckney  
Superintendent of Schools



## CVSD Board of Educators Annual Report



It has been another year of innovation and progress for our school district. As this letter is written, we stand in the middle of our first complete year as a consolidated district. This year can be summed up only partly in a short letter here. I encourage all to read through the entire report attached, attend Town Meetings, and ask questions about the part Champlain Valley School District (CVSD) plays in our community. Instead of the three “R’s” I will talk of the three “C’s” that lead the list of what CVSD has achieved in the past year: Consolidation, Construction, and Continuous Improvement.

### ***Consolidation***

The new Champlain Valley School District was officially formed in September 2016 and became fully operational on July 1, 2017. After the local school boards in Charlotte, Hinesburg, Shelburne, St. George, Williston, and for CVU completed normal operations and approved audits, the structure of the 34 board members on 7 CSSU school boards was consolidated into one 12-member CVSD Board.

Two long-time and highly-valued members of the central office leadership team, Bob Mason, Chief Operating Officer, and Cindy Koenemann-Warren, Human Resources Director, left the district in 2017 to pursue new adventures. We are extremely grateful for the many years of service from both Bob and Cindy. We are fortunate that our two new executive administrators Jeanne Jensen, COO, and Mark McDermott, HR Director, will continue to bring strong leadership and new perspectives to the district.

The administration is capitalizing on the opportunities of consolidation. They have created broader positions in facilities, optimized staffing responsibilities and reduced financial costs. The consolidation also brought the ability to move school administrators and faculty more easily across buildings allowing much needed flexibility across the district as opportunities arise.

Jeanne Jensen, COO, and the Finance Committee of the CVSD Board have developed a broad-reaching analysis of the consolidated budget. While this system is only in its early forms of application, it allows the committee to create a fiscally responsible budget while meeting the requirements of the education quality standards dictated by the state.

### ***Construction***

Nearly all of the construction in the \$9.2M Shelburne project is complete. All of the educational space has been redesigned and renovated in the C, D, and E wings. The D and E wings now have separate, closed space classrooms, a common space shared by groups of 4 classes each, and maker spaces shared by the entire wing. A new roof, new windows, and numerous small improvements all over the building are bringing light and energy to this school. Voters will be given a chance to vote on using some of the surplus from this job on urgent needs throughout the entire district, while finishing the last two projects in Shelburne, as well. Hats off to a facilities team that managed this project in a fiscally conservative manner making this possible.

Williston Town voters approved a \$19.85 million bond to renovate and repair Williston Central School in November 2016. Work in





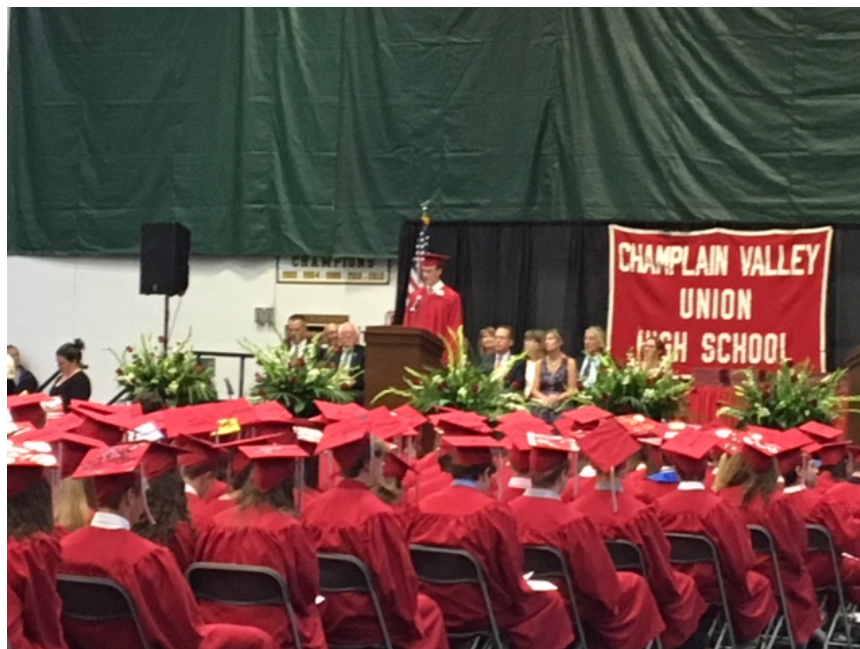
Williston is approximately 60% complete. The entire project is on target for completion for the start of school in September 2018. When finished, every classroom will have seen improvements, depending on need, in flooring, case work, ceilings, windows, lighting, and HVAC. Infrastructure updates include multiple roof surfaces, plumbing, electrical, windows and doors, security and fire systems, sprinklers, sidewalks, storm water improvements and more.

### ***Continuous Improvement***

This year has seen many initiatives come together and be implemented across the new district. 2017 brought Proficiency-Based Learning (PBL) to all schools in the district. This new initiative is being coordinated with district-wide coaches working across all of the buildings. Personalized Learning Plans (PLPs) are hitting their stride as well. As anyone with multiple children in the K-8 grades can see, the evolution of a rigorous curriculum in our district builds a better foundation for our students as they face the future. Concepts once taught to students at higher educational levels are now able to be taught to students earlier in their education with the appropriate prerequisites in place. The result? An ability to learn more concepts and styles at higher grades and to be ready for 21<sup>st</sup> century work and life. All of these efforts are being tightly coordinated through the regular Tuesday/Wednesday district-wide professional development times.

And finally, as you will see later in this annual report, all of the decisions brought to the Board, as well as all of the decisions made at the classroom and administrative level are deeply rooted in the CVSD Mission and Vision statement. One only needs to look to at one of my favorite days of the year, CVU graduation, to see the incredible progress that our children and friends make during their journey through CVSD. The comradery, knowledge, and poise of our young learners as they stand at this gateway to their future gives me great hope for the future, and immense pride to be a part of such an exemplary system preparing great citizens.

Respectfully Submitted,  
David Connery  
Chair, CVSD School Board



## **ABSTRACT OF THE TOWN SCHOOL MEETING**

### **March 6 & March 7, 2017**

Moderator Little called the meeting to order at 8:40 pm.

Moderator Little stated that the School Meeting would be run according to Robert's Rules of Order, and explained what the general procedures would be. He stated that, hearing no objection, each speaker from the floor would be limited to not more than two minutes, and no speaker would be permitted to speak twice until all others had a chance to speak a first time. Moderator Little announced that speakers should wait for Cullen Bullard or Kurt Remlin who would bring them the microphone and they should then state their name before speaking. He stated if any votes were too close for him to call the result then people would vote by division or by paper ballot. He appointed David Webster and Judy Fraser as tellers. So moved and the ayes have it.

Dave Connery, School Board Chair, led the presentation regarding the consolidated school board budget. He introduced Kathy Stockman, Tim Williams, Bob Finn, and Kim Schmitt from the Champlain Valley Union High School (CVU) board. And he recognized middle school Principal Allan Miller. Moderator Little reviewed the Articles.

ARTICLE I – Elect a Moderator - this is done at the Australian ballot voting tomorrow.

ARTICLE II: Report on the reports of the School District officers, starting on page 29 of the Report (and also in the booklet mailed out in February). No questions. All those in favor of approving the reports as published? The ayes have it with a green card vote.

ARTICLE III (Other Business): We will come back to it after the presentations.

The District School Board candidates, each unopposed for re-election, are: Kim Schmitt seeking re-election to a three year term; Tim Williams seeking re-election for a three year term and Kathy Stockman seeking re-election for a three year term.

Dave Connery mentioned with consolidation of the districts, these terms of service will run until July 2017 and be retained for the audit in December. At that time the positions will be dissolved.

Dave thanked everyone, we will discuss enrollment, school budget, Articles on the warning, and tax implications.

Mission Statement: Dave read the mission statement.

Due to ACT 46 and last year's Town vote to consolidate five towns, CVU and CSSU, seven boards are being consolidated into one board. They had open meetings in September, November, December, and had budget meetings in early January. Alice Brown helped along with a couple other "budget buddies" from other towns.

The budget presentation slides were shown. Copies of the slides are attached to this Abstract. Among other things, Shelburne exceeds the state average in language and math scores. The New England Common Assessment Program (NECAP) science assessment is still used, and Shelburne students exceed the average and also CVU in grade 11. He noted that with the curriculum common core and Next Generation Science Standards - some are aligned with the NECAPs and some are different. Other points of pride for student and teacher performance were mentioned. Megan O'Donnell was selected as teacher of the year by UVM and CSSU. Thank you to Tim Williams for his hard work on the construction project at SCS. The E wing was demolished and rebuilt very quickly. Standards Based Learning – Allan is passionate about it and commended for his work on this.

Enrollment trends have increased slight but stay roughly the same over last few years, and have leveled off in the last 7 to 10 years. We are expecting a slight increase soon due to new neighbors moving in with young toddlers. We have looked at class sizes, maximizing the class size for the costs.



Chair Connery turned to some budget specifics. The proposed budget for the entire school district of five towns is approximately \$15,000 per student per year. The per-pupil figure is just below the state average. The increase in the budget is driven by these top three issues: salary, benefits, and the increased debt repayment for the Shelburne and Williston building projects. When we vote on ARTICLE V tomorrow, the ballots will be taken to CVU and comingled and counted. The available responses are yes and no. It's a district wide vote only, and is not broken out by town.

In the district consolidation, we pooled fund balances. The board and the district financial team regularly look at and adjust the financial projections. We are keeping some money in the bank for issues and some to pay down the balance and manage the tax burden. There is an ARTICLE for three school buses financed over five years. We are on a regular schedule to replace buses and keep maintenance costs down. No cancellations have been called due to buses not starting. Education Spending will be \$62,507,071 up 4.4% year to year. Dave explained the equalized tax rate. The Shelburne tax implications: going down \$45 per \$100,000 in assessed value. Dave then took questions. Don Stevens asked about the consolidation and what are the ratios? Dave explained that the incentives phased out over five years.

Dave again mentioned that some Board members are only going to serve over the next several months. We will not have opportunity to acknowledge their hard work and would like to do that now: Kathy Stockman, Tim Williams, Bob Finn, and Kim Schmitt. The Meeting applauded their efforts.

Moderator Little asked for any other business to come before the meeting. Seeing no one rising to be recognized he thanked Diana Vachon and her assistants and election officials and poll workers who will work tomorrow from 6:30am to 10pm He thank VCAM and Bob Miller and his staff, who help us get the gym set up and broken down; and thank you to Peter Frankenburg and Joe Colangelo and their counter parts in the school district office.

Motion to recess until 7am tomorrow. It was seconded and passed. The Meeting recessed at 9:16 pm until March 7, 2017 at 7 am.

Respectfully submitted: Diana Vachon, Town Clerk

**ABSTRACT OF TOWN MEETING, AND  
ABSTRACT OF THE SPECIAL MEETING**  
March 6 & March 7, 2017

Town Moderator Tom Little called the 229th Town Meeting to order on Monday, March 6, 2017 at 7:30 p.m. at the Shelburne Community School Gymnasium.

Moderator Little introduced Boy Scout Troop #602 members Ryan Buehmeke, Drew Buley, John Curley, Anders Erickson, Matthew Ireland, Nate Brangan, Garrett Gruendling, Zachary Loiter, Nathaniel Mick, Drew Buley, Andrew Slauterbeck and Alex Merrill Jamie Williamson, and their leaders Jim Brangan, Mike Major, Jane Pottmeyer and Ginger Williamson. They presented the colors and led the Pledge of Allegiance to the U.S. flag.

A Champlain Valley Union High School ensemble played the National Anthem: Emma Roseau, Anna Kindstedt, Thomas Daley, Nathan Bemberger, Ben King, Hans Kindstedt.

Rick Bessette, inaugural Town Poet Laureate read his poem "Shelburne My Community."

Moderator Little introduced Town Clerk Diana Vachon, Selectboard Chair Gary von Stange, and Town Manager Joe Colangelo. He then said that the Town Report this year was dedicated to just-retired Town Clerk Colleen Haag, and Ruth Morrow, for their service and commitment to the Town of Shelburne.

Moderator Little then announced that Colleen Haag was being further honored tonight. Unfortunately, Colleen is feeling under the weather and unable to attend this evening. So Colleen, if you are out there watching, we are thinking of you. The Vermont General Assembly adopted Concurrent House Resolution No. 53 to honor Colleen Haag and her service to Shelburne and the State on February 23, 2017. Thank you to our Representatives Jessica Brumsted and Kate Webb for initiating this. They have the original Resolution to present to Colleen Haag. Tom read the Resolution into the Town Record. (A copy of the Resolution is attached to this Abstract.) Moderator Little called on Selectboard Chair Gary von Stage to announce the winner of the first ever Colleen Haag Public Service Award. Gary read the description of the award. In 1963, the Ninth Earl of Shelburne, for whom this Town is named, brought a silver bowl as a gift; it resides in the Town vault. Joe Colangelo has been in touch with the Earl and designed the award based on the bowl. The recipient is known for his respect, integrity and honesty; fire fighter, Scout Master, Veterans committee member. He cleans up lakes, back packs, hikes, with boy scout troops in Europe, and many National Parks. He performed service projects for the parks with Troop 602 and seven Eagle Scout projects. Jim Brangan is the recipient. Jim graciously thanked the Town and recognized the service of Shelburne's Volunteer Fire Department.

Moderator Little referred to the display tables for Town events and activities located in the hallway and to the Doyle polls that can be filled out and returned to Jessica Brumsted, Kate Webb or Diana Vachon.

Moderator Little then announced the Town Meeting will be followed by a Special Town meeting on the "Quint" Fire Truck Bond issue and then the School Meeting will follow immediately after that.

The Moderator established that Robert's Rules of Order apply and also the protocols for debate and the procedures for raising questions and points of order. Each speaker will be limited to two minutes of speaking, and no speaker will be permitted to speak twice until all others had a chance to speak a first time. Moderator Little announced that speakers should wait for Cullen Bullard or Kurt Remlin who would bring them the microphone and they should then state their name before speaking. He stated if any votes were too close for him to call the result then people would vote by division or by paper ballot. He appointed David Webster and Judy Fraser as tellers.

So moved and seconded. Ayes have it.

Moderator Little then asked Chairman of the Selectboard Gary von Stange join him at the podium; Gary then introduced the other Board members: Vice Chair Colleen Parker, Josh Dein, Jerry Storey, and John Kerr.

The Moderator then went through each of the warned Articles reading from the Town report on page 11. Asked are there any questions on the reports in Annual Reports? None were asked.

ARTICLE I: Voted to hear and act on the report of Town officers and the Auditor's report for the budgetary period July 1, 2015 through June 30, 2016 [Fiscal Year 2016]. Passed unanimously by green card vote.

ARTICLE II: Salaries for the Selectboard – Chair \$1500 and other members \$1200 same for many years. Entertain motion to approve – moved and seconded. Open for debate. All those in favor by green card vote. Ayes have it.

ARTICLE III: Transact any other business we will take this up after the presentations on the other Town Articles.

ARTICLE IV: Election of Town Officers as per the ballot. Moderator Little read the open offices up for election, Selectboard for three years: Colleen Parker and Don Stevens, Selectboard for two years: John Kerr and Doris Sage; Town Clerk: Dorilee Gaudette LeBlanc and Diana Vachon. Questions and debate are not allowed on this Article.

ARTICLE V: Budget – Gary spoke on the budget process and walked the meeting through the budget slides (copies of which are attached to this Abstract). Thanks for all who helped including the Town Manager, Director of Finance Peter Frankenburg, and Administrative Manager Ann Janda. Tonight is a presentation of the general budget. The water and sewer budgets are adopted in June. This year's budget is a 3.2% increase from last year. The rate increase is \$12 per \$100,000 value of your property, which is one of the lowest in Chittenden County. Gary acknowledged Paul Goodrich and his excellent highway department staff. Gary discussed the Open Space Fund, and issues about storm water infrastructure and costs, union contracts for the Town and \$2.3 million for the

police and dispatch. Discussed the hard work by Colleen Parker regarding the new Town Library proposal. Doug Robie asked about the potential rollback of federal EPA regulations: Do you anticipate any savings in storm water costs? Gary replied we don't know what the federal changes will be and how they will affect the state and local levels.

ARTICLE VI: The Open Land Fund current balance is \$291,154. Gary explained that the Town has an active open space committee and with its leadership we have preserved significant amounts of land. This week \$150,000 was used to help conserve over 150 acres at the Barr family farm on Pond Road. Gary thanked Gail Albert, Chair of the Committee. (So actually the Open Land Fund is now at \$121,154.) A question from the floor was asked – will there be any public use or trails on the Barr property? Gary said one of the goals is to provide resident use. Gail Albert stated there is no specific trail. It will be an active farm, maybe a CSA, and hold classes for kids, and help with storm water run off.

Article III – There was no “other business” transacted.

The Moderator asked for a motion to recess Town Meeting until tomorrow at 7am tomorrow. Motion and second, ayes have it by voice vote.

ABSTRACT OF THE SPECIAL MEETING of the Bond vote for “Quint” fire truck.

Moderator Little read the Article. Gary stated we all know that we have the best Fire Department in the state. The Department came before the Selectboard four times this year to ask for an aerial apparatus. The Quint has five functions including a ladder. The Selectboard decided to put this on the ballot. The Fire Department did a lot of research and has a fiscal saving component. It will replace two other vehicles and save the Town money. Fire Chief Jerry Ouimet and other staff answered questions. The Quint will provide a level of service to the Town that we are not able to provide right now and increase safety for our firefighters. Question how to translate the impact of the annual debt service to our personal budgets? John Kerr has the figure: \$5.30 per \$100,000 of assessed value, also it will save not having to purchase two vehicles. John Goodrich, Deputy Chief, said the cost is less than a cup of coffee per month. Doug Robie asked, Does the fire station need to be expanded? No. The Quint does fit in the fire house.

A motion to recess until 7 am on March 7, 2017 was moved and seconded; the ayes have it.

Respectfully submitted: Diana Vachon Town Clerk

## **TOWN ORDINANCES ADOPTED OR AMENDED IN 2017**

Ordinance Regulating the Storage, Handling, and Distribution of Hazardous Substances (Adopted and Amended) : This ordinance was adopted to protect the health, safety, and general welfare of citizens from risks associated with the storage, handling and distribution of hazardous substances, which may be ignitable, corrosive, reactive and/or toxic.

Ordinance Regulating Motor Trucks on Town Highways (Adopted) : This ordinance was adopted to restrict heavy truck traffic on local highways.

Parking Ordinance: The Parking Ordinance was amended to eliminate parking on a portion of Martindale Road.

*The full text of these and other ordinances and regulations is available in the Town Clerk's Office.*

## **SELECTBOARD REPORT**

This year the Selectboard addressed many challenging issues including (i) placing a library bond vote on the ballot, (ii) several contract negotiations including a new collective bargaining agreement with New England Police Benevolent Association, (iii) efforts to address stormwater, sewer and water concerns and costs, (iv) litigation including the continued defense of the Town against the federal lawsuit brought by the Railroad and the severe impact of its facility in the heart of Town, (v) regionalization discussions for emergency services dispatch, (vi) budget and capital improvement prioritization, (vii) ordinance adoption and amendment, (ix) the resignation of the town's former police chief, (x) multiple disputed applications of our ethics and conflict of interest ordinance, and (xi) the appointment of a temporary ethics committee.

Four years ago, the Town embarked upon a new era of openness with the Board instituting measures to foster transparency, facilitate dialogue between Town Boards, and encourage civility. Previously, only Selectboard members received documents relating to agenda items. Now, Shelburne (i) receives all materials that the Board receives through annotated agendas and town manager reports posted on the Town web site, Front Porch Forum, and offered through email distribution, (ii) holds seminars to help educate and inform our boards, (iii) coordinates volunteer committee reports to foster dialogue, and (iv) has instituted a new user-friendly and interactive web site opening Town government.

I have served as Chair for four years. The first two years, in part as a result of these initiatives, the Selectboard embraced civility, productivity was high, and residents were provided with an open, responsive town government. The past two years, certain members of the Selectboard have endured intensely negative, meritless and incomprehensible personal attacks. False news and baseless disparagement of public service has ensued. Fortunately, these personal attacks are overwhelmed by private and public expressions of appreciation and support from residents. Ironically, these personal attacks invoke the values of civility and community spirit; however they bear no resemblance to legitimate civic discourse. Let's welcome the beneficial and essential consequences of discussions in which ideas clash and differing views inform and energize legitimate debate.

I would like to thank several Selectboard Members with whom I have served, public servants who stand out for their integrity and honesty - Colleen Parker, Al Gobeille, John Kerr, Jaime Heins and Alison Cranmer. I also express my appreciation for the work and achievements of Town Manager Joe Colangelo who has done an excellent job leading our productive town staff and our many town volunteers, who I also thank for their service. Most importantly, I thank the residents of Shelburne. It has been an honor serving you.

Respectfully,

Gary von Stange  
Chair, Shelburne Selectboard

## **TOWN MANAGER'S REPORT**

2017 was dominated by a number of contentious issues that proved to be divisive throughout the community including (i) the continued litigation with Vermont Railways, Inc. over their development of a 34-acre parcel just north of Shelburne Village along Rte. 7 related to the application of ICCTA preemption to the town's zoning regulations and the adopted and subsequently amended Ordinance Regulating the Storage, Handling and Distribution of Hazardous Substances (ii) a flurry of activity surrounding Shelburne's Ethics & Conflict of Interest Ordinance and (iii) a Separation Agreement signed between Police Chief James Warden and the Town of Shelburne (iv) the Selectboard's consideration to remove one of its members pursuant to a provision in the Town Charter.

During the year we experienced more than average staff turnover. Corporal Aaron Noble was promoted to Deputy Chief of Police and then Acting Chief of Police for the second half of the year. Kyle Wagner was hired in the spring to replace Bob Wooster as Maintenance Technician. BettyJean Bogue started in the summer in the Finance and Assessing Department(s). Rick Bushey took over for Mike Gill, Shelburne's Mechanic for nearly thirty years, and Kevin Unrath is now at the helm as Library Director, replacing Lara Keenan who left to take a job with the state. Kyle Brooks started late in the year as a part-time police officer and Amanda Stevens was hired as a Dispatcher in late summer.

The Town completed a few capital improvement projects. The Spear Street Waterline was replaced over the summer and the town constructed two new sidewalk segments. The first sidewalk segment completed a direct link from the Town Offices to Shelburne Museum on the westerly side of Rte. 7, the other segment continued the Falls Road sidewalk to the LaPlatte Nature Park. Further, during a Special Town Meeting on November 7, Shelburne voters authorized a \$6,500,000 bond for the construction of a new library, renovations to the Town Hall, and improvements to the municipal campus. It is anticipated that this project will start in earnest during the summer of 2018. Upon an affirmative vote at the March Town Meeting, the Fire Department purchased an aerial apparatus known as a quint.

In addition to the above reference Ordinance Regulating the Storage, Handling, and Distribution of Hazardous Substances, (i) the Stop Sign Ordinance was amended to permanently allow for stop conditions on both approaches to Bay Road Bridge Underpass, in order to improve safety for motorists, bicyclists, and pedestrians along the Bay Road Corridor (ii) the Parking Ordinance was amended to prohibit parking on a section of Martindale Road for safety reasons (iii) the Selectboard Adopted an Ordinance to Regulate Motor Trucks on Town Highways.

Early in 2017 the State of Vermont's Department of Environmental Conservation informed the town that the Village Dog Park was built within a wetland in violation of Vermont Wetland Rules. Town staff, the Selectboard, Shelburne's State Representatives, and the Village Dog Park Committee are working cooperatively with Vermont DEC on a solution. More likely than not the town will be required to find a new location for the facility within a few years.

The town and the New England Police Benevolent Association (NEPBA) who represent Shelburne's police and dispatch employees signed a three year collective bargaining agreement through 2020; Town staff also provided the Selectboard with an updated personnel policy, social media policy, and drug and alcohol testing policy for DMV drivers for their consideration. Currently the town's personnel policy is 30 years old. The Selectboard and Town Manager also signed a three-year contract.

While it is difficult to forecast all of the major topics the town potentially needs to work on in 2018, it is clear that the (i) development of a stormwater utility (ii) the possible move to a regional entity operating under a shared governance model with neighboring Chittenden County communities to supply emergency dispatching and (iii) the new library, town hall renovations, and municipal campus improvement project will be near the top of the list.

Respectfully submitted,

Joe Colangelo, Town Manager

## TOWN CLERK REPORT

Our office filed the following vital statistics in 2017:

47 births    112 deaths    18 Burials    60 marriages

Our office also processed the following:

554 Passports    790 Passport photos    107 Motor vehicle registrations    518 Notary services

148 Green Mountain Passports    220 Overweight Permits issued

We recorded 5147 pages in warranty, quit claims and mortgage deeds, liens and other miscellaneous recordings in 2017.

The inventory of Town owned sewer & water infrastructure and easements continues. This multi-year project is in conjunction with Shelburne Sewer & Water Dept. as well as Chittenden County Regional Planning Office.

We worked two elections this year. The last one in November, the Special Election for the library bond, had 27% of our registered voters cast ballots with over 44% of those votes submitted as Early/Absentee ballots. Thank you to all the Election Officials who make our elections run smoothly.

The Vermont Legislature passed Act 46 in May 2017, which significantly changes the state laws that govern vital records –namely, birth and death certificates. The changes go into effect on July 1, 2018. Please call us for more information. You may also see the details on our website.

In February, we lost Dennis P. Bowen, who was a veteran, a member of the Board of Civil Authority and the Charlotte Shelburne Hinesburg Rotary Club, to name a few of the many ways he served his community. “He was appreciative of others differences, he was a patient willing listener and thoughtful speaker who weighed his responses. He was a careful, willing teacher and mentor. He raised the bar in his endeavors and instilled others to do likewise.” (Published in The Burlington Free Press on March 3, 2017.) He will be missed.

I would like to express my sincere gratitude for the opportunity to service as your Town Clerk. It is my privilege to work with so many wonderful people. Special thanks to my two assistants, Lisa Mann and Sue Moraska, for their careful attention to detail and dedication to Shelburne.

Respectfully submitted,

Diana K. Vachon, Town Clerk

**ASSESSOR'S REPORT**  
**Shelburne Appraised Values – Fiscal year 2017**

This past year was busy with the office staff focusing primarily on the following two areas;

A. Annual maintenance. We inspected changes and sent notices to just under 200 property owners in town. There were a few new residential construction projects and the Shelburne Green Business Park has changed significantly over the past several months with nearly full occupancy in the original-renovated structure and new buildings to the south off Sage Court.

B. Analysis of the Shelburne real estate market. We have been monitoring the market to discern changes up to and since the 2008 base. The table below is a summary of key indicators by year.

Year	CLA	COD
2007 Pre – Reappraisal	78.31%	13.93
2008 Post - Reappraisal	99.26%	7.36
2009	97.86%	7.09
2010	97.89%	7.02
2011	97.60%	8.07
2012	98.70%	7.86
2013	100.20%	7.65
2014	99.70%	7.48
2015	98.54%	7.99
2016	96.11%	8.15
2017	95.67%	8.79
2018	95.83%	8.98

The “CLA” is the Common level of appraisal and means “...the ratio of the aggregate value of local education property tax grand list to the aggregate value of the equalized education property tax grand list”. (32 V.S.A. § 5401.(3)). Towns must retain a CLA of 80% or greater.

The “COD” stands for the Coefficient of Dispersion and is a statistical measurement indicating the dispersion of the absolute differences between three-years of valid sales prices and the corresponding assessed values. Stated differently this “is the average absolute deviation expressed as a percentage of the median ratio...”. (32 V.S.A. § 5401.(1)) The smaller the number, or higher the coefficient, the less the settlement is dispersed thereby demonstrating relative uniformity in the sample. The State requires towns to reappraise if the COD exceeds 20.

The table above demonstrates a stable Shelburne real estate market. For the last few years, both the CLA/COD indicate the assessed values are acceptably equitable at 4 to 5% below the market.

C. Work for the Grand List next year. There are two significant projects in line for the 2018 Grand List, along with our standard updates. The first project is to reconcile the property maps to land sizes in the Grand List. Approximately 1,300 land values will change by this effort with most very slightly from last year. We are also updating the parcel numbering system to be more user-friendly. This effort will not have any impact on property values.

We would like to thank the property owners and Town staff for their cooperation. We appreciate the understanding and cooperation of the vast majority of property owners contacted this past year. Elaine Eno worked with us for most of last calendar year before moving out of the area and we thank her for her service to Shelburne. We welcome BettyJean Bogue, who stepped in to work both with Peter Frankenburg in Finance and the Assessing office.

Property owners and others interested are encouraged to check for the factual accuracy and fairness of the information on file at the Town Office building. Our goal is to remain accessible, accurate, fair, consistent and reasonable in all valuations. Please contact the office by stopping by, writing us or calling 985-5115. We look forward to working with all individuals on matters pertaining to the valuation of property located within the Town of Shelburne.

Respectfully Submitted,  
Ted Nelson



**PLANNING COMMISSION  
DEVELOPMENT REVIEW BOARD  
AND PLANNING AND ZONING OFFICE**

Planning Commission: Planning Commission duties are set by statute and include proposing revisions to local land use policies (e.g., Plans) and regulations (e.g., Zoning and Subdivision bylaws). State law also gives the Commission authority to oversee planning studies and comment on development proposals. Planning Commissioners began 2017 by wrapping up an initiative begun in 2016. More specifically, Commissioners completed work with the Selectboard on zoning amendments intended to mitigate the adverse secondary impacts associated with adult entertainment facilities. Commissioners discussed a range of additional zoning proposals throughout the year, on topics as diverse as sidewalk and path requirements, trailers and storage of waste, sign lighting, and setbacks from private rights-of-way and the Lake Champlain lakeshore. Considerable time was spent working with a consultant on a proposal to refine the Town's "Form Based Zoning" regulations. Two separate bylaw amendment proposals were advanced to implementation. The first became effective in May, and the second—pertaining to daycare facilities and certain small scale retail sites with delicatessens—took effect in August.

Perhaps the most significant area of activity for the Commission during the year, however, was related to the updating of Shelburne's Comprehensive Plan. In February, the Commission reviewed statutory requirements and deadlines guiding their efforts. By April, Commissioners had held a work session on the "vision" it hopes will guide the updating of the Comprehensive Plan. And in June, Commissioners were engaging in detailed discussions of the Plan's "Future Land Use" chapter. Discussion of edits to several other parts of the Plan, including sections on historic and cultural resources, transportation, energy, child care, and parks and recreation, have taken place since. Work will continue so a revised Plan can be adopted before the existing document expires in 2019.

While working on the Plan, the Commission obtained input from municipal bodies such as the Natural Resources and Conservation Committee, Housing Subcommittee, and Bike and Pedestrian Paths Committee, and from groups of residents. The Commission held two joint retreats with the SNRCC to discuss land use and natural resource issues. As work on the Plan moves forward, this approach will continue and indeed expand.

Meetings of the Planning Commission continue to take place on the second and fourth Thursday of each month, except for November and December. It should be noted the Commission that ended the year was not the same as began it. Membership changes during 2017 included the retirement of members Ann Hogan, Don Posner, and Mark Brooks and departure of Chair Jaime Heins, who was appointed to fill a vacant seat on the Selectboard. A complete list of Planning Commission members is included in the front of the Town Report.

<b>Development Review Board Activity, 2017</b>	
<b>Type of Review</b>	<b>Number of Applications</b>
<b>Site Plan /Design Reviews</b>	
Site Plan Review	11
Design Review	21
<b>Subdivision/PRD/PUD Reviews</b>	
Sketch Plan	6
Preliminary Plan	3
Final Plan	2
Boundary Line Adjustments	1
Re-Approvals/Minor Amendments	4
Withdrawals	0
<b>Form Based Zoning Reviews</b>	
Site Plan	0
Conditional Use	0
Sketch	1
Preliminary	0
Final	0
<b>Conditional Use Review (16)</b>	
Approvals	16
Denials	0
Withdrawals	0
<b>Variance Reviews (3)</b>	
Approvals	1
Denials	2
Withdrawals	0
<b>Appeals (2)</b>	
Approvals	0
Denials	2

Development Review Board: The Development Review Board (DRB) was created in 2007 and is responsible for all primary development review functions, including Site Plan Review, Conditional Use Review, and Subdivision approval. Since its founding, the DRB has followed the requirements of Vermont's Municipal and Administrative Procedures Act (MAPA) and adheres to locally- prepared Rules of Procedure which govern the public hearing process from application to written decision. In December of 2015 the Selectboard adopted On the Record Review (OTR). Following that adoption the DRB adopted Rules of Discovery and Evidence which have been used as guidelines for reviewing applications and conducting public hearings. The decision to adopt OTR most significantly impacts how appeals of DRB actions are reviewed in Environmental Court. In the past appeals to Environmental Court of DRB decisions were "de novo". As a result, a significant expenditure of resources had been required for appeals to reconstruct the record for the "de novo" process. OTR was adopted with the general goals of increasing the chances of DRB decisions being upheld and reducing legal expenses. Thus far four appeals have been reviewed under the requirements of OTR. Two decisions have been appealed to environmental court and ended in a mediated settlement agreement.

As shown in the table above, in calendar year 2017 the DRB approved several applications including those for subdivision, conditional use, site plan and design reviews. Additionally, the DRB reviewed its second form based zoning (FBZ) application. The FBZ application was for sketch plan review of a two lot merger and will in the future include plans for a nine (9) lot subdivision and received authorization to proceed to preliminary plan review. There are also a number of projects that began the review process in 2016 and 2017 that will continue to be reviewed in 2018. These projects include proposed Kwiniaska PUD, Shelburne Self-Storage, and Library. Additionally, a number of minor subdivision applications will continue review in 2018. Meetings of the DRB occur on the first and third Wednesday of each month. Current members and alternate members are listed in the front of the Town Report. The DRB does not currently have any student members.

Building Permits and Certificates of Occupancy: The total number of residential building permits issued in calendar year 2017 (01/01/2017-12/31/2017) was 137. As shown below, 7 zoning permits were issued for single family dwellings, including one replacement home. Five zoning permits were issued for new multi-family units. The multi-family building permits that were approved include two duplexes (four units), one triplex, one fourplex, and one independent living building (38 units).

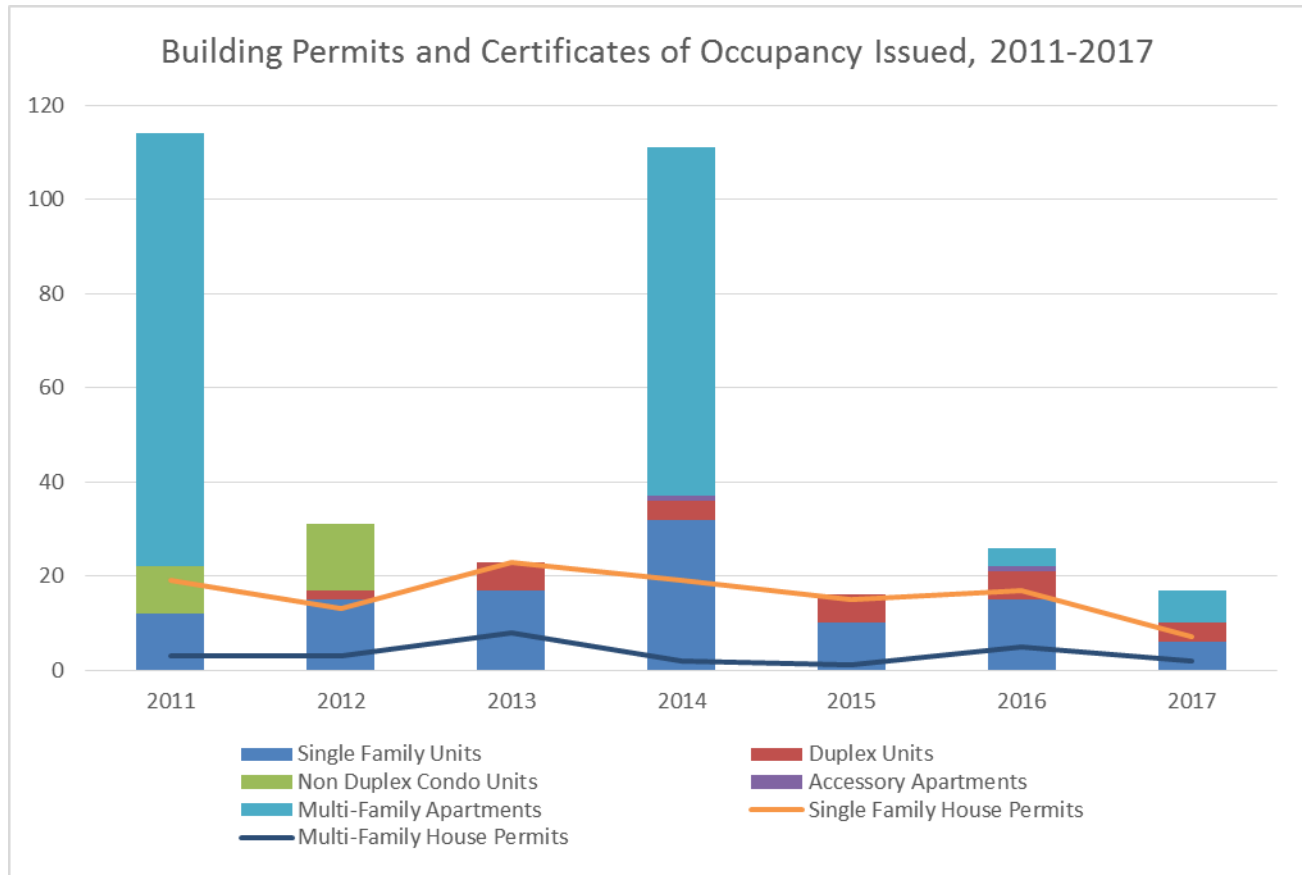
<b>Building Permits, 2011-2017</b>							
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Single Family House Permits	19	13	23	19	15	17	7
Multi Family House Permits	3	3	8	2	1	3	5
Total all Residential and Non Residential Building Permits	150	154	208	181	146	139	137

As shown in the table below, the total number of Certificates of Occupancy issued for Residential units in calendar year 2017 (01/01/17-21/31/17) was 15, down from 2016. The majority of COs issued were for single family dwellings.

<b>Residential Units Receiving Certificates of Occupancy, 2011-2017</b>							
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Single Family Units	12	15	17	32	10	15	6
Duplex Units	0	2	6	4	6	6	4
Non Duplex Condo Units	10	14	0	0	0	0	0
Accessory Apartments	0	0	0	1	0	1	0
Multi-Family Apartments	92	0	0	74	0	4	7
<b>Total # Units Receiving CO</b>	<b>114</b>	<b>31</b>	<b>23</b>	<b>111</b>	<b>16</b>	<b>26</b>	<b>15</b>
Replaced/ Renovated Units*	3	2	5	5	2	6	0
Affordable Units*	0	2	0	78	0	2	0

\* Also included in unit type categories and totals

The chart below provides an alternative presentation of the data in the two previous tables.



In 2017, an additional four COs were issued for non-residential projects in Shelburne. This is up from three non-residential COs in 2016.

**Planning and Zoning Office:** The Planning and Zoning office helps administer local regulations and provides support to several public bodies. These bodies include the Development Review Board, Planning Commission, Historic Preservation and Design Review Commission, Bike and Pedestrian Paths Committee, Natural Resources and Conservation Committee. The Planning and Zoning office also supports the Selectboard and the Town Manager (who under the Town Charter is Shelburne’s chief zoning enforcement official). Planning and Zoning staff include Dean Pierce (Director of Planning and Zoning), Kaitlin Mitchell (DRB Coordinator), and Susan Cannizzaro (Administrative Assistant). All three are happy to assist residents by answering questions about local planning projects, permit requirements, and enforcement. Staff can also help residents obtain maps and other useful information about the community. Similarly, the Planning Commission, Development Review Board, and Planning staff welcome citizen comment on community planning issues and development activities. Public hearings on applications and bylaw changes are announced in the Shelburne News and/or Burlington Free Press; notices are also posted at the Municipal Center, Pierson Library, and Post Office, as well as on the Town’s web site. Individuals with an interest in serving on the DRB (as a member or alternate member) or the Planning Commission are encouraged to express their interest by contacting the Town Manager.

*Respectfully Submitted, Jason Grignon, Chair [Acting], Planning Commission; Mary Kehoe, Chair, Development Review Board; Dean Pierce, AICP, Director of Planning and Zoning; and Kaitlin Mitchell, DRB Coordinator.*

## **SHELBURNE POLICE DEPARTMENT AND COMMUNICATIONS CENTER**

The Shelburne Police Department and the Shelburne Communications Center are committed to “Protect and Serve” the life, individual liberty and property of everyone within the town; to develop and maintain a positive relationship with members of the community, and to foster a positive working environment for police and communications employees.

**Police Department:** The Shelburne Police Department has undergone a transformation over the past year with the departure of Chief James Warden after 30 years of service. The department continues to provide professional, courteous service to our community.

The department has taken steps to adapt to the ever changing needs of our community, examining strategies and best practices, and in collaboration with various Federal, State and Local agencies.

All of our Police Officers have completed state-mandated training in dealing with individuals in mental health crisis. The department has seen an increase in people in need of social and/or mental health services, over the past year we have worked with professionals in this field to develop strategies to provide efficient and timely services.

With the decriminalization of small amounts of marijuana and the state’s opioid epidemic, we have seen an increase in drug-related incidents. Our department has worked with a variety of agencies to address this problem on multiple fronts. Over the past year we have made great strides in enhancing the communication between our department and other law enforcement agencies, including the State’s Attorney’s Office. Our officers work closely with Shelburne Rescue in a first response capacity to drug-related medical calls. Our officers carry and have been trained in the use of Narcan. To combat those driving under the influence of drugs, our officers have advanced roadside impairment detection training and we have a Drug Recognition Expert (DRE) on staff. The extensive DRE training was entirely state or grant funded with no cost to Shelburne residents.

In the interest of transparency, all of our officers were issued body-cameras. These were obtained with the generous gift of an anonymous donor, and at no cost to the taxpayer. These will help monitor the quality of service our officers provide, and protect the officer and the town from unwarranted liability.

For the safety of all who may be using the roads, including bicyclists and pedestrians, traffic enforcement and crash prevention is a priority for our department. The Shelburne Police Department manages local and countywide grants for Occupant Protection (seat belt) and DUI Enforcement. The use of these grants allows for greater enforcement in these areas at little or no cost to the local taxpayer.

The Shelburne Police Department has been recognized both statewide and nationally for its traffic safety efforts.

The Shelburne Police Department is a full-service police department accessible to the public 24 hours a day, year round. For the public convenience our lobby is stocked with a broad range of motor vehicle forms, as well as information about Domestic Violence, Enhanced 9-1-1, Fish & Game Regulations, Child Restraint, and Internet Safety brochures.

The Police Department provides a variety of services, including Vacant House Checks, Child Safety Seat Inspections, Applicant Fingerprints and the facilitation of Neighborhood Watch. We currently have two speed carts for monitoring traffic speeds on our roads. These are often placed in “problem areas” and/or upon request. Please do not hesitate to contact us for any of these services.

This year we welcomed back Officer Mike Thomas to full duty after a long illness. In addition, the Shelburne Police Department welcomes the addition of Kyle Brooks to our policing team.

**Communications Center:** The Communications Center is often referred to as “Shelburne Dispatch” or “Shelburne PSAP” and serves as a regional Emergency Communications Center. The center serves a population of more than 62,656.

The center is the primary Public Safety Answering Point (PSAP) for 9-1-1 call in 18 communities and a secondary PSAP or backup for the other five (5) State and Local PSAPS in Vermont. The center is also a Public Safety Dispatching Point (PSDP) for 36 agencies (Police, Fire or EMS) in 28 communities.

As both dispatchers and 911 call takers, uncommon in Vermont, our dispatchers are among the best trained. This training allows our dispatcher/call takers to provide potentially life-saving instructions to callers prior to the arrival of emergency personnel.

As one of Vermont's 6 PSAPs, we are equipped with advanced mapping software which would not otherwise be available to us. This mapping software is vital, especially in rural areas, in determining the location of an emergency and directing emergency personnel to that area.

Monetary contributions from Vermont 911 and billing contracts with the agencies we dispatch for help to offset the costs of dispatching. In addition we are constantly in search of grants to an attempt to further minimize costs.

If you accidentally dial 9-1-1, please DO NOT hang-up. Please tell the 9-1-1 call taker that you made a mistake and stay on the line to answer any further questions. If you do not remain on the line, emergency procedures will have been initiated resulting in unnecessary and costly mobilization of personnel and equipment. Please remember 9-1-1 is used to report EMERGENCIES, such as a fire, medical emergency, or crimes in progress. All other complaints should be directed to our non-emergency number (802) 985-8051.

The Communications Center welcomes the addition of Amanda Stevens to our dispatching team.

I encourage you to please stop by any time to discuss any problems or concerns you may have.

Respectfully submitted,  
Acting Chief, Aaron Noble

### **SHELBURNE FIRE DEPARTMENT**

The Shelburne Volunteer Fire Dept. celebrated its 75<sup>th</sup> anniversary of providing fire protection to Shelburne residences and businesses in August 2016 with a parade and community event at the Fire Station.

The Fire Department responded to 281 calls in 2017 which is up from 247 calls in 2016. The majority of our responses are to motor vehicle accidents, CO alarms, and automatic fire alarms. For the fifth consecutive year, we have seen an increase in calls that require our response onto the lake for water emergencies and Coast Guard assistance calls. The department's Fire Boat also provided assistance in covering such events as Burlington's 4<sup>th</sup> of July fireworks, and the annual cross the lake swim from Essex, NY to Charlotte, Vt.

The Shelburne Fire Department is still an all-volunteer department and would not exist without the commitment and numerous hours of training given by its current roster of 32 members. The firefighters are dedicated to serving the community to the best of their ability and do so by continuously training to improve their skills. In 2017, we had 1 member receive their Firefighter 1 certification, and 6 received their Firefighter II certification and currently, 21 of our 32 members are trained at a level of FF1 or higher. We also had 2 firefighters promoted to the rank of Senior Firefighter and 2 promoted to the rank of Engineer.

Our fire prevention program continues to be one of our biggest commitments to the community. In 2017, firefighters volunteered over 200 hours in 13 different programs impacting over 1100 children and adults in schools, daycares, and elderly facilities throughout Shelburne. These programs provide fire safe practices for children and adults to better prepare them in an emergency.

At our annual Fire/Rescue banquet, Firefighters Honored Deputy chief John Goodrich with Fire Officer of the Year for his work and dedication to the department and town of Shelburne. The Officers recognized two members for their commitment and service to the department and the town of Shelburne. Dan Erickson was selected as Firefighter of the Year, and Kurt Remlin was chosen as Rookie of the Year.

With the overwhelming support of the residents of Shelburne, the Shelburne Volunteer Fire Department was able to add a Quint to its list of apparatus. This is the first apparatus of its kind for our department and will allow us to maximize the service we offer when our resources may be limited. At the time this report was written, we were only a couple of weeks away from the Quint being placed in service.

The Shelburne Firefighters Association continues to offer to the residents of Shelburne the green reflective address signs. These signs are visible day or night and are very effective in assisting Fire, Rescue, and Police to find the correct address quickly. More information about the signs and the order forms can be found on our website at [www.shelburnefire.org](http://www.shelburnefire.org).

The Shelburne Fire Department is always looking for new members. There are many aspects of the fire service that one may contribute. If you are an individual that wants to give back to the community, consider looking into becoming a member. There are a number of ways to contact us or find information about the Shelburne Fire Department. Our non-emergency number is 802-985-2366, our website is [www.shelburnefire.org](http://www.shelburnefire.org), and we can also be found on Facebook.

As Chief, I will continue to move the department forward to provide the best and most professional service possible to the residents of Shelburne while striving to maintain the “Volunteer” status. The Officer’s and firefighters of the Shelburne Volunteer Fire Department continue to stand ready to respond to any and all of your calls for assistance.

Respectfully submitted, Jerry Ouimet, Chief  
Shelburne Volunteer Fire Department

Current Officers of the Shelburne Fire Department;

Jerry Ouimet – Chief

John Goodrich – Deputy Chief

Andrew Dickerson – Captain

Dwight Mazur – 1<sup>st</sup> Lieutenant

Devin Major – 2<sup>nd</sup> Lieutenant

Lee Krohn – Secretary/Treasurer



Shelburne Fire Department displays the new Quint Fire Truck.

## SHELBURNE RESCUE

Shelburne Rescue responded to over 1000 emergency calls in 2017, with the anticipation of our 2018 call volume to exceed 1050. We continue to provide mutual aid for the Shelburne Volunteer Fire Department, surrounding communities including Charlotte, Ferrisburg, Hinesburg, Huntington, Monkton, and South Burlington.

The most important resource to Shelburne Rescue is the commitment of our volunteers. Through our volunteers we are able to provide 24/7 coverage 365 days a year providing emergency coverage to the Shelburne community. We currently have approximately 40 volunteer members on our roster, one full time employee and ten per diems.

Our members are pleased and proud to eliminate the tax burden to the Town of Shelburne taxpayers for the tenth consecutive year. Through insurance billing, generous community donations, and our annual subscription service, Shelburne Rescue has been able to cover all its major expenses, including, but not limited to, our full time employee's salary, per diem's salary, squad building maintenance/utilities, equipment, training costs and capital budget planning. This coming year rescue will also be ordering a new ambulance to replace a ten-year-old ambulance, without using taxpayer's dollars.

The following is a list of the current officers for Shelburne Rescue: Linda Goodrich, Chief, Jacob Leopold, Assistant Chief, Wendi Turner Treasurer, Jenna Linderman, Training Officer, and Sara Lewis, Secretary.

Shelburne Rescue was pleased to induct John Kelley as an honorary member at our annual member recognition banquet this year. We also would like to congratulate the following members for annual awards that were presented, at the same banquet:

Rescuer of the Year:	Jacob Leopold
Driver of the Year:	Jason Richard
Charlie Phelps Award:	Jacob Leopold
Joan Foster Award:	Megan Cross
Rookie of the Year:	Devan Piniewski

We are grateful for the support of the Shelburne Fire, Police, Highway and other Supporting Town Departments, in their continued assistance in helping us deliver quality care to the Community.

Shelburne Rescue strongly welcomes new members, no experience necessary to apply. If you have an opportunity, please take the time and stop by to check out our facilities and new ambulance on Turtle Lane. If you would like further information on becoming a member please check out our web site, [www.shelburnerescue.org](http://www.shelburnerescue.org) or give us a call at 985-5125.

Respectfully Submitted,  
Linda Goodrich, Chief





## SHELBURNE PUBLIC WORKS DEPARTMENT

**Highway:** Shelburne Highway continues to provide services year-round to the town with myself, and four full-time employees Lee Coleman, Rob LeBeau, Victor Raymond. Rick Bushey is highway's newest full-time mechanic providing maintenance services for all Town owned vehicles, as well as, assisting with snow plowing in the winter. Rick replaces highway's previous mechanic Mike Gill, who retired in November after working 33 years for the Shelburne highway department.

During the summer we hire one part-time employee to mow roadsides and during the winter we hire one part-time employee to plow sidewalks and one part-time employee to help plow cul-de-sacs.

In addition to the usual winter and summer road maintenance the highway department paving for 2017 was completed on Bay Road, Route 7 to railroad underpass, all Bishop Road, Bostwick Road bridge to Charlotte town line, all Cedar Ridge, Irish Hill Road, Autumn Hill to Spear Street and Thompson Road to Falls Bridge, Juniper Ridge, Woodbine and Brook Lane to Pinehurst Drive, all Thompson Road and all Vista Drive.

Other projects during 2017 included; installing some storm drains on Juniper Ridge, Brook Lane, miscellaneous road culverts were changed around town, as well as, miscellaneous shoulder work and ditching around Town.

The Town of Shelburne continues to grow each year. With the added new developments and sidewalks the Highway budget should reflect an amount to properly maintain and retreat the roads in existence, as well as, budgeting for future staff, equipment and maintenance needs.

Respectfully submitted,  
Paul Goodrich, Highway Superintendent

**Water:** The Town of Shelburne's water is supplied by the Champlain Water District (CWD) in South Burlington. CWD treats the water from Lake Champlain and pumps it via transmission mains to member towns. CWD is governed by a board of commissioners comprised of one elected member from each town. Shelburne is fortunate to belong to CWD, which has received numerous awards for the highest quality water in the nation. Shelburne owns and operates its own distribution system, storage tanks and pump stations around town. We also maintain our own meters and billing system.

A board of commissioners governs the Shelburne Water Department. John Schold (Chairman), Michael Regan, Michael Abrams, Steve Smith and Pete Gadue are the current commissioners. Our department is staffed by our Superintendent Rick Lewis, operators Chris Carlson and Chad Racine, administrative Director Peter Frankenburg and administrative assistant Candy Bessette.

We continue to make improvements to the system and respond to the challenges associated with maintaining 66 miles of aging infrastructure. This past winter and spring we were able to replace 4100 feet of water main from the South Burlington/Shelburne line on Spear street to Morse Drive. Included in this project was also an interconnection from Spear Street to Morse Drive in Shelburne Heights, providing a second feed to Shelburne Heights area.

In fiscal year 2017 we purchased 176,715,280 gallons of water from CWD at a rate of \$2.038 per thousand gallons. Shelburne's retail rate was \$6.09 per thousand gallons.

The Water Department is committed to providing our customers with the highest water quality possible as well as the best service possible.

Respectfully Submitted  
Rick Lewis Water Superintendent

**Wastewater:** The Wastewater Department operates two advanced wastewater treatment facilities utilizing Sequential Batch Reactor (SBR) technology. Wastewater Treatment facility (WWTF) #1 is a VT Grade 3 facility located on Crown Rd and is designed for 440,000 gallon per day flow. WWTF#2 is a VT Grade 4 facility located on the corner of Harbor Rd and Turtle Lane and is designed for 660,000 gallons per day flow. The department also maintains nineteen pump stations, approximately 35 miles of sewer lines and 900+ manholes. Sampling, testing and recording is performed at each facility every day of the year. Wastewater personnel responded to 65 alarms/calls after normal working hours this year.

In FY16-17the department treated 215 Million gallons of wastewater. The average flow for WWTF#1 was 232,000 gallons/day and the average flow for WWTF#2 was 356,000 gallons/day. The total operating budget was \$1,855,700. Shelburne’s retail rate was \$12.84 per thousand gallons.

The department took in 1,024,035 gallons of septage from private haulers that pump out rural septic tanks from Shelburne and surrounding communities.

The department processed 4,687,248 gallons of sludge which equates to 759 wet tons of Class B biosolids. These biosolids were transported to Casella’s Grasslands Manufacturing Facility (GMF) in Chateaugay, NY (\$85.40/wet ton average). The GMF further treats the biosolids and is spread on lands in Northern New York as a soil amendment. These biosolids were generated by both of Shelburne’s wastewater treatment facilities, and private septage haulers.

The department upgraded the Spear Street and French Village pump stations. The upgrades were done in-house with the department being the general contractor, saving a significant amount of money. These stations received a new electrical service, converting the station from single phase to 3-phase power, new pumps, rails, piping and controls.

A \$3 million bond was authorized by the voters in 2016 for system and facility repairs. Aldrich & Elliott Engineers completed design and S.D Ireland has been contracted to begin working on specific upgrades to the wastewater collection system. The following collection system projects are being planned to begin in the Spring 2018:

- 1. Webster Rd pump station force main replacement and new valve pit.
- 2. Falls Bridge pump station force main replacement and station enhancements.
- 3. Falls Road gravity sewer line replacement from Church St to Route 7.
- 4. Harbor Rd gravity sewer line replacement from railroad tracks to Turtle Lane.
- 5. Harbor Rd gravity sewer slip-lining from railroad tracks to Route 7.
- 6. Wes Rd sewer line diversion.
- 7. Falls Rd/Marsett Rd sewer line removal and replacement.

**Personnel:**

Superintendent/Chief Operator	Chris Robinson	Grade 5
Assistant Chief Operator	Steve Williams	Grade 5
WWTF#1 Operator	Walt Arsenault	Grade 5
Operator	Chris Huestis	Grade 2
Operator	Jeff Pillsbury	Grade 2

If you would like a personal tour of the facilities to experience first-hand how the Shelburne Wastewater Department keeps your waterways clean, please call 985-3700 or email [crobinson@shelburnevt.org](mailto:crobinson@shelburnevt.org) to arrange a tour.

The Wastewater Department is committed to producing the best quality effluent, protecting both human and environmental health. We thank you for your support and look forward to serving you in the year ahead.

Respectfully submitted,  
Chris Robinson  
Water Quality Superintendent

**Stormwater Report:** The Town holds and maintains 12 State general stormwater permits. These systems include Bay Colony, Bayfield Estates, Boulder Hill, Cedar Ridge Estates, Field House Athletic Fields, Green Meadows, Heritage Lane, John Street, Maeck Farm, Tracy Lane, and Upper Meadows. Per our Vermont Agency of Natural Resources (ANR) permit, the Town is required to annually inspect and submit a report of required maintenance needed and completed.

In addition to these systems, the Town operates under a Municipal Separate Storm Sewer System (MS4) Permit. There are six requirements of this permit: Public education and outreach; public involvement; illicit discharge detection and elimination; construction site runoff control; post-construction runoff control; pollution prevention and good housekeeping.

Per the MS4 Permit, two additional requirements are required in regards to the Munroe Brook watershed. A required flow restoration plan was completed in 2016. The plan identifies and prioritizes flow reduction projects within the watershed. These flow reduction projects are expected to be in the range of \$5 million and will be shared by the Town and permittees. The Town has fifteen years to complete all the projects. Installation of flow and precipitation monitoring equipment for Munroe Brook has been installed and is collecting data. The annual cost of the monitoring is \$12,200.

Due to the ever-increasing permit requirements and responsibilities, the Town entered into an inter-municipal agreement with the South Burlington Stormwater Services Department to assist in meeting these goals. The Town has a budget of \$50,000 for these services with a total annual budget of \$99,000. It is estimated that approximately \$400,000 is needed per year to meet near future requirements. The Town is actively looking into creating a stormwater utility to assist in managing and funding these ever-increasing stormwater obligations. The details are being developed but it appears that the utility will be funded through a fee system. It is quite possible that the fee will be based on impervious area for non-residential properties and a flat fee for residential properties.

If you have any questions or concerns I can be reached at 985-3700.

Respectfully submitted, Chris Robinson, Water Quality Superintendent

**PIERSON LIBRARY TRUSTEES ANNUAL REPORT**

The Pierson Library remains a vital community resource, offering diverse programs for all ages from young children to senior citizens, access to technology, a place for refuge, a place for gathering, education, and a collection of over 49,000 physical books, e-books, DVDs, music CDs, and magazines. In addition to being open Monday through Saturday for a total of 47.5 hours per week, the library provides 24/7 service to over 3,500 card-carrying Shelburne residents with online access to the integrated Koha library catalog, including over 40 Vermont libraries, research databases and online interactive story times for children. The number of visits grows consistently each year, and last fiscal year totaled over 62,000 visits.

**PIERSON LIBRARY BY THE NUMBERS:**

- Over 49,000 physical books, e-books, DVDs, music CDs, audiobooks, and magazines.
- Open 47.5 hours per week
- Over 3,500 library card holders
- Over 62,000 annual visits

**Library Staff:** Director Lara Keenan left her position at the end of May to take a position with the State Department of Libraries. Cathy Townsend, Trustee, stepped in as Interim Director for the summer months while the search committee looked for a new director. She did a tremendous job of keeping the library going and re-organized the physical space. At the end of August, we welcomed Kevin Unrath as the new Director and he quickly immersed himself in the day to day operations of running the library as well as joining the Steering Committee with the community outreach and planning for the new building project. Kevin will continue to be involved in this very important project as we finalize the planning for the construction of the new library, renovations to the Town Hall and municipal complex. He also has continued the library’s relationships with the

town offices, local businesses, senior living communities, nonprofits, and citizen groups. Katie Bosley, the children's department continues to be extremely active with numerous creative programs, story times, summer reading programs, and an average of 20-30 children who stop by each day after school. Upstairs, Katie Woodward is busy with numerous tasks such as cataloguing books and maintaining the user-friendly web site. This year, Carol Casey has increased the adult programming to 147 programs and has kept up with a 70% increase in interlibrary loan requests while also writing the weekly column in the *Shelburne News*. Reggie Condra continues to welcome our patrons at the front desk and helps to keep displays looking fresh. In addition to working as a regular sub, Patrice Macomber helps on Monday mornings and offers a weekly story time with craft. AJ Humphrey and Angele Mott Nickerson help round out the staff as library subs. All staff members help patrons with accessing e-materials, computer technology, and the diverse services that are offered.

**Volunteers:** We rely on a dedicated and talented cadre of 21 volunteers who help with several library duties during the hours of operation. The library is always recruiting new volunteers; if you are interested in volunteering please stop in and talk to Carol or Reggie.

**Library Building:** In November, the Town passed the bond vote for the new library building and renovations to Town Hall and municipal campus. In the coming year, the library will be looking to lease temporary space while the new library building begins construction. It is an exciting time for all involved and while there will be challenges during this temporary period, the library staff are committed to providing patrons with access to library programs and materials, albeit in a more limited capacity and in a different space.

**Thanks and Acknowledgements:** The Trustees wish to recognize, with sincere appreciation, the valuable and dedicated services of the Pierson Library staff and volunteers, and the generous and critically-important support of the Friends of the Pierson Library. This report is submitted by the Trustees of the Pierson Library: Ruth Hagerman, Chair, Barbara Comeau, Treasurer, Laureen Mathon, Secretary, Jane Osborne McKnight, Cathy Townsend, John Boscia and Lisa Merrill and Kevin Unrath, Library Director.

## **FRIENDS OF THE PIERSON LIBRARY**

Monthly Meetings – Pierson Library Meeting Room, 6:30pm, second Thursday of the month  
Membership – 110 Members

The Friends of the Pierson Library have had a successful year. Once again, we received a tremendous number of donations of books for our book sales. This was the second year we took part in two book sales in a year. Some special thank you's - to Shelburne Boy Scout Troop #602 for their help moving boxes to the Town Gym for the sale, and all the wonderful volunteers that help us during the sale!! Again this year, we were able to donate many books to various non-profits and to local children. Book sale funds allow us to directly support the library.

Some examples- various library programs, purchase of books for the Children's and Adult Areas, all of the youth summer reading programs, deep clean of the library, cleaning of the carpets, cleaning of Town Hall, paid for the Newsbank database.

The year-round Book Sale inside the library continues to go strong. We are always adding to it.

We are already beginning planning for the new library, slated to open in Summer 2019. Plans for a year-round Friends Book Sale space and better facilities for storing and sorting books for the semi-annual sales are in the works. During construction, donations will not be taken as there will be no place to store books during this time.

Our list of Museum Passes continues to be popular! Please visit the Pierson Library website under "services" to access the list of museums available.

We continue to take responsibility of moving books donated to the library from the donation cart to our basement storage area. Members also sort the books in advance and both organize and staff the book sale. We welcome ideas for programs and we always welcome new members. Member donations are tax deductible! We wish to thank everyone who has helped to support us during the past year. We also thank the wonderful library Director and Staff and the Board of Trustees for all of their help and support. We would be happy to talk to anyone who would like to know more about us.

**SHELBURNE PARKS & RECREATION COMMITTEE**

The Parks and Recreation Committee works hand in hand with the Recreation Department to offer a variety of programs and special events to meet the needs of the entire community. In 2017 youth sports programs served a large portion of the Shelburne children with the strongest participation in fall soccer (305), Little League baseball/softball (268), and lacrosse (209). Other programs such as Basketball, After School Ski and Ride at Bolton Valley, Young Rembrandts, After School Fitness, and Tennis Lessons were also popular with the grade school crowd this year. The Men’s Basketball Program was in high demand again this year and the Tai Chi Program was sought after by mature adults.

This year we began our quest for a much-needed new beach house. Our beach is used by many families and individuals throughout the Spring, Summer and Fall. We began the process with obtaining the design for a new beach house. We were excited and fortunate to have the opportunity to collaborate with Jeff McBride of Birdseye Design, who was interested in the project as a Shelburne resident and frequent Beach visitor with his family. Jeff consulted with the committee and staff on several occasions to draft a design that would fit in with aesthetic beauty of this popular destination as well as best meet the current and future needs of our residents. We will continue to progress on this project into 2018.

Shelburne Bay Park was the beneficiary of two completed Eagle Scout Projects in 2017. Nate Brangan improved a portion of the Clark Trail, past the moorings, for safer passage and re-routed a portion of the trail to alleviate erosion issues. Nathaniel Mick built and installed four benches along the Bay Park Trail for visitors to use as resting spots or to enjoy the views.

The Shelburne Recreation Committee members are: Peggy Coutu (Chair), Ann Clark, Renee Davitt, Kelli Magnier, Susan McLellan, LynnAnn Prom, Kathie Pudvar, Marv Thomas, and Bruce Whitbeck. They enjoy working together to offer special events to the community and advising the Recreation Department with new ideas and resolving issues and challenges that arise. We spent many hours offering these events this year: Winterfest at Shelburne Farms, Me & My Guy Dance, Champlain Classic, Back to Beach, Summer Concerts (4) and Fireworks at Shelburne Farms, Halloween Event and Holiday Tree Lighting Event. An important part of the success of these events is due to our generous sponsors who donate financial as well as in kind support:

Almartin Volvo	Archie’s Grill	
Associates in Orthodontics,	Dr.s Librizzi, Blasius, and Librizzi	
The Automaster	B & R Electric	Citizen’s Bank
Fleet Feet Sports	Hannaford Supermarket	O Bread Bakery
Precourt Investment Co.	Queen City Printers	Rice Lumber
Shelburne Country Store	Shelburne Market	Special Touch Hair Design

In addition to the work of the Committee, many of our programs and events are dependent upon our wonderful volunteers who help us to produce organized, meaningful, and educational opportunities for our participants through leading, coaching and coordinating these programs. Thank you so much, we couldn’t do without you. A special thank you as well to the Town staff who help us throughout the year with special projects and events

including Paul Goodrich and the Highway Department, Wastewater and Water Departments, Shelburne Police, Fire, and Rescue, and Peter Frankenburg.

Our parks and facilities are maintained by the Grounds and Maintenance Staff, who work closely with us on a daily basis to ensure everything is safe and running smoothly. This year we said a bittersweet goodbye to our longtime staff member, Bob Wooster, who retired early in the year. Thank you, Bob, for your dedicated service and we wish you well. A warm welcome to Kyle Wagner, the newest member of the team. He will work with Darwin Norris to continue to ensure our fields are prepped, facilities clean, and Recreation trails maintained.

We are very fortunate to have our Recreation Department Staff, Betsy Cieplicki and Sue Craig. They are what make Shelburne Parks and Recreation what it is –the best. They put in a lot of hard work, energy and time into making such a wonderful department that ensures the citizens of Shelburne have the best opportunities for Recreation. Enjoy our many trails and Parks as well as our gem, Shelburne Beach.

Respectfully submitted,

Peggy Coutu, Chair



Santa joins the Shelburne Parks and Recreation Committee at the Annual Holiday Tree Lighting Event on December 1<sup>st</sup>, 2017.

### **SHELburne VILLAGE DOG PARK COMMITTEE**

The SVDP Committee has been engaged in park maintenance, safety education for park visitors, and fundraising activities during the past fiscal year. Our many dedicated volunteers continue to keep the park a safe, secure, well-maintained place for all of our visitors, human and canine. Daily and weekly waste collection removal as well as scheduled work days to remove unwanted vegetation and invasive species were handled by this loyal group of volunteers during the first 10 months of this fiscal year.

Safety for all park visitors continued to receive attention by the Committee. Additional signage, presentations inside the park by Laurie Lawless (Professional Dog Trainer and Consultant), and posted information about procedures to follow when aggressive canine behavior becomes problematic have enhanced the awareness of park visitors to safety issues. Forms are restocked inside the park explaining incident reporting procedures.

Funds to support the maintenance of the park came from Town dog license fees, SVDP memberships, donations, and fundraising activities. The Committee published and sold the 4th Annual Shelburne Village Dog Park calendar, and held the 6th Annual Fall Fundraiser. The Committee staffed a booth at Shelburne Day that resulted in additional memberships and donations as well as the dissemination of general information about the park and safety issues.

The success of the dog park depends on the countless volunteer hours, and generous donations of visitors from Shelburne, neighboring communities and those from out of state. Gratitude is also expressed to the many people who submitted photos for the calendar contest ( our number one fundraiser which covers annual operating expenses), as well as businesses and professionals who purchased ads for the calendar: A Little Something, Archies Grill, Ark Veterinary Hospital, Barkeaters, Danform Shoes, Pauline's, Pet Food Warehouse, Shelburne Dental Group, Shelburne Eyeworks, Shelburne Meat Market, Special Touch Salon, and Village Wine and Coffee.

In Spring 2017 it was determined by the Department of Environmental Conservation (DEC) that the dog park which is situated in a Class II Wetland was not in compliance with regulations relating to that designation. In addition to the usual tasks, the Committee was charged with a new one: work with Town Staff to identify a new site for the park and develop a relocation plan which would be presented to the Selectboard for approval late Summer 2018.

Respectfully submitted,  
Kay Boyce, Chair

### **SHELBURNE BIKE & PEDESTRIAN PATHS COMMITTEE**

The objective of the committee is to develop a network of paths, lanes and sidewalks for walking and non-motorized vehicle use, linking residents to key destinations and ultimately improving mobility and fostering a sense of community.

The committee spent 2017 focusing on three key areas of the town to improve pedestrian and bicycle mobility and safety; Village core including Falls and Irish Hill Roads, Bay Road, and the Southern Gateway of Route 7.

In the Village Core, a sidewalk was constructed on Falls Road which completed the route from the Falls/Mt. Philo Road intersection easterly to the LaPlatte River Bridge allowing greater access to the LaPlatte Natural area. Sidewalks were constructed on the west side of Route 7 in the Village core connecting to the Shelburne Museum, allowing for a safer route between the Village and one of Vermont's major tourist attractions. Traffic calming efforts on Marsett Road and Falls Road were also addressed in conjunction with the Village Pedestrian Safety group.

The committee submitted a VTrans large scale grant proposal to construct a sidewalk and pedestrian bridge over the LaPlatte River on Falls Road extending up Irish Hill Road to Thompson Road and Sycamore Drive. While the Selectboard unanimously approved our grant to the state, it was not selected to be funded. The committee plans to make revisions and submit again in 2018.

There was much effort by the committee to study the Bay Road corridor and to give input into the need for safer movement for non-motorized users. There is more work to be done with greater input by Shelburne residents before an acceptable design will be finalized. In the interim, the committee is working to improve safety for pedestrians along the segment between the fishing access and the Ti Haul Path.

The committee worked with the CCRPC on the Shelburne Gateway Pedestrian Safety and Mobility Study providing input into the design of potential infrastructure at the southern end of the town.

The committee worked with the Natural Resources Committee, and the Library Committee to improve connectivity in our town. We have started working with the Planning Commission to revise the Transportation Section of the Town Comprehensive Plan.

Respectfully submitted,  
Wendy Saville, Chair

Committee members: Steven Antinozzi, Kevin Boehmcke, Joplin James, Kate Lalley, Chris Trapeni, Jeff Zweber

### **TREE ADVISORY COMMITTEE**

The Tree Advisory Committee “speaks” for the trees of Shelburne! In 2017, we have accomplished the following:

- Actively worked towards “Tree City USA” designation for the Town. Next year the Committee will do an Arbor Day proclamation for the Shelburne Arbor Day celebration events.
- Developed a logo for our committee.



- Collaborated with the Shelburne Community School tree planting and the Shelburne Pierson Library “Meet and Greet”/educational exhibit in observance of Arbor Day on May 5th, 2017.
- Applied for and received a State Urban and Community Forestry Program (UCF) grant for aeration of tree roots on the Parade Ground.
- Expanded the town Tree Inventory. Worked with the State Urban and Community Forestry Program (UCF) on how to edit existing tree inventory data, and add additional tree inventory data in the Hullcrest neighborhoods.
- Advised the Tree Warden on the Tree Policy regarding a dead tree on private property affecting abutting property.
- Worked with Tree Warden on tree maintenance work on town roadways and town properties.
- Worked with Tree Warden on his efforts and consultation with the Veteran’s Memorial Committee regarding the Korean Maple tree removal.
- Developed a regular series of articles on trees called “LeafLit” that was published for several months in the Shelburne News.
- Worked on developing tree protection standards that must be followed for Town construction projects. The goal is to complete this in early 2018.
- Worked with the Parks and Recreation Committee on beach landscape masterplan.
- Worked with the New Library committee on the new library plans and plantings. As final/construction plans are developed, we will provide input on existing and proposed trees.
- Worked with Village Safety Group on their short and long-term goals for traffic calming and tree plantings.
- Had a booth at the Shelburne Farmer’s Market once a month with books and plants for sale and educational materials available on tree species, care and maintenance.

Dawn Keough Schmidt resigned from our committee in October due to work commitments. We thank her for all her input and efforts creating our new tree logo and “LeafLit” articles. Citizens interested in learning more about our committee or becoming a member are encouraged to attend our meetings that are scheduled on the second Wednesday of the month at the town offices.

The Committee will be continuing our efforts to help assure that the Town of Shelburne plans for and plants trees in the Town’s public spaces and road rights-of-way, advocates for proper maintenance of Town trees, and raises public awareness regarding the nature and beauty of Shelburne’s trees.

Respectfully submitted,  
Gail Henderson-King, Chair

Jan Gannon and  
Tod Warner  
working on tree  
inventory



The Hall Family  
at Shelburne  
Day 2017

## **SHELBURNE CEMETERY COMMISSION**

The Cemetery Commission was busy for FY 2017-18. The Village Cemetery had four conventional and nineteen cremation burials during this period. A total of ten lots were sold, four cremation lots and six conventional lots, in the Village Cemetery.

The Commission also updated the by-laws which is available to view on the Town's website.

The Commission would like to thank Ernie Goodrich, Gene LeClair and Pat Kingsland for their dedication for the maintenance of the cemeteries. Ernie and Gene do a wonderful job taking care of the grounds for the Village and Spear Street cemeteries. Pat is responsible for planting and maintaining the Cremation Garden and entrance gardens and provides a lovely vista for those who visit the cemeteries.

In this fiscal year, Chet Thabault left the Commission and Jennifer Brown joined as a Commissioner. In addition, there is an opening on the Commission, as Carole Carlson is stepping down. The Commission would like to thank her for her energy and contributions through the years. If there is any interest, please contact one of the Commissioners.

Respectfully submitted, Ron Gagnon, Deb Belcher, Stuart J. Morrow, Jennifer B. Brown

## **SHELBURNE ETHICS COMMITTEE**

The Ethics Committee members are committed and sincere in their efforts to serve Shelburne and uphold the standards of conduct and guidance outlined in the Ordinance so that all decisions made by public officials are based on the best interest of the Town and that no public official with a personal or financial interest in the outcome of a particular matter will appear in the eyes of the public to have influenced any decisions of the Town on that matter.

In 2017, the Ethics Committee revised its Rules of Procedure and drafted an article that was published in the Shelburne News to educate the public about the Ordinance.

Seven complaints were filed with the Ethics Committee in 2017.

- Two complaints were withdrawn before the Committee met to determine probable cause.
- The Committee dismissed and sealed three complaints because they failed to establish probable cause; i.e. the complaints failed to identify sufficient specific facts and circumstances to enable the Committee to form a reasonable belief that the respondent violated any provisions of the Ordinance or law.
- The Committee found that probable cause was established in two complaints. The two complaints were subsequently resolved through mediation.

The Committee is in the process of reviewing its experience of the past year to determine whether to recommend revisions to the Ordinance and its Rules of Procedure. The Committee consensus is that changes are in order, and it expects to publish its recommendations sometime March-May 2018.

Respectfully Submitted,

Lee Suskin, Chair, Tom Little, Vice Chair, Mike Ashooh, Bill Deming, Gwen Webster, Pete Gadue, Alternate

## SHELBURNE SOCIAL SERVICES COMMITTEE

During 2017, the Social Services committee focused on those Shelburne residents who are in need but are not being served by the traditional social service organizations. Our journey this year has led us to look for ways to discover the needs of Shelburne residents, interview experts to understand solutions, come to terms with our limited resources and search for creative approaches that will have an impact. To this end, the committee discussed criteria for funding area agencies and created a Funding Request Form and a rubric to aid in prioritizing grant requests. In addition, the committee has requested the funded entity to provide some update on how the funds are utilized. We continue to review all requests, from both within Shelburne Town organizations and outside of Town agencies.

During the past year the Committee has reviewed presentations by representatives of the Visiting Nurse Association, the Vermont Agency of Human Services, Age Well Vermont, Champlain Housing Trust, Shelburne Community School, The Shelburne Food Shelf, Let's Grow Kids, The Howard Center, Peace and Justice Center, The Pierson Library and the Shelburne Police Department.

The Committee has emphasized to local, regional and other agencies that while we may contribute funds to any agency serving Shelburne residents, we are available to offer support in situations where Individuals or groups are deemed worthy by the agency but “fall through the cracks” for one reason or another. The Shelburne Select Board approved a motion allowing the committee to fund up to \$5,000 without Select Board approval.

The Social Services Committee created the Funding Request Form and Rubric to guide (but not mandate) our funding process. In the past 6 months the Committee has disbursed about half of the FY2017-18 budget. The Committee expects to continue this deliberate pace and disburse the remaining funds during the second 6 months of the fiscal year. Disbursements have been made to the following agencies: Shelburne Craft School and Shelburne Recreation Department for scholarships, AgeWell to fund Meals on Wheels and Senior Meal Ticket program, Visiting Nurse Association for home healthcare and hospice services, and The American Red Cross for emergency assistance. In addition, the committee has funded two educational programs: **Mental Health First Aid** for adults and **Disrupting Racism** sponsored by the Peace and Justice Center. The Committee collaborated with the Shelburne Food Shelf initiative to provide the **Summer Lunch Program**.

A survey of Shelburne Child Caregivers was conducted to gather information as the committee continues to discuss approaches to support Shelburne child caregivers and families who need affordable childcare. Other informational activities include articles in the Shelburne News publicizing Howard Center crisis services, the availability of free lock boxes for medicines, and free safety gun locks; also, an article on water safety and availability of swimming lessons.

Georgene Grover, Chair

## HISTORIC PRESERVATION AND DESIGN REVIEW COMMISSION

Founded in the mid-1980s, the Commission (HPDRC) makes recommendations to the Development Review Board (DRB) for projects in the Village Historic Preservation and Design Review Overlay District, and assists the Town by enabling educational and planning projects funded by federal, state and local grants. The Commission meets regularly—typically twice each month—to consider applications for changes to buildings and their sites (including demolition), all of which affect the character and economic vitality of the District. The Commission was responsible for placing portions of Shelburne Village on the National Register of Historic Places and obtained federal and state grants to fund the Shelburne Village Plan, which guides changes to the Town's zoning ordinance. The Commission also reviews projects involving Town-owned properties within the Village District.

Since its beginnings, Design Review in the Overlay District has assisted owners in the successful renovation of many buildings, not only contributing to the appearance of our Town, but also to the Town's economy.

The Commission applies the Town's Village Design Review Guidelines (which are incorporated into the Town's zoning bylaws) when it reviews projects located in the Village Design Review Overlay District. The Guidelines also inform other planning activities. You may view the free Guidelines at <http://www.shelburnevt.org/DocumentCenter/Home/View/2013>.

The Commission appreciated the opportunity to speak directly to the Selectboard and Planning Commission about our work and the concerns we have about protecting the cultural assets of the Town.

For the first time in many years, the Commission had a four-hour retreat Dean Pierce conducted to discuss ways to incentivize the preservation instead of demolition of historic buildings in the Village District.

In the upcoming year, we anticipate working with the Planning Commission to ameliorate potential concerns that could result if zoning changes are made in the future to accommodate "pocket neighborhoods" or "Village compatible" infill developments.

Commission members in 2017 – all of whom agreed to serve in 2018 – included (in alphabetical order): Fritz Horton, Tom Koerner, Ann Milovsoroff, Dorothea Penar, Marc Vincent, Eileen Warner and David Webster. From time to time, members retire or leave for personal reasons, leaving openings for new members. Citizens with education and/or experience in historic preservation and design-related areas of expertise who wish to join the Commission are encouraged to forward letters of interest to the Town Manager's office.

The SHPRC benefits greatly from the assistance of Dean Pierce (Director of Planning and Zoning) and the Planning Department staff to maintain the level and quality of service the Commission offers the Town and its residents.

Respectfully Submitted, Fritz Horton Chairperson

## **SHELBURNE HISTORICAL SOCIETY**

The Shelburne Historical Society had another busy year in 2017. Four years after incorporation, we have established a solid base of membership support within the Shelburne community. Our speaker programs are very well attended, (averaging over 100 attendees per event). Last year, we hosted Chris Sabick of the Lake Champlain Marine Museum, also had a review of agricultural history in Vermont, and highlighting the history of Shelburne Farms.

In February 2018, we are hosting (with the Pierson Library), Willard Sterne Randall, presenting the War of 1812 on Lake Champlain. Shelburne resident Prof. Daniel Bean will give a talk on the Orphan Train in April, and then in June, Linda Towle will help us celebrate 70 years of the IGA store's history.

Roz Graham and Odale Cress continue to write articles in the Shelburne News in our featured column, "Living Our Legacy".

Work on a new Shelburne Historical Society research website by our Board member Paul Irish, is very exciting. Our hope is the website will be launched in late spring. The SHS Board is also very excited about the renovation of the Town Hall and the plans for the Society to have a permanent office and display space for our collection and exhibits in the lower level of the building.

The SHS meets on the third Monday of most months at 6:30PM at the Town Offices. Our meetings are open to members and non-members alike. Please join us.

Current Board Members: Tom Anderson, Roz Graham, Stuart Morrow, Dorothea Penar, David Webster, Alice Winn, Sue Moraska, Odale Cress, Joan Madison, and Paul Irish.

Active volunteers of the SHS mission: Toni Hill, Toby Knox, and Rick Norcross.

Respectfully submitted by,

Dorothea Penar

### **VETERANS COMMITTEE**

The Shelburne Veteran's Monument Committee has had a busy year. We attended every Farmer's Market from late May to early October. The purpose of the market is to raise funds, increase awareness and oversee the monument. We plan to continue the markets in 2018 with signage improvement and changes in scheduling. The location of our tent is helpful in that we are able to interact with people within sight of the monument.

We will submit, in 2018, the transfer of names of World War 1 and World War 2 veterans that are on the plaques at the old Pierson Library building and the Town Hall to the site of the flagpole at the Monument. They will be etched in stone. We also plan to fund raise for part of the funds needed for this project.

The trees at the site were removed recently with the help of Paul Goodrich and his crew, VJ Comai and Tree Committee member David Hall. The trees will be replanted in other sites in Shelburne in the spring. Many thanks to the above named for their donation of time and energy to this project.

We had three other activities that need to be acknowledged. Green Mountain Power installed a permanent light for the American flag. Zach Loiter, as an Eagle Scout project, completed the movable platform for our ceremonies. It was a "job well done." We are still taking new brick orders and anticipate fifteen new brick installations before Memorial Day.

The Committee elections will be in February and we expect to add two or three new active members.

Credit is given to Joe Colangelo, the Planning and Zoning office and their committees and the Town Highway department under Paul Goodrich for their assistance and other Town staff for their responsiveness to our needs during this year. We also note the financial assistance given us by the Rotary club and SBPA for our Memorial Day program.

We must cite a most active and cohesive Committee who has accomplished much this year.

Respectfully submitted,

Sam Feitelberg, Committee Chairman

### **NATURAL RESOURCES AND CONSERVATION COMMITTEE**

SNRCC found 2017 an extremely busy year. Our two crowning 2017 accomplishments were the delivery of our new Open Space Plan (OSP) and Conservation of the Barr Farm. The OSP was reviewed and accepted by the Select Board and embraced by the PC as a valuable tool to guide their work on the new Town Plan. While input to the OSP was offered by the entire committee, special recognition is due to Peg Rosenau and Sean MacFaden who worked tirelessly for two years structuring and writing the plan, to Joannah Ralston, graphic designer and former SNRCC member whose pro bono work produced the beautiful document, and to Wes Dunn, our Editor.

Conservation of the 154 acre Barr Farm on Pond Road was accomplished in partnership with the Vermont Land Trust has insured its continued protection and agricultural use in perpetuity. This project was accomplished with a \$150,000 contribution from our Open Space Fund, \$500 k from the VT Housing Conservation Board and the USDA, and \$43k from private donors. Conservation projects like this are only possible thanks to the Town's foresight in voting to set aside monies each year via a Ballot Item offered on Town Meeting Day. We continued work this year on another important conservation effort that we hope will come to fruition in the coming year.

Among the major goals SNRCC set in 2017 were 1) to increase our collaboration with the Planning Commission and other Town entities and 2) to continue to focus ourselves on issues related to water quality and storm water mitigation. We have pursued these goals attentively. Our member, Susan Moegenburg is participating in a Town committee exploring how the Town will address stormwater and the viability of creating or collaborating in a storm water utility. Members of SNRCC also participated with the Town Manager and members of the Select Board in a subcommittee to respond to the proposed requalification of the LaPlatte wetland from Class II to Class I. We are also working closely with the Planning Commission as they craft the new Town Plan and, following a joint Retreat, have created an SNRCC subcommittee consisting of Gail Albert, Susan Moegenberg, Don Rendall and Peggy Day to review and suggest updates to Natural and Scenic Resources and Land Conservation section of the Town Plan.

Beyond these special projects, SNRCC has continued our regular participation in Development Review. With the DRB's adoption of on-the-record review, we have needed to gain greater familiarity with the specific language of the Town Plan to ensure our recommendations comply closely with the language of the plan. Our work with PC on the Plan's revision has definitely helped us extend our familiarity with that language and with the Zoning Laws and Subdivision Regulations and should allow our recommendations to be given greater import. Review of the ongoing proposal to build a large subdivision on the western portion of Kwiniaska Golf Course continues. We also commented on other proposed projects, large and small, throughout the year, participated in the PC's discussions of the newly adopted Form Based Code and offered comments regarding clarification of regulations defining Integrated Agriculture.

2017 also marked the time that SNRCC reached its designated membership of 9 members. When Thomas Newcomb retired from his seat our former student member, Kyle Bergeron was "promoted" and appointed as a full voting member to fill his seat. (Kyle also accompanied Town Manager, Joe Colangelo, to a conference where he spoke about Shelburne's innovative student internship program and about his experience as a student board member.) Three new members filled out the SNRCC roster including Fred Morgan, Peggy Day and Jon Cocina.

We welcome townspeople to participate in our meetings which generally occur in Meeting Room 2 at the Town Office on the second Wednesday of the month.

Respectfully submitted,

Gail Albert, Chair; Sean MacFaden, Vice-Chair, Peg Rosenau, Susan Moegenburg, Don Rendall, Kyle Bergeron, Fred Morgan, Peggy Day and Jon Cocina

## **REPORTS OF OUTSIDE AGENCIES**

Due to space limitations, we are unable to include reports from other outside agencies that have been part of this Town Report in previous years. The following links contain information from these agencies:

Champlain Water District: <http://www.champlainwater.org/>

Chittenden County Regional Planning Commission: <http://www.ccrpcvt.org/>

Chittenden Solid Waste District: <http://cswd.net/>

Vermont League of Cities & Towns: <http://www.vlct.org/>

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AUDIT REPORT  
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TOWN OF SHELburnE, VERMONT  
AUDIT REPORT  
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**Sullivan, Powers & Co., P.C.**  
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Page #

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Independent Auditor's Report

Selectboard  
Town of Shelburne  
5420 Shelburne Road  
P.O. Box 88  
Shelburne, Vermont 05482

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Shelburne, Vermont, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Shelburne, Vermont's basic financial statements as listed in the Table of Contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Members of The American Institute and Vermont Society of Certified Public Accountants

(1)



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Shelburne, Vermont, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Other Matters***

##### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 12, and the budgetary comparison Schedule of the General Fund, the Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Contributions for the Town's participation in VMERS, presented in Schedules 1 through 3, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

##### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Shelburne, Vermont's basic financial statements. The combining fund financial statements and budgetary comparison schedules of the Water and Sewer Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

(2)

##### ***Other Reporting Required by "Government Auditing Standards"***

In accordance with "Government Auditing Standards", we have also issued our report dated February 20, 2018 on our consideration of the Town of Shelburne, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Shelburne, Vermont's internal control over financial reporting and compliance.

February 20, 2018  
Montpelier, Vermont  
VT Lic. #92-000180



(3)

TOWN OF SHELBURNE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017

Our discussion and analysis of the Town of Shelburne, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2017. This report should be read in conjunction with the Town's financial statements.

**Financial Highlights**

- The Town's combined net position increased by \$631,235 as a result of this year's operations. Net position of our business-type activities increased by \$430,233 and net position of our governmental activities increased by \$201,002.
- In the Town's business-type activities, revenues and capital contributions were \$3,174,353 while expenses were \$2,623,850. Net position at June 30, 2017 totaled \$10,982,976.
- The cost of all of the Town's programs was \$10,670,356 this year, with no new programs added.
- The General Fund reported a surplus on a budgetary basis this year of \$49,348 which was \$49,348 better than budgeted.
- The unassigned fund balance in the General Fund at June 30, 2017 was \$557,569. This amount is available for future year budgets.
- The Non-major Funds reported a deficit of \$177,439 this year which decreased the cumulative surplus to \$1,350,420.

**Using This Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits A and B) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on Exhibit C. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside the government.

*Reporting the Town as a Whole*

The government-wide financial statements are on Exhibit A and B. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TOWN OF SHELBURNE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(Continued)

These two statements report the Town's net position and changes in them. You can think of the Town's net position – the difference between assets, liabilities and deferred inflows/outflows of resources – as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads and other infrastructure assets, to assess the overall health of the Town.

The Statement of Net Position and the Statement of Activities in Exhibits A & B divides the Town into two kinds of activities:

- **Governmental activities** – Most of the Town's basic services are reported here, including the police, public safety, highway and public works, health and welfare, recreation and parks, library and general administration. Property taxes, grants and miscellaneous fees finance most of these activities.
- **Business-type activities** – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's sewer and water department activities are reported here.

*Reporting the Town's Most Significant Funds*

The fund financial statements in Exhibits C through H provide detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Selectboard establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds – governmental and proprietary – use different accounting approaches.

- **Governmental funds** – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Exhibits C and E describe the relationship and differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in Exhibits C and D.
- **Proprietary funds** – When the Town charges customers for the services it provides – whether to outside customers or to other units of the Town – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The Town of Shelburne's Water and Sewer Department operations are accounted for as Proprietary Funds.

TOWN OF SHELBURNE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(Continued)

**The Town as a Whole** (Governmental and Business Type Activities)

The Town's combined net position increased by \$631,235 from 2016, increasing from a balance of \$21,928,166 to \$22,559,401. Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

Table 1 includes a comparison of these two years.

	Table 1					
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Current and Other Assets	\$ 3,626,169	\$ 3,352,266	\$ 1,711,457	\$ 1,516,037	\$ 5,337,626	\$ 4,868,303
Capital Assets	12,572,271	12,671,731	14,574,762	14,557,935	27,147,033	27,229,666
Total Assets	16,198,440	16,023,997	16,286,219	16,073,972	32,484,659	32,097,969
Deferred Outflows of Resources	532,734	298,930	71,870	42,573	604,604	341,503
Current Liabilities	1,041,935	1,106,545	991,367	947,153	2,033,302	2,053,698
Long-term Liabilities	3,608,843	3,768,929	4,383,746	4,616,649	7,992,589	8,385,578
Total Liabilities	4,650,778	4,875,474	5,375,113	5,563,802	10,025,891	10,439,276
Deferred Inflows of Resources	503,971	72,030	0	0	503,971	72,030
Net Investment in Capital Assets	9,359,271	9,000,531	9,594,990	9,269,045	18,954,261	18,269,576
Restricted	927,045	912,612	0	0	927,045	912,612
Unrestricted	1,290,109	1,462,280	1,387,986	1,283,698	2,678,095	2,745,978
Total Net Position	\$ 11,576,425	\$ 11,375,423	\$ 10,982,976	\$ 10,552,743	\$ 22,559,401	\$ 21,928,166

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$1,290,109 at June 30, 2017 for the governmental activities.

The unrestricted net position of our business-type activities was \$1,387,986 at June 30, 2017. The Town generally can only use this net position to finance the continuing operations of the sewer and water departments.

**TOWN OF SHELBURNE, VERMONT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2017**  
(Continued)

**Table 2**  
**Change in Net Position**

	Governmental Activities FY 2017	Governmental Activities FY 2016	Business-type Activities FY 2017	Business-type Activities FY 2016	Total FY 2017	Total FY 2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,370,599	\$ 1,316,970	\$ 3,005,503	\$ 2,752,488	\$ 4,376,102	\$ 4,069,458
Operating Grants and Contributions	878,153	609,343	0	0	878,153	609,343
Capital Grants and Contributions	40,173	29,361	168,850	136,598	209,023	165,959
General Revenues:						
Property Taxes	5,672,565	5,470,605	0	0	5,672,565	5,470,605
Penalties and Interest on Delinquent Taxes	75,460	88,425	0	0	75,460	88,425
General State Grants	173,909	166,987	0	0	173,909	166,987
Unrestricted Investment Earnings	19,337	11,723	5,942	6,945	25,279	18,668
Gain on Sale of Equipment	0	31,046	11,300	0	11,300	31,046
Other Revenues	24,489	42,966	108,432	320,845	132,921	363,811
Total Revenues	8,254,685	7,767,426	3,300,027	3,216,876	11,554,712	10,984,302
Expenses:						
General Government	2,270,225	2,253,398	0	0	2,270,225	2,253,398
Public Safety	3,050,309	2,948,531	0	0	3,050,309	2,948,531
Highways and Public Works	1,681,240	1,543,883	0	0	1,681,240	1,543,883
Community Development	0	0	0	0	0	0
Health and Welfare	38,000	38,000	0	0	38,000	38,000
Recreation and Parks	465,151	474,423	0	0	465,151	474,423
Library	428,674	385,732	0	0	428,674	385,732
Cemetery	50,542	0	0	0	50,542	0
Interest on Long-term Debt	62,365	171,437	0	0	62,365	171,437
Water	0	0	1,072,343	1,061,470	1,072,343	1,061,470
Sewer	0	0	1,551,507	1,510,613	1,551,507	1,510,613
Total Expenses	8,046,506	7,815,404	2,623,850	2,572,083	10,670,356	10,387,487
Special Item: Transfer of Water Tank to Champlain Water District	0	0	(253,121)	0	(253,121)	0
Transfers	(7,177)	(5,000)	7,177	5,000	0	0
Increase/(Decrease) in Net Position	\$ 201,002	\$ (52,978)	\$ 430,233	\$ 649,793	\$ 631,235	\$ 596,815

Table 3 presents the cost of each of the Town's programs – General Government, Public Safety, Highways and Public Works, Health and Welfare, Recreation & Parks and Library and interest on long-term debt – as well as each program's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**Table 3**  
**Governmental Activities**

	FY 2017 Total Cost of Services	FY 2016 Total Cost of Services	FY 2017 Net Cost of Services	FY 2016 Net Cost of Services
General Government	\$ 2,270,225	\$ 2,253,398	\$ 1,758,404	\$ 1,726,851
Public Safety	3,050,309	2,948,531	1,970,231	2,049,649
Highways and Public Works	1,681,240	1,543,883	1,405,738	1,329,263
Community Development	0	0	0	0
Health and Welfare	38,000	38,000	38,000	38,000
Recreation and Parks	465,151	474,423	200,872	184,763
Library	428,674	385,732	282,429	359,767
Cemetery	50,542	0	39,542	0
Interest on Long-Term Debt	62,365	171,437	62,365	171,437
Totals	\$ 8,046,506	\$ 7,815,404	\$ 5,757,581	\$ 5,859,730

TOWN OF SHELBURNE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(Continued)

**The Town's Funds**

As the Town completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$2,428,498 which represents an decrease of \$93,976 from last year's total of \$2,522,474. Included in this year's total change in fund balance is an increase of \$83,463 in the Town's General Fund balance, and a decrease of \$177,439 in the other non-major governmental funds.

Schedule 1 compares actual to budget results for the General Fund, which includes the budget approved by voters. The summary of budget vs actual amounts follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ 7,379,765	\$ 7,684,590	\$ 304,825
Transfers In	<u>359,461</u>	<u>303,708</u>	<u>(55,753)</u>
Total Revenues + Transfers In	<u>7,739,226</u>	<u>7,988,298</u>	<u>249,072</u>
Expenditures	7,580,326	7,780,116	(199,790)
Transfers out	<u>158,900</u>	<u>158,834</u>	<u>66</u>
Total Expenditures + Transfers Out	<u>7,739,226</u>	<u>7,938,950</u>	<u>(199,724)</u>
Difference	\$ <u>0</u>	\$ <u>49,348</u>	\$ <u>49,348</u>

The actual results show Revenues & Transfers In exceeded Expenditures & Transfers Out by \$49,348, which was a positive variance of \$49,348.

**Significant Budget vs Actual Variances**

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<b>General Fund Revenues</b>			
Property Taxes & Late Fees	\$ 5,729,487	\$ 5,696,178	\$ (33,309)
Transfer From Records Preserv. Fund	68,000	22,385	(45,615)
Police Department	447,830	787,389	339,559
Planning & Zoning Grants	50,000	6,161	(43,839)
Transfer From Ambulance Fund	240,751	264,877	24,126
All Other	<u>1,203,158</u>	<u>1,211,308</u>	<u>8,150</u>
Total	<u>7,739,226</u>	<u>7,988,298</u>	<u>249,072</u>
<b>General Fund Expenditures</b>			
Legal Services	\$ 32,000	\$ 257,283	\$ (225,283)
Town Manager Office	195,435	212,811	(17,376)
Administration- Municipal Offices	99,095	88,131	10,964
Town Clerk/Treasurer	205,474	223,885	(18,411)
Records Automation	50,000	15,667	34,333
Planning/Zoning	315,198	264,540	50,658
Assessor's Office	100,531	78,536	21,995
Buildings/Grnds. Expenditures	403,530	488,050	(84,520)
Police Department	1,618,859	1,758,184	(139,325)
Fire Department	203,501	186,310	17,191
Public Safety Dispatch	633,709	656,183	(22,474)
Highway Dept.	1,237,332	1,090,085	147,247
Shelburne Rescue	237,598	274,169	(36,571)
Library	376,149	390,019	(13,870)
Employee Benefits	120,950	60,212	60,738
All Other	<u>1,909,865</u>	<u>1,894,885</u>	<u>14,980</u>
Total	<u>7,739,226</u>	<u>7,938,950</u>	<u>(199,724)</u>
Revenues - Expenditures	\$ <u>0</u>	\$ <u>49,348</u>	\$ <u>49,348</u>

TOWN OF SHELBURNE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(Continued)

**General Fund Revenue Variances**

Total Property Taxes & Late fees were less than budget from two Board of Civil Authority decisions and an accounting adjustment for deferred revenue. Transfer from the Records Preservation Fund was less than budget by \$45,615 based on the actual work completed. Police Dept. revenues were greater than budget due to increased grant funded traffic enforcement details. Planning & Zoning Grant revenue was less than budget based on actual grants received. The transfer from the Ambulance Fund was greater than budget as a result of Crew chief positions being filled by per diems instead of volunteers.

**General Fund Expenditure Variances**

Legal Expenditures exceeded budget as a result of litigation associated with construction of a salt storage facility in Shelburne and two appeal cases heard by the Development Review Board. Town Manager office expense was greater than budget due to a revised employment contract and filling the full time Director of Administration position. Administrative Expense was less than budget due to postponing computer and equipment replacements to help offset the higher legal costs. Town Clerk office expense was greater than budget from a retirement benefit paid and transitioning to a structure with the Town Clerk and Town Treasurer becoming separate positions. Records automation expense was less than budget based on the work completed. Planning/Zoning office expense was less than budget as a result of fewer grant funded projects. Assessing office expense was less than budget due to a vacancy in the Administrative Asst. position. Building/grounds expense was greater than budget from the capital projects completed. Police Dept. expenses were greater than budget from the grant funded enforcement details described in the revenue section combined with staff vacancies requiring overtime to cover shifts. Fire Dept. expenditures were less than budget, caused by deferral of a capital project to the following year, to partially offset the higher legal expenses. Public Safety Dispatch expenditures were greater than budget due to staff vacancies, which required overtime to fill shifts. Highway expenditures were less than budget from the delay in a sidewalk construction project, and postponement of other highway projects to offset the increased legal expenses described above. Shelburne Rescue expenditures were greater than budget from hiring per diems to fill crew chief shift positions. This additional cost was offset by Transport revenues. Library expenditures were greater than budget from salaries, utility and building expenses. Benefit costs were less than budget due to lower employee health reimbursement payments.

TOWN OF SHELBURNE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(Continued)

**Water and Sewer Fund Operating Budget Variations**

The Water and Sewer budget vs actual results, prepared for rate setting purposes (non GAAP) for the year ended June 30, 2017 are shown in Schedules 12 & 13.

<b>WATER FUND (see Schedule 12)</b>	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable)</b>
Revenues	\$ 1,128,407	\$ 1,170,715	\$ 42,308
Expenses	1,128,407	1,076,323	52,084
Net Income (Loss)	<u>\$ 0</u>	<u>\$ 94,392</u>	<u>\$ 94,392</u>

<b>SEWER FUND (see Schedule 13)</b>	<b>Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable)</b>
Revenues	\$ 1,855,659	\$ 1,962,417	\$ 106,758
Expenses	1,855,659	1,820,126	35,533
Net Income (Loss)	<u>\$ 0</u>	<u>\$ 142,291</u>	<u>\$ 142,291</u>

**Water Fund**

On a budgetary (non GAAP) basis, the Water Fund operating budget ended the year with a surplus of \$94,392, which was better than budget by \$94,392. Revenues exceeded budget by \$42,308. Revenues from water sales exceeded budget by \$76,259. Purchased water cost was greater than budget by \$13,197. Engineering costs were greater than budget by \$11,846 due a capacity analysis for a section of water line and monitoring a line replacement project. Outside contractor costs were less than budget by \$18,802 due to fewer line breaks and repairs. Line maintenance cost was less then budget by \$22,476 due to a planned maintenance project not being needed. Health insurance costs were less than budget by \$15,278 as a result of fewer deductible reimbursements. Debt payments were less than budget by \$16,719 due to timing of loan payments and not initiating an internal loan that was planned. A \$10,000 transfer to the capital fund was not done in order to increase the fund balance, which had decreased to below the recommended level in the prior year.

**Sewer Fund**

On a budgetary (non GAAP) basis, the Sewer Fund operating budget ended the year with a surplus of \$142,291, which was better than budget by \$142,291. Revenues were greater than budget by \$106,758 and expenses were less than budget by \$35,533. Revenues exceeded budget as a result of increased sewer and septage hauler sales and an accounting accrual for unbilled sales. Expenses were less than budget for plant maintenance, project engineering and debt payments were less than budget by \$22,589 as a result of a loan amortization adjustment. Collection system expense exceeded budget from capital projects that were completed. A vehicle replacement cost exceeded budget as it was paid from the operating budget instead of being financed, given the other positive budget variances.



TOWN OF SHELBURNE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(Continued)

**Capital Assets and Debt Administration**

*Capital Assets*

At June 30, 2017, the Town had \$27,147,033 invested in a broad range of capital assets, including police, ambulance and fire equipment, buildings and water and sewer lines, net of accumulated depreciation. (See Table 4 below). This amount represents a net decrease (including additions, disposals and depreciation) of \$82,633 from last year.

Table 4  
Capital Assets at Year-End  
(Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016
Land	\$ 1,430,571	\$ 1,280,571	\$ 11,000	\$ 11,000	\$ 1,441,571	\$ 1,291,571
Construction in Progress	164,240	110,763	114,760	90,837	279,000	201,600
Buildings and Improvements	3,296,192	3,602,380	503,321	537,232	3,799,513	4,139,612
Vehicles and Equipment	2,071,229	2,012,074	415,452	316,549	2,486,681	2,328,623
Infrastructure	5,347,648	5,411,700	0	0	5,347,648	5,411,700
Water and Sewer Systems	0	0	13,530,229	13,602,317	13,530,229	13,602,317
Library	262,391	254,243	0	0	262,391	254,243
	<u>\$ 12,572,271</u>	<u>\$ 12,671,731</u>	<u>\$ 14,574,762</u>	<u>\$ 14,557,935</u>	<u>\$ 27,147,033</u>	<u>\$ 27,229,666</u>

*Debt Administration*

At June 30, 2017, the Town had \$8,192,772 in bonds and notes payable outstanding versus \$8,960,090 on June 30, 2016 – a decrease of \$767,318 – as shown in Table 5.

Table 5  
Outstanding Debt at Year-End

	Governmental Activities		Business-type Activities		Total	
	FY2017	FY2016	FY2017	FY2016	FY2017	FY2016
Bonds and Notes Payable	<u>\$ 3,213,000</u>	<u>\$ 3,671,200</u>	<u>\$ 4,979,772</u>	<u>\$ 5,288,890</u>	<u>\$ 8,192,772</u>	<u>\$ 8,960,090</u>

TOWN OF SHELBURNE, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2017  
(Continued)

**Economic Factors and Next Year's Budgets and Rates**

The Town's elected and appointed officials considered many factors when setting the fiscal year 2018 budget, tax rates, and fees. One of those factors was the economy and unemployment in the region. Shelburne's unemployment rate was 2.0% in June 2017, compared to 2.2 % in June 2016. These rates remained below the state unemployment rate, which was 3.1% in June 2017 and 3.4% in June 2016. When adopting the budget for the 2017-2018 fiscal year, the Selectboard took into account operational and capital needs of the Town, and the impact of spending on the municipal tax rate. Shelburne's municipal property tax rate is competitive with other Chittenden County towns that provide similar services. Shelburne Property values continue be stable and the Town's 2017 common level of appraisal was 95.8%. A commercial park, occupied by a number of small to medium size businesses continues to add new buildings and tenants. The number of building permits issued each year has remained steady, with 137 permits issued in 2017 compared to 139 in the prior year. The Town grand list contains a mix of residential, commercial and industrial properties. The total assessed value of all taxable properties in Shelburne was \$1.52 billion in July 2017, which was an increase of 0.9% from 2016. Of the total grand list, 77% of the total value is from residential properties, 17% is from Commercial, Industrial and utility properties and 6% is from farm/land/miscellaneous properties. The town's commercial/industrial categories contain a mixture of retail, manufacturing and tourist uses as well as retirement communities.

As for the Town's business-type activities, the Selectboard approved a rate increase of 2.4% in the sewer user fee effective July 1, 2017. This increase was mainly due to increased operating expenses experienced with aging equipment. A \$3.0 million bond issue was passed in November 2016 to fund necessary equipment replacements. Collection system improvements funded by the bond will take place in 2018.

The water user fee increased by 6.6% effective July 1, 2017. Sales volumes, which previously had been decreasing, have stabilized within the last year. The Water and Sewer budgets have experienced lower annual sales in recent years due to conservation, weather, demographics and economic conditions. The Selectboard and Water Commission continue to monitor the activities of these funds closely with the objective of achieving stable rates while maintaining the system infrastructure, reliability and meeting regulatory requirements

**Stormwater**

The Munroe Brook passes through Shelburne and has been identified as an impaired waterway. The Town operates under a Municipal Separate Storm Sewer System ("MS4") Permit, which requires that a flow restoration plan be developed and implemented to eliminate sources of pollution flowing into Lake Champlain. Currently, the estimated cost to the Town of the necessary measures for this watershed is \$4,000,000. The town is currently working to create a stormwater utility that will start in July 2019 in order to meet the regulatory and financial requirements.

**Requests for Information**

This report is designed to provide an overview of the Town of Shelburne's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Manager or Finance Director, Town of Shelburne, 5420 Shelburne Road, P.O. Box 88, Shelburne, VT 05482. 802-985-5110.

TOWN OF SHELBURNE, VERMONT  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,291,754	\$ 208,053	\$ 1,499,807
Investments	1,302,403	637,875	1,940,278
Receivables (Net of Allowance for Uncollectibles)	1,089,029	743,419	1,832,448
Internal Balances	(112,518)	112,518	0
Prepaid Expenses	55,501	7,092	62,593
Inventory	0	2,500	2,500
Capital Assets:			
Land	1,430,571	11,000	1,441,571
Construction in Progress	164,240	114,760	279,000
Other Capital Assets, (Net of Accumulated Depreciation)	10,977,460	14,449,002	25,426,462
Total Assets	<u>16,198,440</u>	<u>16,286,219</u>	<u>32,484,659</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>532,734</u>	<u>71,870</u>	<u>604,604</u>
Total Deferred Outflows of Resources	<u>532,734</u>	<u>71,870</u>	<u>604,604</u>
<u>LIABILITIES</u>			
Accounts Payable	272,329	176,726	449,055
Accrued Payroll and Benefits Payable	79,984	11,917	91,901
Accrued Interest Payable	23,374	27,905	51,279
Unearned Revenue	33,248	14,511	47,759
Noncurrent Liabilities:			
Due Within One Year	633,000	760,308	1,393,308
Due in More than One Year	3,608,843	4,383,746	7,992,589
Total Liabilities	<u>4,650,778</u>	<u>5,375,113</u>	<u>10,025,891</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	83,971	0	83,971
Special Assessment	<u>420,000</u>	<u>0</u>	<u>420,000</u>
Total Deferred Inflows of Resources	<u>503,971</u>	<u>0</u>	<u>503,971</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	9,359,271	9,594,990	18,954,261
Restricted:			
Recreation	176,315	0	176,315
Cemetery	251,488	0	251,488
Highway Equipment	203,018	0	203,018
Records Preservation	119,854	0	119,854
Library	125,567	0	125,567
Other	50,803	0	50,803
Unrestricted	<u>1,290,109</u>	<u>1,387,986</u>	<u>2,678,095</u>
Total Net Position	<u>\$ 11,576,425</u>	<u>\$ 10,982,976</u>	<u>\$ 22,559,401</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF SHELBURNE, VERMONT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs:</b>							
Primary Government:							
Governmental Activities:							
General Government	\$ 2,270,225	\$ 483,729	\$ 28,092	\$ 0	\$ (1,758,404)	\$ 0	\$ (1,758,404)
Public Safety	3,050,309	613,235	466,843	0	(1,970,231)	0	(1,970,231)
Highways and Public Works	1,681,240	17,337	258,165	0	(1,405,738)	0	(1,405,738)
Health and Welfare	38,000	0	0	0	(38,000)	0	(38,000)
Recreation and Parks	465,151	242,080	22,199	0	(200,872)	0	(200,872)
Library	428,674	8,718	97,354	40,173	(282,429)	0	(282,429)
Cemetery	50,542	5,500	5,500	0	(39,542)	0	(39,542)
Interest on Long-term Debt	62,365	0	0	0	(62,365)	0	(62,365)
Total Governmental Activities	8,046,506	1,370,599	878,153	40,173	(5,757,581)	0	(5,757,581)
Business-Type Activities:							
Water	1,072,343	1,074,286	0	0	0	1,943	1,943
Sewer	1,551,507	1,931,217	0	168,850	0	548,560	548,560
Total Business-Type Activities	2,623,850	3,005,503	0	168,850	0	550,503	550,503
<b>Total Primary Government</b>	<b>\$ 10,670,356</b>	<b>\$ 4,376,102</b>	<b>\$ 878,153</b>	<b>\$ 209,023</b>	<b>(5,757,581)</b>	<b>550,503</b>	<b>(5,207,078)</b>
<b>General Revenues:</b>							
Property Taxes					5,672,565	0	5,672,565
Penalties and Interest on Delinquent Taxes					75,460	0	75,460
General State Grants					173,909	0	173,909
Unrestricted Investment Earnings					19,337	5,942	25,279
Other Revenues					24,489	108,432	132,921
Gain on Sale of Capital Assets					0	11,300	11,300
Transfers					(7,177)	7,177	0
Special Item:							
Transfer of Water Tank to Champlain Water District					0	(253,121)	(253,121)
Total General Revenues, Transfers and Special Item					5,958,583	(120,270)	5,838,313
<b>Change in Net Position</b>					201,002	430,233	631,235
<b>Net Position - July 1, 2016</b>					11,375,423	10,552,743	21,928,166
<b>Net Position - June 30, 2017</b>					<u>\$ 11,576,425</u>	<u>\$ 10,982,976</u>	<u>\$ 22,559,401</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF SHELBURNE, VERMONT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 1,175,406	\$ 116,348	\$ 1,291,754
Investments	884,998	417,405	1,302,403
Receivables (Net of Allowance for Uncollectibles)	1,089,029	0	1,089,029
Due from Other Funds	0	952,120	952,120
Prepaid Expenses	55,501	0	55,501
Total Assets	<u>\$ 3,204,934</u>	<u>\$ 1,485,873</u>	<u>\$ 4,690,807</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 259,504	\$ 12,825	\$ 272,329
Accrued Payroll and Benefits Payable	79,984	0	79,984
Due to Other Funds	942,010	122,628	1,064,638
Unearned Revenue	33,248	0	33,248
Total Liabilities	<u>1,314,746</u>	<u>135,453</u>	<u>1,450,199</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	83,971	0	83,971
Unavailable Property Taxes, Penalties and Interest	221,206	0	221,206
Unavailable Other Receivables	86,933	0	86,933
Special Assessment	420,000	0	420,000
Total Deferred Inflows of Resources	<u>812,110</u>	<u>0</u>	<u>812,110</u>
<u>FUND BALANCES</u>			
Nonspendable	55,501	0	55,501
Restricted	0	927,045	927,045
Committed	465,008	257,630	722,638
Assigned	0	206,935	206,935
Unassigned	557,569	(41,190)	516,379
Total Fund Balances	<u>1,078,078</u>	<u>1,350,420</u>	2,428,498
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,204,934</u>	<u>\$ 1,485,873</u>	
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:			
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.			12,572,271
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.			308,139
Deferred Outflows of Resources Related to the Town's Participation in VMERS are applicable to Future Periods and, therefore, are not Reported in the Funds.			532,734
Long-Term and Accrued Liabilities, Including Bonds Payable, are not Due or Payable in the Current Period and, Therefore, are Not Reported in the Funds.			<u>(4,265,217)</u>
Net Position of Governmental Activities			<u>\$ 11,576,425</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF SHELBURNE, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 5,620,718	\$ 0	\$ 5,620,718
Penalties & Interest on Delinquent Taxes	75,460	0	75,460
Intergovernmental	862,791	28,677	891,468
Charges for Services	848,040	27,049	875,089
Permits, Licenses & Fees	216,146	27,728	243,874
Rental Income	276,160	0	276,160
Investment Income	8,458	10,879	19,337
Contributions	0	172,819	172,819
Other	76,543	2,503	79,046
Total Revenues	<u>7,984,316</u>	<u>269,655</u>	<u>8,253,971</u>
Expenditures:			
General Government	1,988,813	115	1,988,928
Public Safety	2,797,796	8,786	2,806,582
Cemetery	49,992	550	50,542
Highways and Public Works	1,405,174	5	1,405,179
Health and Welfare	38,000	0	38,000
Recreation and Parks	341,936	31,105	373,041
Library	341,873	36,052	377,925
Capital Outlay:			
Public Safety	42,050	139,316	181,366
Highways and Public Works	176,545	179,369	355,914
Recreation and Parks	0	150,000	150,000
Library	48,146	42,948	91,094
Debt Service:			
Principal	481,200	150,000	631,200
Interest	62,148	1,851	63,999
Total Expenditures	<u>7,773,673</u>	<u>740,097</u>	<u>8,513,770</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>210,643</u>	<u>(470,442)</u>	<u>(259,799)</u>
Other Financing Sources/(Uses):			
Proceeds from Long-Term Debt	0	173,000	173,000
Transfers In	38,831	160,264	199,095
Transfers Out	(166,011)	(40,261)	(206,272)
Total Other Financing Sources/(Uses)	<u>(127,180)</u>	<u>293,003</u>	<u>165,823</u>
Net Change in Fund Balances	83,463	(177,439)	(93,976)
Fund Balances - July 1, 2016	<u>994,615</u>	<u>1,527,859</u>	<u>2,522,474</u>
Fund Balances - June 30, 2017	<u>\$ 1,078,078</u>	<u>\$ 1,350,420</u>	<u>\$ 2,428,498</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF SHELBURNE, VERMONT  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2017

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total government funds (Exhibit D)	\$ (93,976)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$778,374) is allocated over their estimated useful lives and reported as depreciation expense (\$874,586). This is the amount by which capital outlays exceeded depreciation in the current period.	(96,212)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, loss on disposals and donations) is to decrease net position.	(3,248)
The issuance of long-term debt (\$173,000) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$631,200) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	458,200
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	714
Governmental Funds report pension contributions as expenditures (\$108,836). However, in the Statement of Activities, the cost of pension benefits earned net of employer contributions (\$224,544) is reported as pension expense. This amount is due to the net effect of the differences in the treatment of pension expense.	(115,708)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>51,232</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 201,002</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF SHELBURNE, VERMONT  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 152,968	\$ 55,085	\$ 208,053
Investments	503,681	134,194	637,875
Receivables (Net of Allowance for Uncollectibles)	256,954	486,465	743,419
Due from Other Funds	0	886,358	886,358
Prepaid Expenses	2,661	4,431	7,092
Inventory	2,500	0	2,500
Total Current Assets	918,764	1,566,533	2,485,297
Noncurrent Assets:			
Land	0	11,000	11,000
Construction in Progress	0	114,760	114,760
Buildings and Building Improvements	41,989	1,677,024	1,719,013
Vehicles, Machinery and Equipment	129,457	508,999	638,456
Distribution/Collection Systems	4,986,985	16,996,969	21,983,954
Less: Accumulated Depreciation	(1,881,455)	(8,010,966)	(9,892,421)
Total Noncurrent Assets	3,276,976	11,297,786	14,574,762
Total Assets	4,195,740	12,864,319	17,060,059
Deferred Outflows of Resources:			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	17,635	54,235	71,870
Total Deferred Outflows of Resources	17,635	54,235	71,870
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	100,267	76,459	176,726
Accrued Payroll	4,540	7,377	11,917
Accrued Interest Payable	6,788	21,117	27,905
Unearned Revenue	10,622	3,889	14,511
Due to Other Funds	773,840	0	773,840
Bonds and Notes Payable - Current Portion	85,000	686,834	771,834
Total Current Liabilities	981,057	795,676	1,776,733
Noncurrent Liabilities:			
Compensated Absences Payable	34,050	18,551	52,601
Net Pension Liability	26,843	84,838	111,681
Bonds and Notes Payable - Noncurrent Portion	945,000	3,262,938	4,207,938
Total Noncurrent Liabilities	1,005,893	3,366,327	4,372,220
Total Liabilities	1,986,950	4,162,003	6,148,953
<u>NET POSITION</u>			
Net Investment in Capital Assets	2,246,976	7,348,014	9,594,990
Unrestricted / (Deficit)	(20,551)	1,408,537	1,387,986
Total Net Position	\$ 2,226,425	\$ 8,756,551	\$ 10,982,976

The accompanying notes are an integral part of this financial statement.



TOWN OF SHELBURNE, VERMONT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 1,044,954	\$ 1,910,252	\$ 2,955,206
Penalties & Interest	9,267	20,965	30,232
Painting & Repair Reimbursement from Champlain Water District	59,000	0	59,000
Meter Reading Reimbursement from Sewer Fund	20,065	0	20,065
Miscellaneous	5,174	15,978	21,152
Total Operating Revenues	<u>1,138,460</u>	<u>1,947,195</u>	<u>3,085,655</u>
Operating Expenses:			
Salaries and Wages	194,519	310,754	505,273
Administrative Charges	44,659	44,659	89,318
Meter Reading Charges	0	20,065	20,065
Benefits	76,569	118,346	194,915
Insurance	17,098	41,350	58,448
Professional Services	8,224	23,323	31,547
Communications	2,484	7,890	10,374
Utilities	0	202,482	202,482
Sludge Removal	0	70,616	70,616
Water Supply & Engineering	386,828	0	386,828
Maintenance	193,359	132,977	326,336
Chemicals	0	48,394	48,394
Depreciation	102,349	435,345	537,694
Other Operating Expenses	16,356	63,358	79,714
Total Operating Expenses	<u>1,042,445</u>	<u>1,519,559</u>	<u>2,562,004</u>
Operating Income	<u>96,015</u>	<u>427,636</u>	<u>523,651</u>
Non-Operating Revenues/(Expenses):			
Water Tank Revenue	28,280	0	28,280
Gain on Sale of Capital Assets	0	11,300	11,300
Investment Income	3,975	1,967	5,942
Interest Expense	(29,898)	(31,948)	(61,846)
Total Non-Operating Revenues/(Expenses)	<u>2,357</u>	<u>(18,681)</u>	<u>(16,324)</u>
Income Before Capital Contributions, Transfers and Special Items:	98,372	408,955	507,327
Transfers In	0	7,177	7,177
Capital Contributions - Connection Fees	0	168,850	168,850
Special Item: Transfer of Water Tank to Champlain Water District	(253,121)	0	(253,121)
Change in Net Position	(154,749)	584,982	430,233
Net Position - July 1, 2016	<u>2,381,174</u>	<u>8,171,569</u>	<u>10,552,743</u>
Net Position - June 30, 2017	<u>\$ 2,226,425</u>	<u>\$ 8,756,551</u>	<u>\$ 10,982,976</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF SHELBURNE, VERMONT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 1,062,648	\$ 1,871,098	\$ 2,933,746
Other Receipts	64,174	15,978	80,152
Payments for Goods and Services	(584,776)	(572,471)	(1,157,247)
Payments for Interfund Services	(268,299)	(413,151)	(681,450)
Payments for Wages and Benefits	(44,659)	(64,724)	(109,383)
Net Cash Provided by Operating Activities	<u>229,088</u>	<u>836,730</u>	<u>1,065,818</u>
Cash Flows From Noncapital Financing Activities:			
Water Tank Rental Revenue	28,280	0	28,280
Transfers from Other Funds	0	7,177	7,177
Decrease/(Increase) in Due from Other Funds	(72,477)	(232,533)	(305,010)
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(44,197)</u>	<u>(225,356)</u>	<u>(269,553)</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds of Long-Term Debt	360,000	0	360,000
Proceeds from Sale of Fixed Assets	5,000	13,800	18,800
Capital Contributions-Connection Fees	0	168,850	168,850
Acquisition and Construction of Capital Assets	(540,591)	(274,551)	(815,142)
Principal Paid on:			
General Obligation Bonds	(85,000)	(584,118)	(669,118)
Interest Paid on:			
General Obligation Bonds	(28,013)	(19,354)	(47,367)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(288,604)</u>	<u>(695,373)</u>	<u>(983,977)</u>
Cash Flows from Investing Activities:			
Net Change in Certificates of Deposit	104,563	64,474	169,037
Receipt of Interest	3,975	1,967	5,942
Net Cash Provided by Investing Activities	<u>108,538</u>	<u>66,441</u>	<u>174,979</u>
Net Increase/(Decrease) in Cash	4,825	(17,558)	(12,733)
Cash - July 1, 2016	<u>148,143</u>	<u>72,643</u>	<u>220,786</u>
Cash - June 30, 2017	<u>\$ 152,968</u>	<u>\$ 55,085</u>	<u>\$ 208,053</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income	\$ 96,015	\$ 427,636	\$ 523,651
Depreciation	102,349	435,345	537,694
(Increase)/Decrease in Receivables	(12,942)	(52,146)	(65,088)
Increase/(Decrease) in Accounts Payable	42,234	22,350	64,584
(Increase)/Decrease in Prepaid Expenses	(2,661)	(4,431)	(7,092)
Increase/(Decrease) in Pension Liabilities	9,497	34,070	43,567
(Increase)/Decrease in Deferred Outflows of Resources	(6,982)	(22,315)	(29,297)
Increase/(Decrease) in Accrued Payroll	274	4,194	4,468
Increase/(Decrease) in Unearned Revenue	1,304	(7,973)	(6,669)
Net Cash Provided by Operating Activities	<u>\$ 229,088</u>	<u>\$ 836,730</u>	<u>\$ 1,065,818</u>

Non-Cash Capital and Related Financing Activities:

In the Water Fund, a water tank was donated to the Champlain Water District with a cost of \$370,589 and accumulated depreciation of \$117,468.

In the Water Fund, a truck was sold to the Highway Department for the salvage value of \$5,000 with a cost of \$28,325 and accumulated depreciation of \$23,325.

In the Sewer Fund, equipment was sold for \$13,800 with a cost of \$44,175 and accumulated depreciation of \$41,675.

The accompanying notes are an integral part of this financial statement.

TOWN OF SHELburnE, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

The Town of Shelburne, Vermont, (herein the "Town") operates under a Manager/Selectboard form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health and social services, culture and recreation, community/economic development, public improvements, planning and zoning, water, sewer, and general administrative services.

#### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted by the Town of Shelburne, Vermont (the "Town") conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

##### **A. The Financial Reporting Entity**

This report includes all of the funds of the Town of Shelburne, Vermont. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the Town.

##### **B. Basis of Presentation**

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole and present a longer-term view of the Town's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town and present a shorter-term view of how operations were financed and what remains available for future spending.

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TOWN OF SHELburnE, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

**Government-wide Statements:** The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of activities between funds. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental fund:

**General Fund** – This is the Town's main operating fund. It accounts for all financial resources of the Town except those accounted for in another fund.

The Town reports on the following major enterprise funds:

**Water Fund** – This fund accounts for the operations of the Water Department.

**Sewer Fund** – This fund accounts for the operations of the Wastewater Department.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

##### **C. Measurement Focus**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets, deferred inflows and outflows of resources and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Equity (i.e., total net position) is segregated into net investment in capital assets; restricted net position; and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

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Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally reported on their balance sheets. Their reported fund balances (net current position) are considered a measure of available spendable resources, and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

#### **D. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty (60) days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt, acquisitions under capital leases and sales of capital assets are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

#### **E. Use of Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity**

##### **1. Cash**

Cash balances of most Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments of ninety (90) days or less to be cash equivalents.

Excess cash of individual funds are shown as due from other funds and excess withdrawals are shown as due to other funds. Interest income is allocated based on the due from/to other fund balances.

##### **2. Investments**

The Town invests in investments as allowed by State Statute. Investments with readily determinable fair values are reported at their fair values on the balance sheet. Unrealized gains and losses are included in revenue.

##### **3. Receivables**

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

##### **4. Internal Balances**

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are reported to as "advances from/to other funds". All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

##### **5. Inventories and Prepaid Expenses**

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses.

Reported inventories and prepaid expenses of governmental funds in the fund financial statements are offset by a nonspendable fund balance as they are not in spendable form.

6. Pensions

For purposes of measuring the proportionate share of the net pension liability and the related deferred outflows and inflows of resources and pension expense, information about the fiduciary net position of the Vermont Municipal Employees' Retirement System (VMERS) pension plan and additions to or deductions from the VMERS' fiduciary net position have been determined on the same basis as they are reported by VMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries. The accrual for the Town's share of the net pension liability is recorded in the government-wide financial statements and proprietary fund financial statements.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, "deferred outflows of resources", represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods that the amounts become available or to which the inflows are related.

8. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated acquisition value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase for proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Infrastructure assets are reported starting with fiscal year ended June 30, 2004. The Town has elected to not report major general infrastructure assets retroactively.

Capital assets reported in the government-wide and proprietary fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Estimated Service Life
Land	\$ 5,000	N/A
Land Improvements	\$ 5,000	10-20 Years
Buildings and Building Improvements	\$ 5,000	10-100 Years
Vehicles, Machinery and Equipment	\$ 5,000	5-20 Years
Library Collection	\$ 5,000	5-10 Years
Infrastructure	\$ 10,000	20-50 Years
Water and Sewer Distribution and Collection Systems	\$ 5,000	30-50 Years

Capital assets are not reported in the governmental fund financial statements. Capital outlays in these funds are recorded as expenditures in the year they are acquired.

9. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and comp time benefits. The Town also pays accumulated sick time up to 480 hours at retirement if the employee was employed before 1984. The accrual for unused compensated absences, based on current pay rates, is recorded in the government-wide and proprietary fund financial statements. The liability for unused compensated absences is not reported in the governmental fund financial statements. Payments for unused compensated absences are recorded as expenditures in the year they are paid.

10. Long-term Liabilities

Long-term liabilities include bonds and notes payable, capital leases and other obligations such as compensated absences and the net pension liability. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund financial statements do not include any long-term liabilities as those statements use the current financial resources measurement focus and only include current liabilities on their balance sheets.

### 11. Fund Equity

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in the government-wide and proprietary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances in governmental fund financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

### 12. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND AND GOVERNMENT-WIDE STATEMENTS

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, whereas government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These differences in the measurement focus and basis of accounting lead to differences between the governmental fund financial statements and the government-wide financial statements as follows:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas government-wide statements report revenues when they are earned. Long-term expense differences arise because governmental funds report expenditures (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation as an expense. Further, governmental funds report the proceeds from the sale of capital assets as other financing sources, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report proceeds of long-term debt as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

Pension-related differences arise because governmental funds report the current year's required employer contributions as current period expenditures, whereas government-wide statements report those transactions as deferred outflows of resources. In addition the accrual for the Town's proportionate share of the net pension liability is recorded in the government-wide financial statements along with the related deferred inflows and outflows of resources.

### 13. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgetary Information

The General Fund budget is approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget amendments during the year. The budget presented herein is for the Town's "General Fund" only and does not include the Ambulance Fund activity that is included with the General Fund.

#### B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2017, expenditures in the General Fund exceeded appropriations by \$199,724. These over expenditures were funded by excess revenues.

### 14. DETAILED NOTES ON ALL FUNDS

#### A. Cash and Investments

The Town's cash and investments as of June 30, 2017 consisted of the following:

Cash:	
Deposits with Financial Institutions	\$1,499,807
Investments:	
Certificates of Deposit	1,665,817
Common Stock	93,001
Mutual Funds	181,460
Total Investments	1,940,278
Total Cash and Investments	\$3,440,085

The Town has twelve (12) certificates of deposit at various banks with interest rates ranging from .4% to 1.49%. The certificates of deposit mature in the following fiscal years:

	2018	2019
	\$1,129,789	536,028
	\$1,665,817	

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**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town does not have any policy to limit the exposure to custodial credit risk. The Town's common stock and mutual funds are in the name of the Town and are not exposed to custodial credit risk. The following table shows the custodial credit risk of the Town's deposits and certificates of deposit.

	Book Balance	Bank Balance
FDIC Insured		
Uninsured, Collateralized by U.S. Government Securities Held by the Bank, In the Bank's Name for the Benefit of the Town	\$ 1,352,386	\$1,352,386
Uninsured, Collateralized by Mortgage Loans Held in the Bank's Name	1,390,184	1,574,186
Total	423,054	388,056
	<u>\$ 3,165,624</u>	<u>\$3,314,628</u>

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$1,499,807
Investments – Certificates of Deposit	<u>1,665,817</u>
Total	<u>\$3,165,624</u>

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. The Town's certificates of deposits and common stock are not subject to interest rate risk disclosure. The Town's mutual funds are open-ended and, therefore, are also exempt from interest rate risk disclosure.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town does not have any policy to limit the exposure to credit risk. The Town's certificates of deposit and common stock are not subject to credit risk disclosure. The Town's mutual funds are open-ended and, therefore, are also not subject to credit risk disclosure.

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**Concentration of Credit Risk**

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town's common stock was donated and is invested in Exxon Mobil. The Town's certificates of deposit and common stock are exempt from concentration of credit risk analysis. The mutual funds are open-ended and, therefore, are also excluded from concentration and credit risk analysis.

**B. Receivables**

Receivables as of June 30, 2017, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities	Total
Delinquent Taxes	\$ 209,173	\$ 0	\$ 209,173
Penalties and Interest	55,194	0	55,194
Billed Services	102,692	84,930	187,622
Unbilled Services	0	635,660	635,660
Grants	222,803	0	222,803
Special Assessment - Beaver Creek Infrastructure	420,000	0	420,000
Miscellaneous	79,167	32,829	111,996
Allowance for Doubtful Accounts - Sewer	0	(10,000)	(10,000)
	<u>\$ 1,089,029</u>	<u>\$ 743,419</u>	<u>\$ 1,832,448</u>

**C. Loans Receivable**

Loans receivable as of June 30, 2017 consists of a number of loans for community development as follows:

Loan Receivable, Shelburne Housing Limited Partnership, Payable on Demand on and after December 31, 2033, 0% Interest, Secured by a Second Mortgage	\$ 530,000
Loan Receivable, Harrington Village Limited Partnership, Payable on Demand on and After November 14, 2043, 0% Interest, Secured by Second Mortgage	668,750
Loan Receivable, Shelburne Housing Limited Partnership, Payable on Demand on and After November 15, 2043, 0% Interest, Secured by Second Mortgage	<u>581,250</u>
Total	1,780,000
Less: Allowance for Doubtful Loans Receivable	<u>(1,780,000)</u>
Reported Value at June 30, 2017	\$ 0

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**D. Capital Assets**

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,280,571	\$ 150,000	\$ 0	\$ 1,430,571
Construction in Progress	110,763	62,686	9,209	164,240
Total Capital Assets, Not Being Depreciated	<u>1,391,334</u>	<u>212,686</u>	<u>9,209</u>	<u>1,594,811</u>
Capital Assets, Being Depreciated:				
Buildings and Land Improvements	9,581,695	9,209	0	9,590,904
Vehicles and Equipment	4,801,385	482,121	62,607	5,220,899
Infrastructure	6,505,152	35,422	0	6,540,574
Library Collection	443,375	48,146	74,152	417,369
Totals	<u>21,331,607</u>	<u>574,898</u>	<u>136,759</u>	<u>21,769,746</u>
Less: Accumulated Depreciation for:				
Buildings and Land Improvements	5,979,315	315,397	0	6,294,712
Vehicles and Equipment	2,789,311	360,359	0	3,149,670
Infrastructure	1,093,452	158,832	59,358	1,192,926
Library Collection	189,132	39,998	74,152	154,978
Totals	<u>10,051,210</u>	<u>874,586</u>	<u>133,510</u>	<u>10,992,286</u>
Total Capital Assets, Being Depreciated	<u>11,280,397</u>	<u>(299,688)</u>	<u>3,249</u>	<u>10,977,460</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,671,731</u>	<u>\$ (87,002)</u>	<u>\$ 12,458</u>	<u>\$ 12,572,271</u>
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,000	\$ 0	\$ 0	\$ 11,000
Construction in Progress	90,837	101,446	77,523	114,760
Total Capital Assets, Not Being Depreciated	<u>101,837</u>	<u>101,446</u>	<u>77,523</u>	<u>125,760</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	1,719,013	0	0	1,719,013
Vehicles, Machinery and Equipment	557,633	153,323	72,500	638,456
Distribution and Collection Systems	21,716,647	637,896	370,589	21,983,954
Totals	<u>23,993,293</u>	<u>791,219</u>	<u>443,089</u>	<u>24,341,423</u>
Less: Accumulated Depreciation for:				
Buildings and Building Improvements	1,181,781	33,911	0	1,215,692
Vehicles, Machinery and Equipment	241,084	46,920	65,000	223,004
Distribution and Collection Systems	8,114,330	456,863	117,468	8,453,725
Totals	<u>9,537,195</u>	<u>537,694</u>	<u>182,468</u>	<u>9,892,421</u>
Total Capital Assets, Being Depreciated	<u>14,456,098</u>	<u>253,525</u>	<u>260,621</u>	<u>14,449,002</u>
Business-Type Activities Capital Assets, Net	<u>\$ 14,557,935</u>	<u>\$ 354,971</u>	<u>\$ 338,144</u>	<u>\$ 14,574,762</u>

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Depreciation was charged as follows:

	Governmental Activities:		Business-Type Activities:
General Government	\$ 211,939	Water	\$ 102,349
Public Safety	243,727	Sewer	<u>435,345</u>
Highways and Public Works	276,061		
Recreation and Parks	92,110		
Library	<u>50,749</u>		
Total Depreciation Expense - Governmental Activities	<u>\$ 874,586</u>	Total Depreciation Expense - Business-Type Activities	<u>\$ 537,694</u>

**E. Interfund Balances and Activity**

The composition of interfund balances as of June 30, 2017 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 942,010
Non-Major Governmental Funds	952,120	122,628
Water Fund	0	773,840
Sewer Fund	886,358	0
Total	<u>\$ 1,838,478</u>	<u>\$ 1,838,478</u>

Interfund transfers during the year ended June 30, 2017 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Dog Park Fund	\$ 754	Annual Appropriation
General Fund	Bay Park Fund	8,900	Annual Appropriation
General Fund	Police Fund	35,000	Annual Appropriation
General Fund	Highway Equipment Fund	81,000	Annual Appropriation
General Fund	Special Revenue Miscellaneous Fund	3,600	Annual Appropriation
General Fund	Open Land Trust Fund	30,000	Annual Appropriation
General Fund	Sewer Fund	7,177	Fund Stormwater Expenses
Non-Major Funds:			
Records Preservation Fund	General Fund	22,385	Reimburse Expenditures in General Fund
Recreation (Baseball Fund)	General Fund	9,281	Reimburse Expenditures in General Fund
Recreation - Other	General Fund	1,165	Reimburse Expenditures in General Fund
Recreation Impact Fees	General Fund	6,000	Reimburse Expenditures in General Fund
Special Revenue Miscellaneous Fund	Recreation Fund	1,430	Fund Recreation Scholarships
Total		<u>\$ 206,272</u>	

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#### F. Deferred Outflows of Resources

Deferred outflows of resources in the Governmental Activities consists of \$16,813 from the difference between the expected and actual experience, \$131,434 from changes in assumptions, \$265,368 from the difference between the projected and actual investment earnings, \$10,283 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$108,836 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Governmental Activities is \$532,734.

Deferred outflows of resources in the Business-type Activities consists of \$2,294 from the difference between the expected and actual experience, \$17,936 from changes in assumptions, \$36,212 from the difference between the projected and actual investment earnings, \$1,403 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$14,025 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Business-type Activities is \$71,870.

Deferred outflows of resources in the Water Fund consists of \$551 from the difference between the expected and actual experience, \$4,311 from changes in assumptions, \$8,704 from the difference between the projected and actual investment earnings, \$337 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$3,732 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Water Fund is \$17,635.

Deferred outflows of resources in the Sewer Fund consists of \$1,743 from the difference between the expected and actual experience, \$13,625 from changes in assumptions, \$27,508 from the difference between the projected and actual investment earnings, \$1,066 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$10,293 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Sewer Fund is \$54,235.

#### G. Unearned Revenue

Unearned revenue in the General Fund consists of \$7,577 of rent received in advance, \$25,480 of recreation revenues received in advance and \$191 of historical society revenues received in advance.

Unearned revenue in the Water Fund consists of \$10,622 in customer fees received in advance.

Unearned revenue in the Sewer Fund consists of \$3,889 in customer fees received in advance.

This revenue will be earned in 2018 as fees are billed.

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#### H. Deferred Inflows of Resources

Deferred inflows of resources in the Governmental Activities consists of \$83,971 of prepaid property taxes and \$420,000 of special assessments.

Deferred inflows of resources in the General Fund consists of \$221,206 of delinquent property taxes, penalties and interest on those taxes and \$86,933 of other receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$83,971 of prepaid property taxes and \$420,000 of special assessments. Total deferred inflows of resources in the General Fund is \$812,110.

#### I. Long-term Liabilities

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior issues. General obligation bonds have been issued for both general governmental and proprietary activities. Bonds are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds.

The Town has other notes payable to finance various capital purchases through local banks and the Vermont Municipal Equipment Loan Fund.

The State of Vermont offers a number of no-interest revolving loan programs to utilize for predetermined purposes. The Town has borrowed money from the Vermont Special Environmental Revolving Fund for water and sewer projects.

It is the policy of the Town to permit employees to accumulate vacation and comp-time, the value of which will be paid at their current rate of pay upon retirement, termination or death as discussed in Note I.F.9. The accrual for compensated absences, based on current rates, is recorded in the government-wide and proprietary fund financial statements.

The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retiree, and beneficiaries. The accrual for the Town's share of the net pension liability associated with VMERS is recorded in the government-wide and proprietary fund financial statements.

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Long-term liabilities outstanding as of June 30, 2017 were as follows:

<u>Governmental Activities</u>	<u>Total</u>	<u>Due in One Year</u>
Town Center bond payable to Vermont Municipal Bond Bank, annual principal payments of \$235,000 plus semi-annual interest payments at 3.62% to 5.18%, due December 1, 2021	\$ 1,175,000	\$ 235,000
Capital improvement (bike/pedestrian path, Spear Street) bond payable to Vermont Municipal Bond Bank, annual principal payments of \$20,000, plus semi-annual interest payments at 1.9% and 4.41%, matures November 1, 2023	140,000	20,000
Recreation facilities and sand/salt shed bond payable to Vermont Municipal Bond Bank, annual principal payments of \$75,000 to \$135,000, plus semi-annual interest payments at 3% to 4.49%, due November 1, 2025.	675,000	75,000
Capital Improvement (Fire truck, Beach seawall, Webster Road Path) bond payable, Vermont Municipal Bond Bank, annual principal payments of \$15,000 to \$85,000, plus semi-annual interest payments at 1.033% to 3.426%, matures November 1, 2030.	480,000	75,000
Special assessment debt with governmental commitment, Beaver Creek Infrastructure, Vermont Municipal Bond Bank, annual principal payments of \$30,000, plus semi-annual interest payments at 1.54% to 5.05%, due November 1, 2030.	420,000	30,000
Capital Improvement (bike/pedestrian path/ sidewalk, Webster Road, Harbor Road) bond payable, Vermont Municipal Bond Bank, annual principal payments of \$25,000 to \$30,000, plus semi-annual interest payments at 1.098% to 3.0%, matures November 15, 2022.	150,000	25,000
Capital equipment (Truck) note payable to the National Bank of Middlebury, Annual principal payment of \$60,000, plus annual interest payment at 1.84%, matures January 23, 2018.	60,000	60,000
Capital equipment (truck) note payable to the National Bank of Middlebury, annual principal payment of \$18,000, plus annual interest payment at 1.05%, matures September 12, 2017.	18,000	18,000
Capital equipment (truck) note payable to the National Bank of Middlebury, annual principal payment of \$95,000, plus annual interest payment at 1.02%, matures August 8, 2017.	<u>95,000</u>	<u>95,000</u>
Total long-term bonds and notes payable	\$ <u><u>3,213,000</u></u>	\$ <u><u>633,000</u></u>

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Business-Type Activities	Total	Due in One Year
Sewer Fund		
Sewer upgrade note payable to State of Vermont Special Environmental Revolving Fund, total available \$7,495,636, non-interest bearing, annual principal payments of \$355,266.	\$ 2,131,594	\$ 355,266
Sewer upgrade note payable to State of Vermont Special Environmental Revolving Fund, total loan \$103,909, 2% administration fee, annual principal and administrative fee payments of \$6,355.	72,116	4,911
Sewer upgrade note payable to State of Vermont Special Environmental Revolving Fund, total available, \$1,719,975, non-interest bearing, annual principal payments of \$85,979.	687,829	85,979
Shelburne Heights sewer upgrade note payable to State of Vermont Special Environmental Revolving Fund, total loan \$1,011,823 non-interest bearing, annual principal payments of \$50,648.	303,885	50,648
Sewer bond payable to State of Vermont Special Environmental Revolving Fund, total loan \$698,450, 2% administration fee, annual principal and administrative fee payments of \$42,715, matures April 1, 2027	383,691	35,041
Bond payable, State of Vermont Special Environmental Revolving Fund, administrative fee of 2%, maturing September 2031, annual principal and administrative fee payments of \$9,371.	120,414	6,963
Sewer upgrade note payable to State of Vermont Special Environmental Revolving Fund total loan \$199,511, 2% administration fee, annual principal and administrative payments of \$15,527, matures July 1, 2025.	113,743	0
Capital equipment (trucks) note payable to the National Bank of Middlebury, interest at 1.40%, annual principal payment of \$6,000, matures May 22, 2018.	6,000	6,000
Capital equipment (truck) note payable to the National Bank of Middlebury, Interest at 1.80%, annual principal payment of \$130,500, matures December 19, 2017.	<u>130,500</u>	<u>130,500</u>
Total Sewer Fund long-term bond and notes payable	<u>3,949,772</u>	<u>675,308</u>

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Business-Type Activities (Cont.)	Total	Due in One Year
Water Fund		
Water bond payable to the Vermont Municipal Bond Bank, annual principal payments of \$50,000 to \$55,000, plus semi-annual interest payments at 3.57% to 4.69%, matures November 1, 2023.	\$ 380,000	\$ 55,000
Water bond payable to the Vermont Municipal Bond Bank, annual principal payments of between \$4,000 to \$10,000 plus semi-annual interest payments at 3.0% to 4.38%, matures November 1, 2020.	20,000	5,000
Water bond payable, to the Vermont Municipal Bond Bank, annual principal payments of between \$20,000 and \$25,000 plus semi-annual interest payments at 0.44% to 4.33%, matures November 1, 2028.	270,000	25,000
Water bond payable, to the Vermont Municipal Bond Bank, annual principal payments of between \$20,000 and \$25,000 beginning November 1, 2018 plus semi-annual interest payments at 3.08%, matures November 1, 2032.	<u>360,000</u>	<u>0</u>
Total Water Fund long-term bond and notes payable	<u>1,030,000</u>	<u>85,000</u>
Total Business-type Activities	\$ <u>4,979,772</u>	\$ <u>760,308</u>

Maturities of bonds and notes payable are as follows:

Year Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 633,000	\$ 46,435	\$ 679,435	\$ 760,308	\$ 57,938	\$ 818,246
2019	460,000	39,350	499,350	662,999	44,476	707,475
2020	460,000	18,334	478,334	664,221	39,629	703,850
2021	460,000	39,743	499,743	661,739	30,054	691,793
2022	405,000	38,797	443,797	665,468	33,951	699,419
2023-2027	615,000	78,082	693,082	1,327,540	76,203	1,403,743
2028-2032	180,000	16,084	196,084	217,497	17,215	234,712
2033-2037	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>357</u>	<u>20,357</u>
Total	\$ <u>3,213,000</u>	\$ <u>276,825</u>	\$ <u>3,489,825</u>	\$ <u>4,979,772</u>	\$ <u>299,823</u>	\$ <u>5,279,595</u>

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Changes in long-term liabilities for the year ended June 30, 2017 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable	\$ 3,671,200	\$ 173,000	\$ 631,200	\$ 3,213,000	\$ 633,000
Compensated Absences	260,035	0	49,598	210,437	0
Net Pension Liability	<u>468,894</u>	<u>349,512</u>	<u>0</u>	<u>818,406</u>	<u>0</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 4,400,129</u>	<u>\$ 522,512</u>	<u>\$ 680,798</u>	<u>\$ 4,241,843</u>	<u>\$ 633,000</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>					
Bonds and Notes Payable	\$ 5,288,890	\$ 360,000	\$ 669,118	\$ 4,979,772	\$ 760,308
Compensated Absences	52,268	333	0	52,601	0
Net Pension Liability	<u>68,114</u>	<u>43,567</u>	<u>0</u>	<u>111,681</u>	<u>0</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 5,409,272</u>	<u>\$ 403,900</u>	<u>\$ 669,118</u>	<u>\$ 5,144,054</u>	<u>\$ 760,308</u>

## J. Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town does not have any minimum fund balance policies.

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When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

<u>Major Funds</u>	
General Fund:	
Prepaid Expenses	\$ 55,501

The fund balances in the following funds are restricted as follows:

<u>Non-Major Funds</u>	
Special Revenue Funds:	
Restricted for Recreation by Impact Fees and Contributions (Source of Revenue is Impact Fees and Contributions)	\$ 88,310
Restricted for Records Preservation Expenses by Statute (Source of Revenue is Fees)	119,854
Other Restrictions by Donations (Source of Revenue is Donations)	33,901
	<hr/>
Total Special Revenue Funds	242,065

Capital Project Funds:		9,219
Restricted for Library Building by Donations		
Restricted for Highway Equipment Replacement		203,018
Expenditures by Statute		16,902
Restricted for Police by Grant Agreements		
		<hr/>
Total Capital Project Funds		229,139

Permanent Funds:		
Restricted for Library Endowment by Trust Agreements	116,348	*
Restricted for Cemetery Fund by Trust Agreements	251,488	*
Restricted for Lillian Davis Memorial Fund by Bequest	88,005	*
	<hr/>	
Total Permanent Funds	455,841	
	<hr/>	
Total Non-Major Funds	927,045	
	<hr/>	
Total Restricted Fund Balances	\$ 927,045	

\* The nonspendable portion of the Permanent Funds is unknown.

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The fund balances in the following funds are committed as follows:

<u>Major Fund</u>	
General Fund:	
Committed for Ambulance and Rescue Operations by Voters	\$ 465,008

<b>Non-Major Funds</b>	
Special Revenue Funds:	
Committed for Cemetery Tractor by Voters	9,327
<b>Total Special Revenue Funds</b>	<b>9,327</b>

Capital Projects Funds:	
Committed for Open Land by Voters	141,155
Committed for Bay Park by Voters	52,522
Committed for Police Equipment by Voters	54,626
Total Capital Project Funds	248,303
Total Non-Major Funds	257,630
Total Committed Fund Balances	\$ 722,638

The fund balances in the following funds are assigned as follows:

<u>Non-Major Funds</u>	
Special Revenue Funds:	
Assigned for Reappraisal Expenses (Source of Revenue is Fees)	\$ 183,807
Capital Projects Funds:	
Assigned for Highway Salt Shed Expenditures	23,128
Total Assigned Fund Balances	\$ 206,935

The negative unassigned fund balance of \$7,899 in the Pinehaven Storm Water Fund will be funded with future grant revenue.

The negative unassigned fund balance of \$33,291 in the Fire Truck Fund will be funded with future bond proceeds and the sale of a vehicle.

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**K. Restricted and Designated Net Position**

The restricted net position of the Town as of June 30, 2017 consisted of the following:

Governmental Activities:

Restricted for Recreation by Grant Agreements	\$ 88,310
Restricted for Records Preservation Expenses by Statute	119,854
Restricted for Other Purposes by Donations	33,901
Restricted for Library Building by Fee Agreement	9,219
Restricted for Highway Equipment Replacement Expenditures by Statute	203,018
Restricted for Police by Grant Agreements	16,902
Restricted for Cemetery by Trust Agreements	251,488
Restricted for Library by Trust Agreements	116,348
Restricted for Recreation Projects (Lillian Davis Memorial) by Bequest	<u>88,005</u>
Total Governmental Activities	\$ <u>927,045</u>

The designated net position of the Town's Proprietary Funds as of June 30, 2017 consisted of the following:

Sewer Fund:

Designated for Sewer Capital Projects	\$ 167,344
Designated for Future Sewer Capital Projects	<u>234,101</u>
Total Sewer Fund	<u>401,445</u>
Total Business-type Activities	\$ <u>401,445</u>

The unrestricted deficit in the Water Fund of \$20,551 will be funded with future user fees.

**V. OTHER INFORMATION**

**A. BENEFIT PLANS**

**1. VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM – DEFINED BENEFIT PLAN**

**Plan Description**

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis, and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2017, the retirement system consisted of 441 participating employers.

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The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125. The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives – one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of credible services.

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources**

As of June 30, 2016, the measurement date selected by the State of Vermont, VMERS was funded at 80.95% and had a plan fiduciary net position of \$547,015,114 and a total pension liability of \$675,711,281 resulting in a net pension liability of \$128,696,167. As of June 30, 2017, the Town's proportionate share of this was .7227% resulting in a liability of \$930,087. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. As of June 30, 2016, the Town's proportion of .7227% was an increase of .02616% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Town recognized pension expense of \$252,845.

As of June 30, 2017, the Town reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources
Difference Between Expected and Actual Experience	\$ 19,107
Changes in proportional share of contributions	11,686
Difference between projected and actual earnings on pension plan investments	301,580
Changes in Assumptions	149,370
Town's required employer contributions made subsequent to the measurement date	122,861
	<u>\$ 604,604</u>

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The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$122,861 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2018	\$ 126,322
2019	126,322
2020	177,063
2021	<u>52,036</u>
Total	<u>\$ 481,743</u>

**Summary of System Provisions**

**Membership:** Full time employees of participating municipalities. The Town elected coverage under Group B and Group C provisions.

**Creditable Service:** Service as a member plus purchased service.

**Average Final Compensation (AFC):** Groups B and C – Average annual compensation during the highest three (3) consecutive years.

**Service Retirement Allowance:**

Eligibility: Group B – The earlier of age 62 with five (5) years of service or age 55 with thirty (30) years or service. Group C – Age 55 with five (5) years of service.

Amount: Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC.

Maximum benefit is 60% of AFC for Group B and 50% of AFC for Group C. The previous amounts include the portion of the allowance provided by member contributions.

**Early Retirement Allowance:**

Eligibility: Age 55 with five (5) years of service for Group B.

Amount: Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Group B members.

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Vested Retirement Allowance:

Eligibility: Five (5) years of service.

Amount: Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments".

Disability Retirement Allowance:

Eligibility: Five (5) years of service and disability as determined by Retirement Board.

Amount: Immediate allowance based on AFC and service to date of disability.

Death Benefit:

Eligibility: Death after five (5) years of service.

Amount: For Groups B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death.

Optional Benefit and Death after Retirement: For Groups B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.

Refund of Contribution: Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.

Post-Retirement Adjustments: Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in the Consumer Price Index but not more than 3% for Groups B and C.

Member Contributions: Group B – 4.875%. Group C – 10.00%.

Employer Contributions: Group B – 5.50%. Group C – 7.25%.

Retirement Stipend: \$25 per month payable at the option of the Board of Trustees.

**Significant Actuarial Assumptions and Methods**

Interest Rate: 7.95% per annum.

Salary Increases: 5% per year.

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Deaths:

Groups B and C: RP-2000 Tables for Employees and Healthy Annuitants projected 10 years from the valuation date with Scale BB and with a 60% Blue collar and 40% White Collar adjustment.

The post-retirement mortality assumption was chosen to recognize improved longevity experience after the valuation date.

Spouse's Age: Husbands are assumed to be three years older than their wives.

Cost-of-Living Adjustments to Benefits of Terminated Vested and Retired Participants: Assumed to occur at the rate of 1.8% per annum for Group B and C members.

Actuarial Cost Method: Projected benefit cost method. The unfunded accrued liability is amortized in installments increasing by 5% per year.

Asset Valuation Method: Invested assets are reported at fair value.

Note: For funding purposes – A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

Inflation: The separately stated assumptions for investment return, salary increases and cost of living adjustments are consistent with an expected annual inflation rate of 3.00% per year.

Long-term Expected Rate of Return:

The long-term expected rate of return on investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes. These best estimate ranges were combined to produce forecasts of the short, intermediate, and longer term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Equity	8.54%
Fixed Income	2.36%
Alternatives	8.35%
Multi-strategy	4.90%
	(45)

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Nominal long-term expected rates of return for these asset classes are equal to the sum of the expected long-term real rates and the expected long-term inflation rate of 3.0%.

**Discount Rate:** The discount rate used to measure the total pension liability was 7.95%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

**Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:** The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.95%, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.95%) or one percent higher (8.95%).

	Impact of a 1% Change in the Discount Rate	
	Discount Rate	Net Pension Liability
Current Rate	7.95%	930,087
1% Decrease	6.95%	1,544,042
1% Increase	8.95%	416,031

### **Additional Information**

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

## **2. VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM – DEFINED CONTRIBUTION PLAN**

The Town also participates in the VMERS defined contribution (DC) plan. Employees contribute 5% of the earnings to the plan and the Town contributes 5.125%. Covered payroll under the plan was \$1,198,082 and pension expense was \$61,403.

### **B. RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and rate-setting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

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The Town of Shelburne is also a member of the Vermont League of Cities and Towns Employment Resource and Benefits Insurance Trust. The Trust is a nonprofit corporation formed to provide unemployment coverage and other employment benefits for Vermont municipalities and is owned by the participating members. The agreement does not permit the Unemployment Trust to make additional assessments to its members. The Town has only elected unemployment coverage with the Trust.

**C. PROPERTY TAXES**

The Town is responsible for assessing and collecting its own property taxes, as well as education taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets and the State education property tax liability. Property taxes are due in three equal installments on August 15, November 15 and March 15. The Town assesses a 5% penalty on delinquent taxes and interest is assessed at 1.5% per month after the first month of delinquency. Unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale. The tax rates for 2017 were as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Town	.3724	.3724
Veterans Exemption	.0007	.0007
Education	<u>1.5385</u>	<u>1.5971</u>
Total	<u>1.9116</u>	<u>1.9702</u>

**D. ENDOWMENT FUND**

On March 24, 1998, the Pierson Library created an endowment at the Vermont Community Foundation. In doing so, the ownership of the funds passed to the Vermont Community Foundation with the stipulation that the Foundation pay to the Library an amount, determined on an annual basis, to be not less than 5% of the value of the funds as of the end of the previous year. Payments are to be made at least semiannually. The endowment is not reflected on the balance sheet of the Town. The balance of the Endowment Fund at June 30, 2017 is \$109,667.

**E. CONTINGENT LIABILITIES**

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

TOWN OF SHELBURNE, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

**F. SUBSEQUENT EVENTS**

At a special meeting held November 3, 2015, Shelburne voters approved a bond issue of up to \$3,000,000 for the purpose of making capital improvements to the Town sewer collection system and facilities. Bond payments will be funded through sewer user fees. In June 2017, the Vermont State Revolving Fund issued \$131,800 in bonds less \$47,000 loan forgiveness through the Vermont Municipal Bond Bank at zero percent interest with annually principal payments of \$16,960 due 2022 through 2026. As of the year ended June 30, 2017, no funds were drawn down.

At a special meeting on March 6, 2017, Shelburne voters approved a bond issue up to \$970,000 for the purchase of a Quint Fire Truck. Subsequent to the year ended June 30, 2017, the Vermont Municipal Bond Bank issued a \$970,000 bond in August, 2017 with semi-annual interest payments from 1.78% to 3.49% and annual principal payments of \$60,000 to \$65,000 due annually 2018 through 2032.

At a special meeting held November 7, 2017, Shelburne voters approved a bond issue of up to \$6,500,000 for the purpose of public library construction, Town Hall renovations and municipal campus enhancements. As of June 30, 2017, no bonds were issued. In December, 2017, the Union Bank issued a \$1,000,000 one year note at 1.19% interest due December 20, 2018. It is anticipated funds will be spent on this project in fiscal years 2018 and 2019.

At a regular meeting held June 27, 2017, the Selectboard approved the execution of a one year note with the National Bank of Middlebury in the amount of \$115,000 to finance the replacement of Town Office and the Fire Department capital improvements. As June 30, 2017, no funds were disbursed.

TOWN OF SHELBURNE, VERMONT  
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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes:			
Property Taxes	\$ 5,606,446	\$ 5,562,565	\$ (43,881)
Special Assessments	49,041	49,041	0
Penalties	36,000	43,437	7,437
Late Homestead Filing	13,000	9,112	(3,888)
Interest Income	25,000	32,023	7,023
	<u>5,729,487</u>	<u>5,696,178</u>	<u>(33,309)</u>
Total Property Taxes			
Administration Revenue:			
Liquor Licenses	3,000	2,770	(230)
Animal Licenses	6,000	5,821	(179)
Animal Licenses Transfer to Dog Park Fund	(800)	(734)	66
Marriage/Civil Union Licenses	600	550	(50)
Recording Fees	50,000	41,592	(8,408)
Passport Fees and Photos	8,500	20,450	11,950
Miscellaneous	300	447	147
Copier Use	6,800	5,795	(1,005)
Vital Statistics Copies	3,800	5,130	1,330
Green Mountain Passport	175	178	3
Vehicle Registration	250	324	74
Other Fees	1,200	813	(387)
Transfer from Records Preservation Fund	68,000	22,385	(45,615)
	<u>147,825</u>	<u>105,521</u>	<u>(42,304)</u>
Total Administration Revenue			
Highway Revenue:			
Received for State Aid/Grant	290,200	276,660	(13,540)
Construction Reimbursements	0	3,548	3,548
Permits	10,100	13,595	3,495
Stormwater Grant	0	10,866	10,866
Other	0	194	194
	<u>300,300</u>	<u>304,863</u>	<u>4,563</u>
Total Highway Revenue			
Police Department Revenue:			
Judicial Fees	60,000	59,278	(722)
Special Duty Reimbursement	12,000	46,779	34,779
Public Safety Grants	22,500	311,487	288,987
Dispatch Contracts	241,330	253,843	12,513
E911 Operation Grant	90,000	90,000	0
Other	22,000	26,002	4,002
	<u>447,830</u>	<u>787,389</u>	<u>339,559</u>
Total Police Department Revenue			
Cemetery Revenue:			
Transfer from Cemetery Fund	9,000	0	(9,000)
Cemetery Other	6,200	4,100	(2,100)
	<u>15,200</u>	<u>4,100</u>	<u>(11,100)</u>
Total Cemetery Revenue			

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BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
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	Budget	Actual	Variance Favorable/ (Unfavorable)
Planning and Zoning Revenue:			
Permits and Fees	\$ 61,075	\$ 59,403	\$ (1,672)
Grant Revenue	50,000	6,161	(43,839)
Total Planning and Zoning Revenue	111,075	65,564	(45,511)
Water and Sewer Revenue:			
Water Department Administration	44,659	44,659	0
Sewer Department Administration	44,659	44,659	0
Total Water and Sewer Revenue	89,318	89,318	0
Recreation Department Revenue:			
Sale of Beach Stickers	12,700	13,952	1,252
Fees and Recreation Programs	152,422	148,329	(4,093)
Transfer from Recreation (Baseball) Fund	16,210	9,281	(6,929)
Transfer from Bay Park Fund	5,500	0	(5,500)
Transfer from Recreation (Scholarship) Fund	0	982	982
Transfer from Recreation Fund (Other)	0	183	183
Total Recreation Department Revenue	186,832	172,727	(14,105)
Library Revenue:	0	8,718	8,718
Financial Management Investment Interest:	1,000	1,185	185
Rescue:			
Transfer from Ambulance Fund	240,751	264,877	24,126
Miscellaneous Revenue:			
Insurance Claims	0	6,085	6,085
Fire Grants, Donations and Miscellaneous	5,000	16,220	11,220
Miscellaneous	3,500	9,484	5,984
Payment in Lieu of Taxes	6,000	6,292	292
State Current Use Tax Payment	118,000	120,023	2,023
Act 60 Administration	46,000	47,594	1,594
Cellular Tower Fees	76,444	76,467	23
Transfer from Recreation Impact Fees	20,000	6,000	(14,000)
Mooring Fees	50,100	52,750	2,650
CSSU Village Center Lease	64,000	64,000	0
CSSU Building Maintenance Allocation	37,000	40,876	3,876
Use of Town Hall/Town Center	15,000	14,331	(669)
Pierson Library Building Lease	28,564	27,736	(828)
Total Miscellaneous Revenue	469,608	487,858	18,250
Total Revenues	7,739,226	7,988,298	249,072

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF SHELBURNE, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures:			
Selectboard:			
Salaries	\$ 6,300	\$ 6,300	\$ 0
FICA	482	482	0
Selectboard's Expenses	8,300	7,645	655
VLCT Dues	8,808	8,808	0
Town Reports	2,240	2,691	(451)
Total Selectboard	26,130	25,926	204
Legal Services:	32,000	257,283	(225,283)
Administration - Municipal Offices:			
Office Supplies	6,000	5,396	604
Computer Hardware	10,135	2,020	8,115
Telephone	16,950	9,452	7,498
Computer Software	14,110	10,877	3,233
Technical Assistance	5,000	15,361	(10,361)
Training	7,000	1,314	5,686
Office Equipment and Repair	1,000	1,437	(437)
Postage	18,000	14,807	3,193
Copier Expense	6,800	8,380	(1,580)
Computer Technical Assistance	11,000	17,195	(6,195)
CSSU Data Line	3,100	1,892	1,208
Total Administration - Municipal Offices	99,095	88,131	10,964
Town Manager:			
Salaries	141,487	153,860	(12,373)
Benefits and Other Insurance	48,148	50,442	(2,294)
Manager's Expenses	2,300	4,851	(2,551)
Vehicle Expense	2,500	2,132	368
Emergency Management	1,000	1,526	(526)
Total Town Manager	195,435	212,811	(17,376)
Elections:			
Salaries	7,500	6,815	685
Election Expense	4,000	5,848	(1,848)
BCA Expenses	500	527	(27)
Total Elections	12,000	13,190	(1,190)
Finance and Insurance:			
Salaries	174,114	163,491	10,623
Benefits and Other Insurance	60,854	63,449	(2,595)
Property and Liability Insurance	277,620	286,748	(9,128)
Insurance Claims - Deductible	5,000	10,413	(5,413)
Auditing	14,000	15,951	(1,951)
Total Finance and Insurance	531,588	540,052	(8,464)

TOWN OF SHELBURNE, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Town Clerk/Treasurer:			
Salaries	\$ 134,584	\$ 163,685	\$ (29,101)
Benefits and Other Insurance	40,590	40,928	(338)
Town Clerk/Treasurer Expense	2,000	2,931	(931)
Office Expenses	9,800	5,873	3,927
Computer Software	500	0	500
Microfilming and Preservation	18,000	10,468	7,532
Records Automation	50,000	15,667	34,333
Total Town Clerk/Treasurer	255,474	239,552	15,922
Planning and Zoning:			
Salaries	154,843	168,081	(13,238)
Benefits and Other Insurance	57,295	59,550	(2,255)
Zoning Enforcement Contractor	20,000	0	20,000
Planning Expense	6,700	6,377	323
Conference and Training	900	250	650
Town Plan and Special Projects	18,750	14,556	4,194
Planning Grants	42,500	5,266	37,234
Planning Assistance	5,610	5,500	110
GIS Software	8,600	4,960	3,640
Total Planning and Zoning	315,198	264,540	50,658
Assessor's Office:			
Salaries	38,024	38,168	(144)
Benefits and Other Insurance	29,236	11,566	17,670
Administrative Assistant	29,771	24,386	5,385
Assessor Expenses	3,500	4,416	(916)
Total Assessor's Office	100,531	78,536	21,995
Buildings and Grounds:			
Salaries	100,071	94,067	6,004
Benefits and Other Insurance	48,691	42,083	6,608
Town Center Operating Expenses	42,000	45,457	(3,457)
Town Parade Ground Expenses	0	3,055	(3,055)
Town Center Building Maintenance	12,600	1,739	10,861
Town Hall Operating Expense	1,600	2,019	(419)
Town Hall Building Maintenance	3,700	2,805	895
Town Hall Heating Fuel	9,268	6,318	2,950
Town Center Heating Fuel	22,000	16,201	5,799
Town Center Utilities	50,600	49,362	1,238
Pierson Building Utilities and Maintenance	2,000	769	1,231
Transfer to Highway Equipment Fund	81,000	81,000	0
Recreation Fields Maintenance	10,000	5,954	4,046
Capital Projects	20,000	137,221	(117,221)
Total Buildings and Grounds	403,530	488,050	(84,520)



TOWN OF SHELBURNE, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Public Works:			
Stormwater Engineering and Planning	\$ 5,000	\$ 75	\$ 4,925
Stormwater Partnerships	8,600	15,047	(6,447)
Stormwater Permits	14,000	19,202	(5,202)
Stormwater Maintenance	50,000	30,126	19,874
Stormwater Projects	2,000	0	2,000
Transfer to Sewer Fund for Stormwater	7,177	7,177	0
Monroe Brook Flow Restoration Project	12,200	20,134	(7,934)
Total Public Works	98,977	91,761	7,216
Harbormaster:			
Salaries	5,213	5,213	0
FICA	399	399	0
Mooring Inspection/Maintenance	13,100	9,300	3,800
Seasonal Dock Installation/Removal	4,200	7,670	(3,470)
Equipment	5,500	1,792	3,708
Maintenance/Administration	300	64	236
Transfer to Bay Park Fund	8,500	8,500	0
Total Harbormaster	37,212	32,938	4,274
Police Department:			0
Salaries	875,407	790,487	84,920
Overtime Salaries	117,466	124,059	(6,593)
Benefits and Other Insurance	390,839	345,376	45,463
Special Duty Details	0	36,137	(36,137)
Office Expense	10,500	10,713	(213)
Telephone	10,000	11,039	(1,039)
Radio Expense	32,500	3,964	28,536
Travel and Conferences	2,500	502	1,998
Photos	6,300	2,091	4,209
Training	10,000	7,169	2,831
Gasoline	34,000	30,787	3,213
Tires	5,100	867	4,233
Vehicle Maintenance and Repairs	15,000	17,382	(2,382)
General Equipment	6,000	7,400	(1,400)
Fingerprint Equipment and Supplies	3,500	3,898	(398)
Uniform Purchases	8,000	7,290	710
Uniform Cleaning	4,000	2,920	1,080
Computer Use and Maintenance	19,000	16,066	2,934
Other	0	50	(50)
Building Maintenance	2,000	2,563	(563)
Matching Funds for Grants	1,000	0	1,000
Capital Improvements	16,293	2,955	13,338
Transfer to Police Cruiser Fund	35,000	35,000	0
Animal Enforcement	3,100	2,135	965
Police/C.U.S.I	11,354	11,354	0
Governor's Highway Safety and Other Grants	0	285,980	(285,980)
Total Police Department	1,618,859	1,758,184	(139,325)

TOWN OF SHELBURNE, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department:			
Salaries	\$ 45,000	\$ 44,670	\$ 330
FICA	2,831	2,870	(39)
Office Supplies and Phones	5,445	6,088	(643)
Building Heat and Service	9,500	3,787	5,713
Fire Prevention - Training	7,000	4,210	2,790
Radio Maintenance	4,000	4,434	(434)
Protective Clothing	20,500	21,797	(1,297)
Gas and Oil	5,000	2,853	2,147
Fire Fighting Supplies	5,500	9,674	(4,174)
Equipment Maintenance	24,600	27,787	(3,187)
Building Maintenance	8,000	10,080	(2,080)
Equipment	23,325	14,806	8,519
Capital Improvements	25,000	13,846	11,154
Rescue Boat Expense	5,300	5,663	(363)
Periodicals	2,000	1,428	572
Physicals and Tests	4,000	1,356	2,644
Membership Events and Incentives	6,500	10,961	(4,461)
Total Fire Department	203,501	186,310	17,191
Public Safety and Dispatch:			
Dispatch Salaries	398,832	397,890	942
Overtime Salaries	49,381	84,436	(35,055)
Benefits and Other Insurance	134,896	134,800	96
Training	3,000	1,639	1,361
Uniforms	2,100	3,699	(1,599)
Capital Improvements	14,500	14,436	64
Dispatch Radio Equipment	15,000	15,839	(839)
Computer Use	16,000	3,444	12,556
Total Public Safety and Dispatch	633,709	656,183	(22,474)
Public Works - Highways:			
Salaries	268,692	261,210	7,482
Overtime Salaries	28,509	25,175	3,334
Benefits and Other Insurance	117,735	115,695	2,040
Interdepartmental Assistance	1,835	1,164	671
Road Maintenance	35,000	36,951	(1,951)
Tree Removal	5,100	0	5,100
Drainage System Maintenance	15,000	517	14,483
Construction Projects	40,000	35,422	4,578
Retreatment and Repaving	345,000	391,648	(46,648)
Sidewalk Maintenance	2,000	0	2,000
Route 7 Sidewalk Project	128,000	8,463	119,537
Line Striping and Crosswalks	4,500	6,751	(2,251)
Engineering Services	3,000	0	3,000
Street Signs	4,000	4,197	(197)
Winter Sand	5,000	3,767	1,233
Winter Salt	90,000	102,348	(12,348)
Garage Heating Fuel	7,280	5,449	1,831
Garage Utilities	12,081	12,293	(212)
Uniforms	4,600	3,733	867
Gas and Diesel	30,000	18,981	11,019
Equipment Repair and Maintenance	50,000	42,379	7,621

TOWN OF SHELBURNE, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Public Works - Highways (Cont.):			
Street and Caution Lights	\$ 10,000	\$ 9,276	\$ 724
Garage Supplies	5,000	4,642	358
Building Maintenance	5,000	24	4,976
Street Lights Upgrade	20,000	0	20,000
Total Public Works - Highways	1,237,332	1,090,085	147,247
Health and Social Services:			
Health Officer Salary and FICA	939	0	939
United Way Donation	38,000	38,000	0
Transfer to Other (Community Fund)	2,000	2,000	0
Health Officer Expenses	450	0	450
Total Health and Social Services	41,389	40,000	1,389
Rescue:			
Volunteer Compensation	16,500	21,862	(5,362)
Volunteer Incentive Compensation	30,000	27,643	2,357
Compensation - Full Part-Time	57,787	94,850	(37,063)
Rescue Overtime	797	2,214	(1,417)
Benefits and Other Insurance	29,714	22,742	6,972
Medical Supplies	24,000	22,355	1,645
Uniforms	1,700	912	788
Operating	18,000	26,829	(8,829)
Transport Billing Expense	19,000	16,751	2,249
Oxygen	5,000	3,554	1,446
Training	2,200	5,341	(3,141)
Office Supplies	2,000	3,411	(1,411)
Office Equipment	500	3,098	(2,598)
Communications	4,000	2,926	1,074
Vehicle	12,000	9,888	2,112
Building Heating Fuel	2,300	1,560	740
Building Utilities	6,000	5,345	655
Building Maintenance	5,500	2,728	2,772
Immunizations	100	160	(60)
Public Education	500	0	500
Total Rescue	237,598	274,169	(36,571)
Cemeteries:			
Salaries	29,708	30,880	(1,172)
Benefits and Other Insurance	2,640	2,707	(67)
Supplies and Tools	800	902	(102)
Committee Expenses	100	108	(8)
Gas Expense	1,000	646	354
Equipment Maintenance	800	229	571
Equipment Purchases	500	561	(61)
Capital Projects	5,000	5,127	(127)
Transfer to Other (Cemetery Tractor Fund)	1,600	1,600	0
Outside Services	2,800	3,253	(453)
Interments	4,800	4,500	300
Cremation Garden	1,000	1,079	(79)
Total Cemeteries	50,748	51,592	(844)

TOWN OF SHELBURNE, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation:			
Administrative Salaries	\$ 90,316	\$ 90,930	\$ (614)
Benefits and Other Insurance	36,933	46,895	(9,962)
Administration Expenses	8,780	9,142	(362)
Public Information	6,830	7,012	(182)
Beach Salaries	17,536	19,303	(1,767)
Beach Equipment	1,765	1,333	432
Beach Utilities	2,320	1,677	643
Adult Sports Leagues	100	0	100
Dog Obedience	3,100	1,900	1,200
Davis Park	3,500	4,288	(788)
Park Maintenance	20,625	6,143	14,482
Martial Arts	2,300	1,410	890
Beach Maintenance	9,700	8,570	1,130
Lacrosse Programs	9,287	9,135	152
Swim Lessons	50	0	50
Youth Basketball	3,130	1,897	1,233
Babe Ruth Baseball	4,925	4,852	73
Summer Soccer Camp	14,900	12,481	2,419
Softball	4,148	2,205	1,943
Youth Soccer	10,890	13,748	(2,858)
Little League Baseball	25,325	25,918	(593)
Recreation Programs - Non-League	29,910	29,534	376
Special Events and Concerts	12,700	10,990	1,710
Ski Program	8,600	8,135	465
Total Recreation	327,670	317,498	10,172
Library:			0
Salaries	206,633	216,481	(9,848)
Benefits and Other Insurance	80,143	77,081	3,062
Supplies	5,700	7,332	(1,632)
Materials	43,500	43,785	(285)
Public Information	500	110	390
Building Maintenance	6,700	13,007	(6,307)
Utilities	16,173	19,224	(3,051)
Equipment Purchase and Maintenance	2,000	1,820	180
Administrative	2,000	1,417	583
Programs	4,000	4,058	(58)
Computer Hardware and Software	8,800	5,704	3,096
Total Library	376,149	390,019	(13,870)
Debt Management:			0
Fire Truck 2010 Note	50,486	49,720	766
Town Center Project	230,154	230,154	0
Recreation Fields Project	101,625	101,625	0
Recreation Bike Path Bond Issue 2008	26,054	26,054	0
Recreation Path Harbor Road Bond 2008 Issue 2012	28,951	28,951	0
Recreation Path Bond 2008 Issue 2010	28,028	28,496	(468)
Beach Sea Wall Bond 2009 Issue 2010	16,652	16,748	(96)
Beaver Creek Bond 2009 Issue 2010	49,041	45,239	3,802
Dispatch Radio Equipment	16,500	16,361	139
Total Debt Management	547,491	543,348	4,143

TOWN OF SHELBURNE, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Intergovernmental:			
County Tax	\$ 72,326	\$ 74,076	\$ (1,750)
Greater Burlington Industrial Development Corp	1,200	1,200	0
Chittenden County Regional Planning	18,361	18,361	0
Chittenden County Transit Authority	<u>102,073</u>	<u>102,073</u>	<u>0</u>
Total Intergovernmental	<u>193,960</u>	<u>195,710</u>	<u>(1,750)</u>
Employee Benefits:			
HRA Expenses	97,750	44,322	53,428
Health Insurance/Flex Spending Administration Expense	21,500	9,427	12,073
Miscellaneous	0	1,050	(1,050)
Employee Assistance Program	700	684	16
Employee Events/Recognition	0	4,729	(4,729)
Immunizations	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Employee Benefits	<u>120,950</u>	<u>60,212</u>	<u>60,738</u>
Miscellaneous:			
Selectboard Discretionary	3,700	2,337	1,363
Community Events	1,500	1,846	(346)
Tree Conservation	1,000	2,375	(1,375)
Committee Support	6,500	1,937	4,563
Miscellaneous Expense	<u>0</u>	<u>4,375</u>	<u>(4,375)</u>
Total Miscellaneous	<u>12,700</u>	<u>12,870</u>	<u>(170)</u>
Community Improvement Transfer to Open Space Fund	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Total Expenditures	<u>7,739,226</u>	<u>7,938,950</u>	<u>(199,724)</u>
Excess/(Deficiency) of Revenues Over Expenditures	\$ <u>0</u>	49,348	\$ <u>49,348</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Ambulance Fund Revenues		298,992	
Ambulance Fund Transfer		<u>(264,877)</u>	
Net Change in Fund Balance		83,463	
Fund Balance - July 1, 2016		<u>994,615</u>	
Fund Balance - June 30, 2017		\$ <u>1,078,078</u>	

TOWN OF SHELBURNE, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
VMERS DEFINED BENEFIT PLAN  
JUNE 30, 2017

	2017	2016	2015
Total Plan Net Pension Liability	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
Town's Proportion of the Net Pension Liability	0.7227%	0.69654%	0.6842%
Town's Proportionate Share of the Net Pension Liability	\$ 930,087	\$ 537,005	\$ 62,440
Town's Covered Employee Payroll	\$ 2,064,865	\$ 1,866,277	\$ 1,687,080
Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	45.04%	28.77%	3.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.95% as of June 30, 2016	87.42% as of June 30, 2015	98.32% as of June 30, 2014

**Notes to the Schedule:**

Benefit Changes: none

Changes in Assumptions: The actuarial assumptions regarding the incidence of maturity, terminations, retirements and disabilities were changed in accordance with the findings of an experience study covering the five year period ending June 30, 2014.

Fiscal year 2015 was the first year of implementation, therefore, only three years are shown.

Valuation Dates: June 30, 2016, 2015 and 2014

TOWN OF SHELBURNE, VERMONT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
VMERS DEFINED BENEFIT PLAN  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions (Actuarially Determined)	\$ 122,861	\$ 109,840	\$ 97,366
Contributions in Relation to the Actuarially Determined Contributions	<u>(122,861)</u>	<u>(109,840)</u>	<u>(97,366)</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 2,064,865	\$ 1,866,277	\$ 1,687,080
Contributions as a Percentage of Covered Employee Payroll	5.95%	5.89%	5.77%

**Notes to the Schedule:**

Valuation Dates: June 30, 2016, 2015 and 2014

Fiscal year 2015 was the first year of implementation, therefore, only two years are shown.

TOWN OF SHELBURNE, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 116,348	\$ 116,348
Investments	142,944	0	274,461	417,405
Due from Other Funds	<u>346,889</u>	<u>500,758</u>	<u>104,473</u>	<u>952,120</u>
Total Assets	<u>\$ 489,833</u>	<u>\$ 500,758</u>	<u>\$ 495,282</u>	<u>\$ 1,485,873</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,419	\$ 11,406	\$ 0	\$ 12,825
Due to Other Funds	<u>53,215</u>	<u>29,972</u>	<u>39,441</u>	<u>122,628</u>
Total Liabilities	<u>54,634</u>	<u>41,378</u>	<u>39,441</u>	<u>135,453</u>
<u>FUND BALANCES</u>				
Restricted	242,065	229,139	455,841	927,045
Committed	9,327	248,303	0	257,630
Assigned	183,807	23,128	0	206,935
Unassigned	<u>0</u>	<u>(41,190)</u>	<u>0</u>	<u>(41,190)</u>
Total Fund Balances	<u>435,199</u>	<u>459,380</u>	<u>455,841</u>	<u>1,350,420</u>
Total Liabilities and Fund Balances	<u>\$ 489,833</u>	<u>\$ 500,758</u>	<u>\$ 495,282</u>	<u>\$ 1,485,873</u>



TOWN OF SHELBURNE, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Revenues:				
Intergovernmental	\$ 28,092	\$ 585	\$ 0	\$ 28,677
Charges for Services	27,049	0	0	27,049
Investment Income	933	0	9,946	10,879
Fees and Licenses	27,728	0	0	27,728
Contributions	28,616	41,349	102,854	172,819
Other Revenue	0	2,503	0	2,503
Total Revenues	112,418	44,437	112,800	269,655
Expenditures:				
General Government	115	0	0	115
Public Safety	0	8,786	0	8,786
Cemetery	0	0	550	550
Highway and Public Works	0	5	0	5
Recreation and Parks	31,105	0	0	31,105
Library	0	26,387	9,665	36,052
Capital Outlay:				
Public Safety	0	139,316	0	139,316
Highways and Public Works	0	179,369	0	179,369
Recreation and Parks	0	150,000	0	150,000
Library	0	42,948	0	42,948
Debt Service:				
Principal	0	150,000	0	150,000
Interest	0	1,851	0	1,851
Total Expenditures	31,220	698,662	10,215	740,097
Excess/(Deficiency) of Revenues Over Expenditures	81,198	(654,225)	102,585	(470,442)
Other Financing Sources/(Uses):				
Proceeds from Long-Term Debt	0	173,000	0	173,000
Transfers In	5,764	154,500	0	160,264
Transfers Out	(40,261)	0	0	(40,261)
Total Other Financing Sources/(Uses)	(34,497)	327,500	0	293,003
Net Change in Fund Balances	46,701	(326,725)	102,585	(177,439)
Fund Balances - July 1, 2016	388,498	786,105	353,256	1,527,859
Fund Balances - June 30, 2017	\$ 435,199	\$ 459,380	\$ 455,841	\$ 1,350,420

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TOWN OF SHELburnE, VERMONT  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	Recreation Related Funds	ACT 60 Reappraisal Fund	Record Preservation Fund	Special Revenue Miscellaneous Fund	Total
<u>ASSETS</u>					
Investments	\$ 142,944	\$ 0	\$ 0	\$ 0	\$ 142,944
Due from Other Funds	0	183,807	119,854	43,228	346,889
Total Assets	<u>\$ 142,944</u>	<u>\$ 183,807</u>	<u>\$ 119,854</u>	<u>\$ 43,228</u>	<u>\$ 489,833</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,419	\$ 0	\$ 0	\$ 0	\$ 1,419
Due to Other Funds	53,215	0	0	0	53,215
Total Liabilities	<u>54,634</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>54,634</u>
<u>FUND BALANCES</u>					
Restricted	88,310	0	119,854	33,901	242,065
Committed	0	0	0	9,327	9,327
Assigned	0	183,807	0	0	183,807
Total Fund Balances	<u>88,310</u>	<u>183,807</u>	<u>119,854</u>	<u>43,228</u>	<u>435,199</u>
Total Liabilities and Fund Balances	<u>\$ 142,944</u>	<u>\$ 183,807</u>	<u>\$ 119,854</u>	<u>\$ 43,228</u>	<u>\$ 489,833</u>

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TOWN OF SHELburnE, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Recreation Related Funds	ACT 60 Reappraisal Fund	Record Preservation Fund	Special Revenue Miscellaneous Fund	Total
<b>Revenues:</b>					
Intergovernmental	\$ 0	\$ 28,092	\$ 0	\$ 0	\$ 28,092
Investment Income	933	0	0	0	933
Fees and licenses	0	0	27,728	0	27,728
Charges for Services	27,049	0	0	0	27,049
Contributions	22,199	0	0	6,417	28,616
<b>Total Revenues</b>	<b>50,181</b>	<b>28,092</b>	<b>27,728</b>	<b>6,417</b>	<b>112,418</b>
<b>Expenditures:</b>					
General Government	0	115	0	0	115
Recreation and Parks	17,245	0	0	13,860	31,105
Capital Outlay:					
Recreation and Parks	0	0	0	0	0
<b>Total Expenditures</b>	<b>17,245</b>	<b>115</b>	<b>0</b>	<b>13,860</b>	<b>31,220</b>
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<b>32,936</b>	<b>27,977</b>	<b>27,728</b>	<b>(7,443)</b>	<b>81,198</b>
<b>Other Financing Sources/(Uses):</b>					
Transfers In	2,164	0	0	3,600	5,764
Transfers Out	(16,446)	0	(22,385)	(1,430)	(40,261)
<b>Total Other Financing Sources/(Uses)</b>	<b>(14,282)</b>	<b>0</b>	<b>(22,385)</b>	<b>2,170</b>	<b>(34,497)</b>
<b>Net Change in Fund Balances</b>	<b>18,654</b>	<b>27,977</b>	<b>5,343</b>	<b>(5,273)</b>	<b>46,701</b>
<b>Fund Balances - July 1, 2016</b>	<b>69,656</b>	<b>155,830</b>	<b>114,511</b>	<b>48,501</b>	<b>388,498</b>
<b>Fund Balances - June 30, 2017</b>	<b>\$ 88,310</b>	<b>\$ 183,807</b>	<b>\$ 119,854</b>	<b>\$ 43,228</b>	<b>\$ 435,199</b>

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TOWN OF SHELburnE, VERMONT  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2017

<u>ASSETS</u>									
	Bay Park Fund	Pinehaven Stormwater Fund	Library Building Fund	Highway Equipment Fund	Highway Salt/Sand Shed Fund	Open Land Trust Fund	Police Fund	Fire Truck Fund	Total
Due from Other Funds	\$ 52,522	\$ 0	\$ 9,407	\$ 203,018	\$ 23,128	\$ 141,155	\$ 71,528	\$ 0	\$ 500,758
Total Assets	<u>\$ 52,522</u>	<u>\$ 0</u>	<u>\$ 9,407</u>	<u>\$ 203,018</u>	<u>\$ 23,128</u>	<u>\$ 141,155</u>	<u>\$ 71,528</u>	<u>\$ 0</u>	<u>\$ 500,758</u>
<u>LIABILITIES</u>									
Accounts Payable	\$ 0	\$ 3,514	\$ 188	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,704	\$ 11,406
Due to Other Funds	<u>0</u>	<u>4,385</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,587</u>	<u>29,972</u>
Total Liabilities	<u>0</u>	<u>7,899</u>	<u>188</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,291</u>	<u>\$ 41,378</u>
<u>FUND BALANCES</u>									
Restricted	0	0	9,219	203,018	0	0	16,902	0	229,139
Committed	52,522	0	0	0	0	141,155	54,626	0	248,303
Assigned	0	0	0	0	23,128	0	0	0	23,128
Unassigned	<u>0</u>	<u>(7,899)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(33,291)</u>	<u>(41,190)</u>
Total Fund Balances	<u>52,522</u>	<u>(7,899)</u>	<u>9,219</u>	<u>203,018</u>	<u>23,128</u>	<u>141,155</u>	<u>71,528</u>	<u>(33,291)</u>	<u>459,380</u>
Total Liabilities and Fund Balances	<u>\$ 52,522</u>	<u>\$ 0</u>	<u>\$ 9,407</u>	<u>\$ 203,018</u>	<u>\$ 23,128</u>	<u>\$ 141,155</u>	<u>\$ 71,528</u>	<u>\$ 0</u>	<u>\$ 500,758</u>

TOWN OF SHELburnE, VERMONT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Bay Park Fund	Pinehaven Stormwater Fund	Library Building Fund	Highway Equipment Fund	Highway Salt/Sand Shed Fund	Open Land Trust Fund	Police Fund	Fire Truck Fund	Total
<b>Revenues:</b>									
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 585	\$ 0	\$ 585
Contributions	0	0	40,173	0	0	0	1,176	0	41,349
Other	0	0	0	0	0	0	784	1,719	2,503
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>40,173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,545</b>	<b>1,719</b>	<b>44,437</b>
<b>Expenditures:</b>									
Public Safety	0	0	0	0	0	0	1,703	7,083	8,786
Highway and Public Works	0	0	0	5	0	0	0	0	5
Library	0	0	26,387	0	0	0	0	0	26,387
Capital Outlay:									
Highways and Public Works	0	11,274	0	168,095	0	0	0	0	179,369
Library	0	0	42,948	0	0	0	0	0	42,948
Public Safety	0	0	0	0	0	0	45,779	93,537	139,316
Recreation and Parks	0	0	0	0	0	150,000	0	0	150,000
Debt Service - Principal	0	0	0	150,000	0	0	0	0	150,000
Debt Service - Interest	0	0	0	1,851	0	0	0	0	1,851
<b>Total Expenditures</b>	<b>0</b>	<b>11,274</b>	<b>69,335</b>	<b>319,951</b>	<b>0</b>	<b>150,000</b>	<b>47,482</b>	<b>100,620</b>	<b>698,662</b>
<b>Excess/(Deficiency) of Revenue Over Expenditures</b>	<b>0</b>	<b>(11,274)</b>	<b>(29,162)</b>	<b>(319,951)</b>	<b>0</b>	<b>(150,000)</b>	<b>(44,937)</b>	<b>(98,901)</b>	<b>(654,225)</b>
<b>Other Financing Sources:</b>									
Loan Proceeds	0	0	0	173,000	0	0	0	0	173,000
Transfers In	8,500	0	0	81,000	0	30,000	35,000	0	154,500
<b>Total Other Financing Sources</b>	<b>8,500</b>	<b>0</b>	<b>0</b>	<b>254,000</b>	<b>0</b>	<b>30,000</b>	<b>35,000</b>	<b>0</b>	<b>327,500</b>
<b>Net Change in Fund Balance</b>	<b>8,500</b>	<b>(11,274)</b>	<b>(29,162)</b>	<b>(65,951)</b>	<b>0</b>	<b>(120,000)</b>	<b>(9,937)</b>	<b>(98,901)</b>	<b>(326,725)</b>
<b>Fund Balance - July 1, 2016</b>	<b>44,022</b>	<b>3,375</b>	<b>38,381</b>	<b>268,969</b>	<b>23,128</b>	<b>261,155</b>	<b>81,465</b>	<b>65,610</b>	<b>786,105</b>
<b>Fund Balance/(Deficit) - June 30, 2017</b>	<b>\$ 52,522</b>	<b>\$ (7,899)</b>	<b>\$ 9,219</b>	<b>\$ 203,018</b>	<b>\$ 23,128</b>	<b>141,155</b>	<b>\$ 71,528</b>	<b>\$ (33,291)</b>	<b>\$ 459,380</b>

TOWN OF SHELBURNE, VERMONT  
 COMBINING BALANCE SHEET  
 NON-MAJOR PERMANENT FUNDS  
 JUNE 30, 2017

	Pierson Library Fund	Cemetery Fund	Lillian Davis Memorial Fund	Total
<u>ASSETS</u>				
Cash	\$ 116,348	\$ 0	\$ 0	\$ 116,348
Investments	0	181,460	93,001	274,461
Due from Other Funds	<u>0</u>	<u>70,028</u>	<u>34,445</u>	<u>104,473</u>
Total Assets	\$ <u>116,348</u>	\$ <u>251,488</u>	\$ <u>127,446</u>	\$ <u>495,282</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to Other Funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>39,441</u>	\$ <u>39,441</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>39,441</u>	<u>39,441</u>
Fund Balances:				
Restricted	<u>116,348</u>	<u>251,488</u>	<u>88,005</u>	<u>455,841</u>
Total Fund Balances	<u>116,348</u>	<u>251,488</u>	<u>88,005</u>	<u>455,841</u>
Total Liabilities and Fund Balances	\$ <u>116,348</u>	\$ <u>251,488</u>	\$ <u>127,446</u>	\$ <u>495,282</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF SHELBURNE, VERMONT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NON-MAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Pierson Library Fund	Cemetery Fund	Lillian Davis Memorial Fund	Total
Revenues:				
Contributions	\$ 97,354	\$ 5,500	\$ 0	\$ 102,854
Investment Income (Loss)	<u>7</u>	<u>21,448</u>	<u>(11,509)</u>	<u>9,946</u>
Total Revenues	<u>97,361</u>	<u>26,948</u>	<u>(11,509)</u>	<u>112,800</u>
Expenditures:				
Cemetery	0	550	0	550
Library	<u>9,665</u>	<u>0</u>	<u>0</u>	<u>9,665</u>
Total Expenditures	<u>9,665</u>	<u>550</u>	<u>0</u>	<u>10,215</u>
Net Change in Fund Balances	87,696	26,398	(11,509)	102,585
Fund Balances - July 1, 2016	<u>28,652</u>	<u>225,090</u>	<u>99,514</u>	<u>353,256</u>
Fund Balances - June 30, 2017	<u>\$ 116,348</u>	<u>\$ 251,488</u>	<u>\$ 88,005</u>	<u>\$ 455,841</u>

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TOWN OF SHELBURNE, VERMONT  
SCHEDULE OF REVENUES AND EXPENSES  
BUDGET AND ACTUAL (NON GAAP BUDGETARY BASIS)  
WATER FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues and Transfers:			
Water Sales	\$ 938,310	\$ 1,014,569	\$ 76,259
Cut-Ins	21,000	21,434	434
Hydrant Maintenance Fees	10,700	8,950	(1,750)
Penalties and Interest	11,000	9,267	(1,733)
Interest Income	500	3,975	3,475
Tank Space Rent	28,280	28,280	0
Turn On/Off and Final Bill Charges	4,400	4,200	(200)
Transfer from Sewer Fund (Meter Reading Services)	20,065	20,065	0
Charges for Materials, Services and Miscellaneous	1,000	59,975	58,975
Certificate of Deposit Revenue	93,152	0	(93,152)
Total Revenues and Transfers	1,128,407	1,170,715	42,308
Expenses and Transfers:			
Water Purchases	346,949	360,146	(13,197)
State Water Quality Fee	8,512	8,836	(324)
Engineering	6,000	17,846	(11,846)
Contractors and Equipment Rental	85,000	66,198	18,802
Pump Station	4,000	3,694	306
Tank and Line Maintenance	114,170	91,694	22,476
Hydrant Replacement and Maintenance	5,000	4,568	432
Materials	5,000	9,264	(4,264)
Meter Purchases and Replacement	6,500	11,749	(5,249)
Equipment and Large Tools	2,000	1,239	761
Miscellaneous	3,000	3,117	(117)
Valve Replacement and Maintenance	5,000	99	4,901
Building Maintenance	1,000	25	975
Small Tools	1,000	1,116	(116)
Radio Maintenance	0	589	(589)
Postage	2,800	2,741	59
Accounting and Auditing	2,402	3,155	(753)
Legal Services	5,000	4,809	191
Office Supplies	1,700	1,600	100
Computer Services	4,500	2,456	2,044
Telephones and Pagers	3,500	2,485	1,015
Uniforms	2,260	1,954	306
Retirement	10,062	10,733	(671)
Health Insurance and Other Benefits	60,335	45,057	15,278
FICA	14,741	15,624	(883)
Training	2,000	686	1,314
Wages - Regular and On Call	172,510	173,852	(1,342)
Mileage	100	0	100
Wages - Overtime	20,179	20,668	(489)
Outside Labor	800	260	540
Vehicle Gas and Oil	5,000	5,213	(213)
Vehicle Repair and Maintenance	2,000	4,351	(2,351)
Insurance - General	17,098	17,098	0
Debt Service	124,829	108,110	16,719
Transfer to General Fund (Administrative Services)	44,659	44,659	0
Transfer to Capital Improvement Fund	10,000	0	10,000
Truck Purchase	28,801	30,632	(1,831)
Total Expenses and Transfers	1,128,407	1,076,323	52,084
Net Income/(Loss)	\$ 0	94,392	\$ 94,392
Adjustments to Reconcile to GAAP Basis Statements:			
Transfer Water Tank to Champlain Water District		(253,121)	
Depreciation Expense		(102,349)	
Capital Project (Truck)		30,632	
Debt Accrued Interest		(6,788)	
GASB 68 Pension Adjustment		(2,515)	
Debt Principal		85,000	
Change in Net Position - Exhibit G		\$ (154,749)	

See Disclaimer in Accompanying Independent Auditor's Report.



TOWN OF SHELBURNE, VERMONT  
SCHEDULE OF REVENUES AND EXPENSES  
BUDGET AND ACTUAL (NON GAAP BUDGETARY BASIS)  
SEWER FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues and Transfers:			
User Fees	\$ 1,752,459	\$ 1,844,549	\$ 92,090
Miscellaneous	700	4,023	3,323
Transfer from General Fund (Stormwater Admin.)	6,500	6,500	0
Transfer from Sewer Capacity Fund	20,000	20,677	677
Interest and Penalties	25,000	20,965	(4,035)
Outside Septage	51,000	65,703	14,703
Total Revenues and Transfers	1,855,659	1,962,417	106,758
Expenses and Transfers:			
Transfer to General Fund (Administrative Services)	44,659	44,659	0
Transfer to Water Fund (Meter Reading Services)	20,065	20,065	0
Chemicals	43,500	48,394	(4,894)
Electricity	178,240	177,660	580
Property Insurance	42,671	41,350	1,321
Lab Testing and Equipment	22,100	24,971	(2,871)
Miscellaneous Expense	3,500	6,264	(2,764)
Plant Maintenance	120,800	47,083	73,717
Professional Services (Legal, Accounting, Engineering)	38,200	20,023	18,177
Permits	3,300	3,300	0
Debt Service	617,539	594,950	22,589
SCADA System Maintenance	18,000	11,647	6,353
Heating Fuel & Communication Utilities	37,630	32,712	4,918
Safety Equipment	2,200	1,636	564
Sludge Disposal	80,000	70,616	9,384
Collection System Maintenance	40,000	49,870	(9,870)
Collection System Capital Improvements	35,000	49,024	(14,024)
Transfer to Capital Improvement Fund	50,000	50,000	0
Training and Travel	3,500	2,532	968
Truck Expense	12,000	20,877	(8,877)
Truck Purchase	10,000	78,072	(68,072)
Office Expense	6,000	7,076	(1,076)
Wages - Regular	278,422	280,238	(1,816)
Wages - Overtime	31,703	30,516	1,187
Retirement	16,791	13,842	2,949
FICA	23,725	24,475	(750)
Health Insurance and Other Benefits	76,114	68,274	7,840
Total Expenses and Transfers	1,855,659	1,820,126	35,533
Net Income/(Loss)	\$ 0	142,291	\$ 142,291
Adjustments to Reconcile to GAAP Basis Statements:			
Transfer from Sewer Capital Fund		(20,000)	
Transfer to Capital Improvement Fund		50,000	
Gain on Sale of Capital Assets		11,300	
Depreciation Expense		(435,345)	
Capital Fund Connection Fees		168,850	
Capital Fund Interest Income		1,967	
Capital Fund Other Income		11,955	
Capital Projects		102,718	
Debt Accrued Interest		(21,117)	
Debt Principal		584,118	
GASB 68 Pension Adjustment		(11,755)	
Change in Net Position - Exhibit G		\$ 584,982	

See Disclaimer in Accompanying Independent Auditor's Report.

# Sullivan, Powers & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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VT Lic. #92-000180

## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"

Selectboard  
Town of Shelburne  
5420 Shelburne Road  
P.O. Box 88  
Shelburne, Vermont 05482

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Shelburne, Vermont, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Shelburne, Vermont's basic financial statements, and have issued our report thereon dated February 20, 2018.

### ***Internal Control Over Financial Reporting***

In planning and performing the audit, we considered the Town of Shelburne, Vermont's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Shelburne, Vermont's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Shelburne, Vermont's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control, we identified certain deficiencies in internal control over financial reporting that we consider to material weaknesses and other deficiencies that we consider to be a significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Shelburne, Vermont's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Deficiencies in Internal Control as Items 2017-1 and 2017-2 to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described the accompanying Schedule of Deficiencies in Internal Control as Items 2017-3 through 2017-5 to be significant deficiencies.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Town of Shelburne, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

We have also noted certain other matters that we reported to the management of the Town of Shelburne, Vermont in a separate letter dated February 20, 2018.

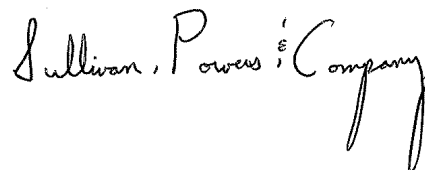
### ***Town of Shelburne, Vermont's Responses to the Deficiencies in Internal Control***

The Town of Shelburne, Vermont's responses to the deficiencies in internal control identified in our audit is included with the accompanying Schedule of Deficiencies in Internal Control. We did not audit the Town of Shelburne, Vermont's responses and accordingly, we express no opinion on them.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Shelburne, Vermont's internal control or on compliance. This report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Shelburne, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 20, 2018  
Montpelier, Vermont  
VT Lic. #92-000180



TOWN OF SHELburnE, VERMONT  
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2017

Deficiencies in Internal Control:

Material Weaknesses:

2017-1 Segregation of Duties - Cash

*Criteria:*

An important factor in developing good internal control procedures is to divide responsibilities so that no individual can both perpetrate and conceal errors or irregularities. One of the most common divisions of duties is the division between the check signing and bank reconciliation functions.

*Condition:*

In the Town, two individuals reconcile the various bank accounts. These individuals also have other duties such as collecting cash, posting to the journals and making deposits. One individual has check signing authority and the other can make electronic transfers from the account. No one reviews their bank reconciliations.

*Cause:*

Unknown.

*Effect:*

The Town has inadvertently made its assets susceptible to misappropriation.

*Recommendation:*

We recommend that someone other than a check signer prepare or review in detail the reconciliations of the cash accounts monthly. This review should be documented.

*Management Response:*

The Treasurer reconciles small checking accounts and certificates of deposit activity and posts this to the general ledger. The Finance Director reconciles the Town's primary checking account and posts adjusting entries, if needed as part of this reconciliation, which is provided to the Treasurer. The Finance Director posts tax, water and sewer payments on a limited basis during peak times and employee absences. The Town Treasurer, (now a part-time appointed position) posts ambulance receipts. All other payments are processed by Town Clerk, Finance, and Recreation Department staff. The Finance Director does not have signing authority for paper checks but can initiate electronic payments, (see response to 2017-2). We will develop a procedure where the Finance Director and Town Treasurer's monthly reconciliations are reviewed by another person, preferably in a different department.

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TOWN OF SHELburnE, VERMONT  
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2017

2017-2 Transfer of Funds

*Criteria:*

Electronic transactions should have an approval process so that controls are not inadvertently overridden. Electronic transfers from bank accounts should be approved and documented like paper checks.

*Condition:*

Transfers can be made electronically from the Town's checking account by the same individual who reconciles the account and posts transactions. The bank requires two individuals to authorize the transaction but the individual making the transfer has access to the second authorizer's code and thus can override this control. Most transfers have documentation showing their purpose and are approved by the second person. But there still exists instances where the transfer is done by the same person using the second person's code.

*Cause:*

Unknown.

*Effect:*

The Town has inadvertently made its assets susceptible to misappropriation.

*Recommendation:*

We recommend that all electronic transfers be documented as to purpose, amount and approved by someone other than the transferor. This documentation should be kept with the bank reconciliation so that the individual reviewing the reconciliation can see that all transfers were approved. In the rare instance where the same person initiates and releases the transfer, the second person should document their approval of the transfer after the fact.

*Management Response:*

Electronic transfers of funds require two individuals — one to enter the transaction and a second person to process the transaction, releasing the funds. In rare cases, where a second person is not available, the transfer is completed by one person using a separate transaction token and username that is kept in the Town vault. In these cases, documentation of the transfer is provided to the Treasurer who initials it. In all cases, both the person initiating the transaction and the one processing it initial the report documenting their role. We will ensure this takes place for all transfers of funds. Electronic payments are listed on the Check Warrant Report, which is reviewed and signed by a Selectboard member.

(73)

TOWN OF SHELburnE, VERMONT  
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2017

Significant Deficiencies:

2017-3 Reconciliation of Rec Track Revenues

*Criteria:*

Departments outside the central accounting function should be monitored to ensure cash they collect is deposited and all transactions are recorded.

*Condition:*

The Recreation Department collects fees for programs and records the status of participants in the Rec Track program. Cash collected and revenue for the various programs is being reconciled with the general ledger, but no one outside the Recreation Department reviews the reconciliation.

*Cause:*

Unknown.

*Effect:*

The Town has inadvertently made its assets susceptible to misappropriation.

*Recommendation:*

We recommend that the Rec Track reconciliation be submitted to the Finance Department for review and approval.

*Management Response:*

We will work with Recreation Department staff to develop a procedure to review their reconciliation. Since the department initiated online payments, the amount of cash payments has decreased.

2017-4 Review and Approval of Journal Entries

*Criteria:*

Internal controls should be in place that require appropriate individuals to approve adjustments to the books of original entry.

*Condition:*

Internal controls over recording of journal entries are inadequately designed. Journal entries prepared by the Finance Director are not reviewed by another individual.

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TOWN OF SHELburnE, VERMONT  
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2017

*Cause:*

Unknown.

*Effect:*

Other internal control policies could be circumvented.

*Recommendation:*

We recommend that Journal entries prepared by the Finance Director be approved by an appropriate individual such as the Town Manager or Treasurer.

*Management Response:*

Journal entries prepared by the Finance Director are kept in a binder for anyone to review. We will develop a process where these are reviewed and acknowledged by the Treasurer.

2017-5 Timely Reconciliation of Balance Sheet Accounts

*Criteria:*

Internal controls should be in place to provide for the timely reconciliation of all balance sheet accounts to supporting documentation on a monthly basis in order to detect and correct errors in account balances.

*Condition:*

A number of balance sheet accounts such as unbilled water and sewer receivables, prepaid expenses, accrued payroll and deferred revenues were not reconciled to the actual balances at year end or during the year which resulted in various adjustments to revenue and expenses.

*Cause:*

Unknown.

*Effect:*

Some of the Town's balance sheet account balances were incorrect during the year and at year end.

*Recommendation:*

We recommend that all balance sheet accounts be reconciled to supporting documentation on a monthly basis in order to detect and correct errors.

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TOWN OF SHELBURNE, VERMONT  
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL  
JUNE 30, 2017

*Management Response:*

Due to staff vacancies throughout the year, reconciliation of balance sheet accounts did not take place on a timely basis after month end. We will work to correct this deficiency in FY 2017-18, with the goal of performing reconciliations on a monthly basis at the close of each month.

TOWN OF SHELBURNE  
STATEMENT OF DELINQUENT TAXES : FY 2016-17 \*

For the year ended June 30, 2017, property taxes were assessed and accounted for as follows:

Number of taxable parcels: 2,896

	<u>Town **</u>	<u>Homestead School</u>	<u>Non-Residential School</u>	<u>Total</u>
Adjusted Grand List after Grievance (Jul-2016)	15,058,305	8,719,145	6,385,575	
x Tax Rate	\$ 0.3731	\$ 1.5385	\$ 1.5971	
	-----	-----	-----	
	\$5,618,254	\$13,414,405	\$10,198,403	\$29,231,062

\*\* Includes local agreement tax rate

Recognition of FY 2016-17 Property Tax Revenue

Property Taxes Billed in FY 2016-17	\$29,231,062
Deferred Revenue: Property Taxes	(40,121)
Less: State School Property Tax Adjustments	(2,369,376)
Adjustments/Abatements/Appeals	(106,877)
Less: Act 60 Admin. Allowance retained by town	(47,634)
Less: Education Taxes Paid to State	(4,773,999)
Less: Education Taxes Paid to School District	(16,330,490)
	-----
Town Property Tax revenue for FY 2016-17	\$5,562,565

Delinquent Tax Accounts:

	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>Increase/(Decrease)</u>
Total Delinquent Taxes	\$ 181,519	\$ 264,354	\$ 82,835

Delinquent Tax Status at 30-Jun-17

<u>Tax Year</u>	<u># of Parcels</u>	<u>Principal</u>	<u>Interest</u>	<u>Penalty</u>	<u>Total</u>
2016-17	78	\$ 128,774	\$ 10,928	\$ 6,142	\$ 145,845
2015-16	15	46,950	11,490	2,310	60,750
2014-15	7	11,824	5,404	588	17,815
2013-14	6	10,021	6,470	511	17,003
2012-13	6	11,140	9,660	628	\$ 21,428
2011-12	2	226	679	92	\$ 997
2010-11	2	224	273	18	\$ 515
		-----	-----	-----	-----
Totals		\$ 209,160	\$ 44,904	\$ 10,290	\$ 264,354

***\* This statement is not part of the Auditor's report.***

## NOTES



## GENERAL INFORMATION

**TOWN WEB SITE:**      **<http://www.shelburnevt.org>**

Check the web site for helpful information, including calendar of events and meetings, meeting agendas and minutes, contacts, forms, employment opportunities, Recreation Dept. and Pierson Library events and programs, other Town Departments' information and much more.

### TOWN PHONE NUMBERS

#### EMERGENCY: DIAL 911

#### NON-EMERGENCY PHONE NUMBERS

FIRE .....	985-2366	ASSESSING .....	985-5115
POLICE .....	985-8051	WATER - OFFICE .....	985-5120
RESCUE.....	985-5125	WATER - SHOP.....	985-5122
TAX PAYMENT INFO.....	985-5120	SEWER.....	985-3700
TOWN CLERK .....	985-5116	HIGHWAY.....	985-5123
TOWN MANAGER.....	985-5111	PIERSON LIBRARY.....	985-5124
ZONING.....	264-5032	COMMUNITY SCHOOL.....	985-3331
RECREATION .....	985-9551	CVU HIGH SCHOOL .....	482-7100
ANIMAL CONTROL.....	985-8051	CVSD OFFICES .....	383-1234
PLANNING.....	264-5033		
GENERAL INQUIRIES .....	985-5110	TOWN OFFICE FAX .....	985-9550

### MEETINGS

**Selectboard** – 2<sup>nd</sup> & 4<sup>th</sup> Tues. of the month; 7:00 P.M., Town Center.

**Planning Commission** – 2<sup>nd</sup> & 4<sup>th</sup> Thursday of the month, 7:00 P.M., Town Center.

**Development Review Board** – 1<sup>st</sup> & 3<sup>rd</sup> Wednesdays of the month, 7:00 P.M., Town Center.

**Water Commission** – 1<sup>st</sup> Monday of the month, 5:00 P.M., Town Center.

**Pierson Library Bd. of Trustees** – 2nd Thursday of the month, 6:30 P.M., Pierson Library.

**Recreation Committee** – Contact Rec. Dept. for meeting dates.

**CVSD School Board** – 3<sup>rd</sup> Tuesday of the month, 6:00 P.M., CVU High School, Rm. 160.

**CVSD Committee Meetings** - 1st Tuesday of the month, 6:00 P.M., rotating location schedule

### CAT and DOG LICENSES

Cat and Dog Licenses are due on or before April 1. New registrations and renewals can be done by mail. A copy of a current certificate of rabies vaccination must be filed with the Town Clerk. After April 1 a 50% additional fee is charged. Fees are as follows:

Unneutered dog, cat, or wolf-hybrid:      \$16.00

Neutered dog, cat, or wolf-hybrid:      \$12.00

Shelburne has an Animal Control Ordinance. Copies are available in the Town Clerk's Office.

### YOU CAN CONTACT YOUR LEGISLATOR

By calling the Sergeant at Arms at 800-322-5616 or 802-828-2228, or faxing to 802-828-2424, or email to [sgtatarms@leg.state.vt.us](mailto:sgtatarms@leg.state.vt.us)      Clearly note the recipient's name when sending fax or email.

ALSO:      Rep. Kate Webb  
             katewebbvt@gmail.com  
             Phone (802) 233-7798

Rep. Jessica Brumsted  
JBrumsted@leg.state.vt.us  
Phone (802) 985-9588

The Legislative web site at **[www.leg.state.vt.us](http://www.leg.state.vt.us)** has up to date information on what is taking place in the legislature.

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