

FINANCE COMMITTEE MEETING MINUTES

March 12, 2026 3:30 P.M.

Shelburne Town Offices

Present: Ken Albert (virtual), Jeff Carr, Joan Lenas, Patty Carpenter, Aaron DeNamur, Luce Hillman, Chunka Mui, Don Porter. John Kohler, Shelburne resident, also joined meeting.

The meeting was called to order at 3:30 PM. Motion to approve agenda and accept meeting minutes from February 5, 2026 was proposed by Carr, seconded by Lenas and approved unanimously. No conflict of interest among attendees was disclosed and there was no public comment on items not on the agenda.

Review of Shelburne's Bond Bank Winter Pool Borrowing

Porter presented preliminary information on Shelburne's \$2,128,000 financing through the Vermont Bond Bank, the Town's first Bond Bank borrowing since 2019. This Bond Bank sale introduced a new funding structure accomplished through major modifications to the General Bond Resolution which establishes essentially three debt lien categories:

The Bond Bank's now super senior lien debt, defined as "Legacy Bonds" (~\$700 million outstanding), created by closing off this senior lien, secured by a funded debt service reserve fund (DSRF) that together with loan repayments and other pledged revenues provides for at least 1x debt service coverage; and

Two new debt lien structures consisting of: Community Revenue Bonds (senior lien) secured by a coverage ratio requirement equal to the greater of (i) 1.0x and (ii) a percentage specified in the Series Resolution (100% specified in the 2026 Series 1 Resolution) without a DSRF pledge; and Enhanced Community Revenue Bonds (subordinate lien) which requires only 1.0x coverage and a DSRF, similar to the Legacy Bond structure.

The DSRF for both the Legacy Bonds and the Enhanced Community Revenue Bonds (but not the Community Revenue Bonds) includes the Moral Obligation pledge of the State of Vermont to replenish any draws on the DSRF to make required payments to bondholders.

Shelburne's financing is included in the approximately \$38.385 million Series 2026-1 Community Revenue Bonds; approximately \$17.99 million are to be issued in Series 2026-2 Enhanced Community Revenue Bonds. While the modification to the Resolution provides more efficient future financing, the reduction in security provisions (no DSRF and Moral Obligation pledge for Community Revenue Bonds) resulted in half-step bond rating reductions from both Moody's and S&P bond rating agencies. The Community Revenue Bonds and Enhanced Community Revenue Bonds are rated Aa2 and AA, respectively by Moody's and S&P. The market effect of this slight downrating is estimated at 5 to 15 basis points.

Despite the subordinate nature of future Bond Bank debt, the rating agencies consider that the Bond Bank borrowing program cashflows provide sufficient default tolerance coverage and maintain the overall credit strengths of the Pool Program under the amended Resolution.

Porter provided copies of the bond rating agencies' credit reports, security provisions under the Bond Bank modified General Bond Resolution, relevant portions of the Bond Bank's Preliminary Official Statement, and credit analysis summaries prepared by the Bond Bank for Shelburne's General Fund and Enterprise activities. Details on the actual Bond Bank bond sale, which is expected to close on March 18, will be provided at the next Finance Committee meeting.

Status, Forward Planning, and Coordination with Experience Shelburne

Mui presented a PowerPoint presentation update on the activities of Experience Shelburne. Following a very successful launch event at Shelburne Museum/Town Offices in late January, Experience Shelburne has been focusing on implementation of several initiatives intended to deliver on the Town's community and economic development opportunities through awareness, engagement and partnerships. Mui identified the overarching strategy guiding Experience Shelburne's mission to date:

- Enable smart targeted growth, not transformational change
- Increase quality of life and experience, not quantity of traffic
- Focus on high value opportunities
- Leverage visitor synergies and increase share of wallet
- Create and enhance spaces, attractions, and opportunities to turn through-traffic into assets rather than liabilities
- Target commercial development to capture local demand, enhance quality of resident and visitor experience, and town's fiscal vitality

Mui reviewed Experience Shelburne accomplishments this past year including:

Built foundation for Experience Shelburne, including Town Committee, partner 501(c)(3) (applied), 30+ volunteers and advisors, positioning, brand, website, and toolkit

Engaged more than 300 community members through interviews, focus groups, surveys and information sessions

Supported Selectboard analysis and negotiations for O'Brien and other property development opportunities

Supported Unified Zoning Regulations rewrite

Revived Bay Road District infrastructure, safety and access efforts to leverage Wastewater project synergies

Championed continuation of Town's Winter Lights in concert with Shelburne Museum program

Secured future of the Shelburne Farmers Market

Advanced development of the former Rice Lumber site through potential partner outreach and discussions

Experience Shelburne priorities over the next 1 to 3 years were identified and discussed with Mui encompassing:

- Commercial property development (pre-permitting, promotion)
- Placemaking, signage, and parking
- Food, retail and hospitality recruitment
- Four Season strategy, especially Winter gaps via Winter Lights, Market, and other attractions
- Shelburne Bay District: LaPlatte Bridge, Bay Road, and Bay Park, wastewater project, infrastructure, safety and access
- Town asset inventory and leverage
- Town Plan and TIF/CHIP analysis (Tax Increment Financing)
- Experience Shelburne Organizational Development — sustainability, funding and value

Mui presented more detailed priorities for Experience Shelburne targeted for completion this year including:

Active Initiatives

Managing revamped Farmers Market

Developing expanded winter season strategy, including Winter Lights, Market and Festivals

Investigating and Bay Road District improvements

Exploring Rice property development options

Creating a prime commercial and industrial property inventory and promotion strategy

Providing Town plan input, particularly community and economic development opportunities

Preparing and submitting Downtown designation application

Building out Experience Shelburne organization, development capability, and sustainability objectives

Increasing community engagement, communication, and support

Planned and Potential Additional Activities (Resource Dependent)

Thorough TIF/CHIP analysis to determine most effective financing framework for Rt.7 growth

Visitor experience enhancement and local business-comarketing

Village placemaking, signage and parking

Expanded restaurants, hospitality, and entertainment attraction recruiting

Development of a Town asset inventory and condition assessment

Finance Committee members discussed generally the financial and capital improvement program implications of Experience Shelburne activities. Further in-depth discussions and analyses will be topics addressed in future meetings.

With no further business, the meeting was adjourned at 5:20 PM.

Respectfully submitted by Don Porter, Committee Chair