

Town of Shelburne, Vermont



229th Annual Town Report Fiscal Year 2016

Town Meeting: March 6, 2017
Australian Ballot Voting: March 7, 2017

DEDICATION



COLLEEN T. HAAG

Colleen Haag, who has served as Shelburne Town Clerk and Treasurer since October 1982 retired from her position of Town Clerk in October 2016. During that time, she also served as School Treasurer, Chief Election official and Clerk for the Board of Civil Authority. It is a profession that has suited her outward personality and passion for serving others. She served on the boards of the Interfaith Affordable Housing committee, the Shelburne Craft School, the Shelburne Business and Professional Association and Shelburne Historical Society. In addition, Colleen was one of the founding members of the SCHIP Interfaith Projects and resale shop, worked with the Shelburne Food Shelf, chaired the Shelburne 250th Anniversary Celebration, and serves on the Veterans Monument Committee, to name a few.

Colleen helped create the Vermont Certification program for Town Clerks/Treasurers, attended the New England Institute for Town Clerks in Newport, Rhode Island for twenty-two consecutive years, and served on its board for several years as its director. She was President of the Vermont Clerks Association in 1990, President of the New England Clerks Association in 2003 as well as participating on several committees at the International level. She received the Vermont Town Clerk/Treasurer of the Year award in 1994 for dedication and leadership to her profession. In addition, she was involved with the Town Officers Connectivity Project, the State Rabies task force, the Governor's Ethics committee, as well as lobbying in the legislature on behalf of the Town Clerks.

Through her own continuing education, she obtained the Certified Vermont Clerk and Certified Vermont Treasurer designations. She also obtained the International Institute of Municipal Clerk's designation as a Certified Municipal Clerk and further as a Master Municipal Clerk (MMC) - a distinction only a few Vermont Clerks have achieved. Colleen also initiated a project to copy all of the Town of Shelburne's paper land records into a digital format, preserving this valuable information and providing an efficient way to search these records, all at no cost to Shelburne taxpayers.

Colleen became a member of the Charlotte-Shelburne Rotary Club in 1993. In 2005, and for the next 8 years, traveled to Tela Honduras to serve the poor of that community, working on numerous community improvement projects. She was the recipient of Rotary's Paul Harris Fellow award for "Service above Self."

In recognition of the service and commitment to her profession and the Town of Shelburne, we dedicate this Town Report to Colleen T. Haag.

DEDICATION



Ruth Morrow

November 22, 1923 ~ May 21, 2016

Lifelong Shelburne resident Ruth Morrow passed away May 21, 2016. Ruth attended elementary school in town and graduated from Shelburne High School. She joined the WAVES during WWII, returning home to Shelburne and worked as a bookkeeper for the Shelburne Co-operative Creamery. She married Rufus Morrow in 1947.

Ruth's service to the Town of Shelburne started with her teaching Red Cross swimming lessons at the Shelburne Beach in the 1950s. She was the town auditor from 1962-1968, library trustee from 1971-1981, and served on the Cemetery Commission from 1987-2016. Ruth Singlehandedly converted cemetery records from paper to the digital age in her 70s and 80s. This was hundreds of hours of volunteer time, which she did enthusiastically to help the Town. She also served as an election assistant for over 30 years, recruiting election workers and assisting with reconciliation of vote counts to the voter checklist on an adding machine with lightning speed. When the clerk's office received calls about grave sites, genealogy, or historic facts about Shelburne, Ruth served as the town historian. On April 14, 2016, Ruth was honored by the Secretary of State's Office with a Vermont Public Service Award for her 50 years of service.

Shelburne's Poet Laurette, Rick Bessette, wrote this poem in her honor:

Ruth Morrow

A Life Long Dedication to her Country and Community

Shelburne will be forever grateful
For one who has tirelessly given,
To country and her community
With a heart that was endlessly driven.
Your legacy forever embraced
By the community you loved and knew,
Godspeed to you Ruth on your journey.
The Town of Shelburne bids goodbye and thank you.

In recognition of her service and commitment to the Town of Shelburne, we dedicate this Shelburne Town Report to Ruth Morrow.

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GENERAL INFORMATION

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NOTE: SCHOOL REPORTS:

*** The Champlain Valley School District (“CVSD”) School Report including the 2016-2017 Annual report Cards of the Chittenden South Supervisory Union and the CVU High School District is available in the following ways:*

- Posted on the web at www.cssu.org,
- Mailed to each resident of CVSD
- 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 2015-2016 (FY 2016) covers the period from July 1, 2015, to June 30, 2016. 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

ELECTED OFFICIALS

Thomas A. Little, Moderator - 1 year term.....Term Expires 2018
Colleen T. Haag, Town Clerk, resigned October 10, 2016.....Term Expires 2018
Diana Vachon, Town Clerk, Appointed October 11, 2016.....Term Expires 2017
Robert Lake, Constable - 2 year termTerm Expires 2018

SELECTBOARD

Colleen Parker, Vice Chair - 3 year term.....Term Expires 2017
John P. Kerr - 2 year term.....Term Expires 2017
Gary von Stange, Chair – 3 year term.....Term Expires 2018
Jerry Storey - 2 year term.....Term Expires 2018
Josh Dean, - 3 year term.....Term Expires 2019

TOWN SCHOOL DIRECTORS

Tim Williams - 2 year term.....Term Expires 2017
Katharine Stockman - 3 year termTerm Expires 2017
Robert M. Finn - 2 year termTerm Expires 2018
Matt Wormser - 3 year term.....Term Expires 2018
David Connery, Chair - 3 year term.....Term Expires 2019

CHAMPLAIN VALLEY UNION HIGH SCHOOL DIRECTORS

3 Year Term

Kim Schmitt.....Term Expires 2017
Jeffery S. Solomon.....Term Expires 2018
Joan Lenes.....Term Expires 2019

CHAMPLAIN VALLEY SCHOOL DISTRICT DIRECTORS

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

JUSTICES OF THE PEACE

Nancy E. Baker	Mary Kehoe
Dennis Bowen	Jennifer Leopold
John Charron	Thomas Little
William Deming	Becky Moore
Peter Gadue	Randolph Rowland
Laura Gannon-Murakami	George Schiavone
Jaimesen Harris	Lee Suskin
	David Webster

REPRESENTATIVES - CHITTENDEN DISTRICT # 5

2 Year Term

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

CHAMPLAIN WATER DISTRICT

Peter GadueTerm 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

Mark Brooks	Term Expires 2017
Kate Lalley	Term Expires 2017
Ann Hogan	Term Expires 2018
Dick Elkins.....	Term Expires 2019
Jason Grignon,	Term Expires 2019
Jaime Heins, Chair	Term Expires 2019
Don Posner.....	Term Expires 2019
Peter Antinozzi, student.....	Term Expires 2017

DEVELOPMENT REVIEW BOARD

3 Year Term

Mark Sammut, Vice Chair	Term Expires 2017
Ian McCray.....	Term Expires 2017
Judith Christensen	Term Expires 2017
Norm Blais, Alternate	Term Expires 2017
Joanna Watts	Term Expires 2017
Jeff Pauza,.....	Term Expires 2019
Jeff Hodgson, Clerk	Term Expires 2019
Mary Kehoe, Chair.....	Term Expires 2018
Ellie Harkness, student.....	Term Expires 2017
Alex von Stange, Alternate.....	Term Expires 2019

RECREATION COMMITTEE

3 Year Term

Ann Clark.....	Term Expires 2017
Marvin Thomas.....	Term Expires 2017
Kelli Magnier	Term Expires 2017
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.....	Term Expires 2017
Steve Smith.....	Term Expires 2018
Peter Gadue, Chair.....	Term Expires 2019
Mike Abrams.....	Term Expires 2019
Michael Regan.....	Term Expires 2019

CHITTENDEN SOLID WASTE MANAGEMENT DISTRICT

2 Year Term

Tim Loucks.....	Term Expires 2017
Paul W. Bohne III, Alternate.....	Term Expires 2017

PIERSON LIBRARY TRUSTEES

3 Year Term

Laureen Mathon.....	Term Expires 2017
Erin Miller Heins.....	Term Expires 2017
Jane McKnight.....	Term Expires 2019
Bonnie Christie.....	Term Expires 2019
Barbara Comeau.....	Term Expires 2019
Ruth Hagerman, Chair.....	Term Expires 2018
Cathy Townsend.....	Term Expires 2018
Cooper Birdsall, student.....	Term Expires 2017
Joshua Ashooh, student.....	Term Expires 2017

CEMETERY COMMISSION

3 Year Term

Carole Carlson.....	Term Expires 2017
Chet Thabault.....	Term Expires 2017
Ron Gagnon.....	Term Expires 2018
Stuart Morrow, Chair.....	Term Expires 2019
Deborah Belcher.....	Term Expires 2019

HISTORIC PRESERVATION AND REVIEW COMMISSION

3 Year Term

Fritz Horton, Chair.....	Term Expires 2017
David Webster.....	Term Expires 2017
Tom Koerner.....	Term Expires 2017
Dorothea Fraver Penar.....	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 2017
Jan Gannon.....	Term Expires 2017
Gail Henderson-King, Chair.....	Term Expires 2018
David Hall.....	Term Expires 2018
David Keough-Schmidt.....	Term Expires 2018
Hope Johnson.....	Term Expires 2019
Tod Warner.....	Term Expires 2019

NATURAL RESOURCES AND CONSERVATION COMMITTEE

3 Year Term

Thomas Newcomb	Term Expires 2017
Sean MacFaden	Term Expires 2017
Susan Moegenburg.....	Term Expires 2017
Peg Rosenau.....	Term Expires 2018
Gail Albert, Chair.....	Term Expires 2018
Don Rendall, Vice Chair.....	Term Expires 2018
Bonnie Christie	Term Expires 2018
Michael Abrams.....	Term Expires 2019
Kyle Bergeron, Student.....	Term Expires 2019

BIKE AND PEDESTRIAN PATHS COMMITTEE

3 Year Term

Wendy Saville	Term Expires 2017
Susan Dunning	Term Expires 2017
Chris Trapeni	Term Expires 2018
Marc Gamble, Co-Chair.....	Term Expires 2018
Steve Antinozzi, Co-Chair.....	Term Expires 2018
Kevin Boehmcke.....	Term Expires 2018
Joplin James.....	Term Expires 2019
Gregory Levine, student.....	Term Expires 2017

SOCIAL SERVICE COMMITTEE

1 Year Term

Georgine Grover, Chair.....	Term Expires 2017
Barbara Cimaglio, Vice Chair.....	Term Expires 2017
Margaret Ottinger.....	Term Expires 2017
Suzanne Brown	Term Expires 2019
Debra Niemasz.....	Term Expires 2019

ETHICS COMMITTEE

1 Year Term

Peter Gadue, Alternate	Term Expires 2017
Mike Ashooh.....	Term Expires 2017
Gwen Webster.....	Term Expires 2017
Lee Suskin, Chair.....	Term Expires 2018
Tom Little	Term Expires 2018
Bill Deming,	Term Expires 2019

VETERANS COMMITTEE

2 Year Term

Eric Hanley	Term Expires 2018
Colleen Haag.....	Term Expires 2017
Sam Feitelberg	Term Expires 2017
Perry Melvin	Term Expires 2018
Carroll "Bud" Ockert	Term Expires 2018
Jim Donaldson,	Term Expires 2018
Mike Lynch.....	Term Expires 2017
Pete Gadue	Term Expires 2017
Paul Goodrich	
Al Dunbar	
Arthur Kunin	

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

2 Year Term

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

CHITTENDEN COUNTY TRANSPORTATION AUTHORITY

3 Year Term

Denis BartonTerm Expires 2017
Paul W. Bohne III, Alternate.....Term Expires 2017

FRIENDS OF SHELBURNE VILLAGE DOG PARK COMMITTEE

3 Year Term

Lissy Wolf.....Term Expires 2017
Mary West.....Term Expires 2017
Zolton KeveTerm Expires 2017
Erica Eulau.....Term Expires 2018
Bill BlackmoreTerm Expires 2018
Sara Blum.....Term Expires 2018
Bob Owens.....Term Expires 2019
Kay Boyce, ChairTerm Expires 2019

TOWN ADMINISTRATION

Town ManagerJoe Colangelo
Director of Administration.....Ann Janda
Chief of PoliceJames Warden
Planning DirectorDean Pierce
AssessorTed Nelson
Highway Superintendent.....Paul Goodrich
Water Superintendent.....Rick Lewis
Water Quality Superintendent.....Chris Robinson
Parks and Recreation DirectorBetsy Cieplicki
Maintenance Director.....Darwin Norris
Library DirectorLara Keenan
Chief of Fire DepartmentJerry 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 CollectorJoe Colangelo

TOWN CLERK'S APPOINTMENTS

Assistant Town TreasurerSue Moraska
Assistant Town ClerksLisa Mann
Sue Moraska

SCHOOL OFFICIALS

Pati Beaumont.....Community School K-5 Principal
Allan Miller.....Community School 6-8 Principal
Adam Bunting.....CVUHS Principal
Elaine Pinckney.....CSSU 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. 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

Year	Town Grand List	Education Grand List	State		Local	Total	Total
			Town	Educ.	Agrmt.	Tax	Taxes
			Rate	Rate	Rate **	Rate	Billed
2008-09 (Homestead tax rate)	14,067,643	14,081,292	0.3216	1.1590	0.0006	1.4812	21,233,700
2008-09 (Non residential tax rate)			0.3216	1.2207	0.0006	1.5429	
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	

	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
Town Grand List (at 01-July)	14,509,208	14,613,419	14,699,970	15,128,384	15,058,306
Percent Change from prior yr.	1.1%	0.7%	0.6%	2.9%	0.2%
Education Grand List	14,525,578	14,627,166	14,674,289	15,112,601	15,036,990
Common Level of Appraisal	98.70%	100.20%	99.70%	98.54%	96.11%
Town Tax Rate	0.3374	0.3470	0.3571	0.3602	0.3724
Local Agreement Tax Rate *	0.0007	0.0007	0.0008	0.0008	0.0007
Homestead School tax Rate **	1.3402	1.3814	1.4506	1.4916	1.5385
Non-Residential School tax Rate **	1.3982	1.4371	1.5196	1.5577	1.5971
Total Homestead Tax Rate	\$ 1.6783	\$ 1.7291	\$ 1.8085	\$ 1.8526	\$ 1.9116
Total Non-residential Tax Rate	\$ 1.7363	\$ 1.7848	\$ 1.8775	\$ 1.9187	\$ 1.9702
Total Town Taxes billed (as of July)	\$ 4,895,370	\$ 5,070,819	\$ 5,248,731	\$ 5,448,591	\$ 5,606,446
Total Local Agrmt. Taxes billed (July)	10,157	10,230	11,488	11,849	10,435
Total School Taxes billed (as of July)	<u>19,777,877</u>	<u>20,536,055</u>	<u>21,696,956</u>	<u>22,964,137</u>	<u>23,492,909</u>
Total Taxes billed (as of July)	\$ 24,683,404	\$ 25,617,104	\$ 26,957,175	\$ 28,424,577	\$ 29,109,790

* 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 2017-18

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 2017. 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 2016 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>
Town Tax Rate (2)	\$0.3845	\$0.3845
Education Tax Rate (3)	\$1.4940	\$1.6200
Local Agreement Rate (4)	<u>\$0.0008</u>	<u>\$0.0008</u>
Total School + Town	\$1.8793	\$2.0053
Articles Voted Separately, if Approved :		
Town Article II. (Selectboard Salaries)	\$0.0004	\$0.0004
Town Article VII. (Open Space Fund)	\$0.0019	\$0.0019
Town Bond Vote (Fire Ladder Truck) (5)	\$0.0016	\$0.0016
	-----	-----
Sub-Total, Separate Articles	\$0.0039	\$0.0039
Total Estimated Tax Rate:	<u>\$1.8832</u>	<u>\$2.0092</u>

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 2017 town grand list as of July 2017. The estimated tax rate shown here assumes a grand list of \$15,176,000.
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.
5. See separate warning for the Fire Truck Bond vote. If approved, the bond payment in FY 2017-18 for the Fire Dept. Ladder truck would include interest only. The estimated tax rate for the bond payment, including principal in the following year (FY 2018-19) would be \$0.005

TOWN OF SHELBURNE, VERMONT
WARNING
ANNUAL TOWN MEETING

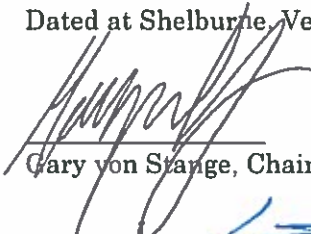
The legal voters of the Town of Shelburne, Vermont are hereby notified and warned to meet at the Shelburne Community School in said Town of Shelburne on Monday, March 6, 2017 at 7:30PM to act upon any of the following articles not involving voting by Australian Ballot and to hold a public hearing on 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 7, 2017 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, 2015 through June 30, 2016 (Fiscal Year 2016).
- Article II Will the voters determine the compensation to be paid to the Selectboard for Fiscal Year 2017 - 2016? [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 \$8,073,752 of which \$5,835,946 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? [The fund balance in the Open Space Fund is currently \$291,154]


Dated at Shelburne, Vermont this 24th Day of January 2017 by the SELECTBOARD




Gary von Stange, Chair




Josh Dein



Jerry Storey



Colleen Parker, Vice Chair



John D. Kerr

Filed this 25th Day of January, 2017 in the office of the Shelburne Town Clerk.



Diana Vachon, Town Clerk

018 004

SHELBURNE TOWN CLERK'S OFFICE
11 JANUARY 20 17
RECEIVED FOR RECORD 9 O'CLOCK 30 MINUTES
A.M. AND RECORDED IN BOOK 18 PAGE 4-5
OF SHELBURNE ELECTION RECORDS
ATTEST *[Signature]* ASST CLERK

WARNING

The legal voters of the Town of Shelburne, Vermont, are hereby notified and warned to meet at the Shelburne Town Office Building Gymnasium in the Town of Shelburne on Tuesday, March 7, 2017, between the hours of seven o'clock (7:00) in the forenoon (a.m.), at which time the polls will open, and seven o'clock (7:00) in the afternoon (p.m.), at which time the polls will close, to vote by Australian ballot upon the following Article of business:

ARTICLE I

Shall general obligation bonds of the Town of Shelburne in an amount not to exceed Nine Hundred Seventy Thousand Dollars (\$970,000), subject to the receipt of available state and federal grants-in-aid, be issued for the purpose of acquiring a Quint fire-fighting ladder truck, at an estimated cost of Nine Hundred Seventy Thousand Dollars (\$970,000)?

The legal voters of the Town of Shelburne are further notified that voter qualification, registration and absentee voting relative to said special meeting shall be as provided in Chapters 43, 51 and 55 of Title 17, Vermont Statutes Annotated.

The legal voters of the Town of Shelburne are further notified that an informational meeting will be held on Monday, MARCH 6, 2017 at The Shelburne Community School in the Town of Shelburne at seven o'clock (7:00) in the evening, for the purpose of explaining the proposed improvements and the financing thereof.

Adopted and approved at a meeting of the Selectboard of the Town of Shelburne duly called, noticed and held on January 10, 2017. Received for record and recorded in the records of the Town of Shelburne on January 11, 2017.

ATTEST:
[Signature]
Town Clerk

[Signature]
[Signature]
Selectboard

**TOWN OF SHELBURNE
GENERAL FUND FY 2017-18 PROPOSED BUDGET
REVENUE & EXPENDITURE
SUMMARY**

	FY 2016 2015-16 BUDGET	FY 2016 2015-16 ACTUAL	FY 2017 2016-17 BUDGET	FY 2018 2017-18 BUDGET	FY 2018 INCR (DECR)	% CHG.	
REVENUE CATEGORIES							
1	Taxes, Penalties & Interest	\$5,516,591	\$5,544,933	\$5,680,446	\$5,918,946	\$238,500	4.2%
2	Town Clerk's Office	146,550	121,355	147,825	144,580	(\$3,245)	-2.2%
3	Highways & Public Works	277,300	170,009	300,300	270,300	(\$30,000)	-10.0%
4	Police & Emergency Dispatch	412,540	619,468	447,831	468,500	\$20,669	4.6%
5	Water & Sewer Admin.	88,434	88,434	89,318	90,212	\$893	1.0%
6	Cemetery	10,400	14,800	15,200	6,200	(\$9,000)	-59.2%
7	Planning & Zoning	67,275	74,616	111,075	92,300	(\$18,775)	-16.9%
8	Recreation	168,950	189,862	186,832	185,807	(\$1,025)	-0.5%
9	Library	0	4,728	0	0	\$0	0.0%
10	Investment Interest	1,000	402	1,000	1,000	\$0	0.0%
11	Applied Fund Balance	0	0	0	0	\$0	0.0%
12	Rescue	237,484	282,034	240,751	259,919	\$19,169	8.0%
13	Building Use/Lease Income	139,064	143,649	144,564	144,564	\$0	0.0%
14	Transfer from Funds / Misc.	419,941	438,431	374,085	491,424	\$117,339	31.4%
15	TOTAL REVENUES	\$7,485,529	\$7,692,721	\$7,739,226	\$8,073,752	\$334,525	4.3%
EXPENDITURE CATEGORIES							
16	Selectboard/VLCT/Town Rpts.	\$25,941	\$26,627	\$26,130	\$20,730	(\$5,400)	-20.7%
17	Legal	30,000	322,935	32,000	60,000	\$28,000	87.5%
18	Town Manager's Office	174,912	148,233	195,435	231,988	\$36,552	18.7%
19	Administrative Services	86,606	90,273	99,095	96,225	(\$2,870)	-2.9%
20	Elections	2,500	3,850	12,000	2,500	(\$9,500)	-79.2%
21	Finance & Insurance	480,957	503,358	531,588	568,269	\$36,682	6.9%
22	Town Clerk's Office	255,479	218,333	255,474	238,437	(\$17,037)	-6.7%
23	Planning & Zoning	279,485	251,783	315,198	299,422	(\$15,776)	-5.0%
24	Assessing/Reappraisal	88,266	85,709	100,531	85,925	(\$14,606)	-14.5%
25	Buildings & Grounds	322,264	297,553	323,530	334,169	\$10,639	3.3%
26	Public Works/Stormwater	67,324	72,393	98,977	117,128	\$18,150	18.3%
27	Police	1,603,357	1,666,451	1,618,859	1,628,680	\$9,821	0.6%
28	Fire Dept.	194,011	192,356	203,501	381,701	\$178,200	87.6%
29	Public Safety/Dispatch	604,453	602,677	633,709	652,013	\$18,304	2.9%
30	Highway	1,305,334	1,025,981	1,317,332	1,351,778	\$34,446	2.6%
31	Health/Social Services	41,389	40,000	41,389	41,389	\$0	0.0%
32	Rescue	237,484	277,701	237,598	259,919	\$22,321	9.4%
33	Cemetery	45,149	47,543	50,748	51,086	\$338	0.7%
34	Recreation	319,902	336,436	327,670	334,377	\$6,707	2.0%
35	Harbormaster	37,101	34,503	37,212	50,100	\$12,888	34.6%
36	Library	371,333	361,235	376,147	401,092	\$24,945	6.6%
37	Debt Service	682,224	681,786	547,491	552,624	\$5,133	0.9%
38	Inter-Governmental Transfers	190,659	190,222	193,960	194,000	\$40	0.0%
39	Benefits (HRA, EAP, etc)	1,214,893	169,324	120,952	102,200	(\$18,752)	-15.5%
40	Selectbrd Discr./Other Projects	12,700	10,265	12,700	18,000	\$5,300	41.7%
41	Community Improvement	25,000	25,000	30,000	0	(\$30,000)	-100.0%
42	TOTAL EXPENDITURES	\$7,485,529	\$7,682,525	\$7,739,226	\$8,073,752	\$334,525	4.3%
43	Revenue - Expenditures	0	10,195	(0)	0		
44	Grand List			15,025,808	15,176,066	150,258	1.0%
45	Tax Rate	\$0.3602	\$0.3602	\$0.3724	\$0.3845	\$0.0121	3.2%
	Tax rate Change From Prior Yr.			\$0.012	\$0.012		
	Tax rate % Change From Prior Yr.			3.5%	3.2%		

LINE #	REVENUE CATEGORIES	FY 2016	FY 2016	FY 2017	FY 2018	FY 2018	%
		2015-16	2015-16	2016-17	2017-18	INCR	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG. Notes
TAXES							
1	Property Taxes	5,448,591	5,439,395	\$5,606,446	\$5,835,946	\$229,500	4.1%
2	Late Homestead Filing Penalty	12,000	17,113	13,000	13,000	0	0.0%
3	Penalty Charges	31,000	46,841	36,000	40,000	4,000	11.1%
4	Interest Charges	25,000	41,584	25,000	30,000	5,000	20.0%
5	SUB-TOTAL TAXES	\$5,516,591	\$5,544,933	\$5,680,446	\$5,918,946	\$238,500	4.2%
6 TOWN CLERK'S OFFICE							
7	Liquor Licenses	2,800	3,210	3,000	2,865	(135)	-4.5%
8	Animal Licenses	6,000	5,632	6,000	6,000	0	0.0%
9	Animal License Transfer to Dog Park	(700)	(765)	(800)	(800)	0	0.0%
10	Marriage/Civil Union Licenses	550	690	600	540	(60)	-10.0%
11	Deed Recordings	55,000	42,691	50,000	50,000	0	0.0%
12	Misc. Income	400	1,634	300	300	0	0.0%
13	Green Mtn Passports	150	168	175	175	0	0.0%
14	Vault Time Fee	1,500	1,305	1,200	1,300	100	8.3%
15	Copier Use	6,800	8,853	6,800	7,000	200	2.9%
16	Vital Statistics Copies	3,800	5,881	3,800	4,000	200	5.3%
17	Passport Fees	10,000	16,835	8,500	12,000	3,500	41.2%
18	Motor Vehicle Registrations	250	273	250	200	(50)	-20.0%
19	Trsf. from Records Reserve Fund	60,000	34,949	68,000	61,000	(7,000)	-10.3% NOTE 1
	SUB-TOTAL						
20	TOWN CLERK'S OFFICE	146,550	121,355	147,825	144,580	(3,245)	-2.2%
21 HIGHWAYS/ PUBLIC WORKS							
22	Hwy State Aid	145,000	144,907	145,000	145,000	0	0.0%
23	Hwy Permits	2,100	2,020	2,100	2,100	0	0.0%
24	Road Cut Permits	6,000	22,460	8,000	8,000	0	0.0%
25	State Paving/Road Constr. Grant			30,000	0	(30,000)	
26	Bik/Ped Path Grant	124,200		115,200	115,200	0	0.0% NOTE 2
27	Construction Reimbursements		623			0	
28	SUB-TOTAL HIGHWAYS	277,300	170,009	300,300	270,300	(30,000)	-10.0%
POLICE & EMERGENCY DISPATCH							
29	Judicial Fees	60,000	57,923	60,000	60,000	0	0.0%
30	Special Duty Reimbursement	35,000	27,786	12,000	17,000	5,000	41.7% NOTE 3
31	Special Duty Enforcement Grants		202,883				
32	Equipment Grants			22,500	22,500	0	0.0%
33	Other Fees	400	744	300	300	0	0.0%
34	Animal Enforcement	500	710	500	500	0	0.0%
35	Insurance Reports	1,300	2,885	2,200	2,200	0	0.0%
36	Fingerprinting	9,000	15,348	8,000	8,000	0	0.0%
37	Burn Permits		1,868				
38	Dispatch Contracts	205,340	207,641	241,331	257,000	15,669	6.5% NOTE 4
39	State E911 Call Center	90,000	90,000	90,000	90,000	0	0.0% NOTE 5
40	Alarm Permits	11,000	11,680	11,000	11,000	0	0.0%
41	SUB-TOTAL POLICE/DISPATCH	412,540	619,468	447,831	468,500	20,669	4.6%
WATER & SEWER ADMINISTRATION							
42	Sewer Dept. Admin.	44,217	44,217	44,659	45,106	447	1.0%
43	Water Dept. Admin.	44,217	44,217	44,659	45,106	447	1.0%
	SUB-TOTAL						
44	WATER & SEWER ADMIN.	88,434	88,434	89,318	90,212	893	1.0% NOTE 6

LINE #	REVENUE CATEGORIES	FY 2016	FY 2016	FY 2017	FY 2018	FY 2018	%	Notes
		2015-16 BUDGET	2015-16 ACTUAL	2016-17 BUDGET	2017-18 BUDGET	INCR (DECR)		
CEMETERY								
1	Cemetery Fund Transfer & Interest	9,000	9,000	9,000	0	(9,000)	-100.0%	NOTE 7
2	Cemetery Other	1,400	1,400	1,400	1,400	0	0.0%	
3	Interment Fee		4,400	4,800	4,800	0		NOTE 8
4	SUB-TOTAL CEMETERY	10,400	14,800	15,200	6,200	(9,000)	-59.2%	
PLANNING/ZONING:								
5	Building Permits	26,000	44,684	40,000	50,000	10,000	25.0%	
6	Site Plan/Subdiv Fees	18,000	24,950	18,000	15,000	(3,000)	-16.7%	
7	Certificate of Occupancy Fees		1,250		1,000	1,000		
8	Sign Permits	1,000	840	1,000	750	(250)	-25.0%	
9	Town Regs/Plan/Public Wk spec.	75	79		50	50		
10	Zoning Fees / Fines	500	541	500	500	0	0.0%	
11	Planning/Zoning Other	500	465	1,375		(1,375)	-100.0%	
12	Indep. Technical Review Reimb.	200	0	200		(200)	-100.0%	
13	Grant Revenues	21,000	1,807	50,000	25,000	(25,000)	-50.0%	NOTE 9
14	SUB-TOTAL PLANNING/ZONING	67,275	74,616	111,075	92,300	(18,775)	-16.9%	
RECREATION								
15	Beach Stickers	10,020	20,408	12,700	16,075	3,375	26.6%	
16	Recreation Programs	35,265	40,512	36,867	34,807	(2,060)	-5.6%	
17	Adult Leagues	1,450	2,100	1,590	1,500	(90)	-5.7%	
18	Little League	13,020	16,387	11,860	14,840	2,980	25.1%	
19	Babe Ruth	3,600	5,625	4,370	4,600	230	5.3%	
20	Softball	4,800	2,073	4,150	3,550	(600)	-14.5%	
21	Swimming Lessons	1,250	930	1,000	850	(150)	-15.0%	
22	Dog Obedience	4,640	5,165	5,240	4,080	(1,160)	-22.1%	
23	Martial Arts	2,430	3,205	2,815	1,280	(1,535)	-54.5%	
24	Youth Basketball	4,000	3,661	3,400	3,600	200	5.9%	
25	Soccer	12,810	14,227	14,200	14,050	(150)	-1.1%	
26	Summer Soccer Camp	10,800	11,826	16,050	14,250	(1,800)	-11.2%	
27	Ski Program	8,140	8,100	9,155	8,060	(1,095)	-12.0%	
28	Concerts/Special Events	15,600	17,169	15,100	14,100	(1,000)	-6.6%	
29	Lacrosse	10,980	9,639	10,700	10,225	(475)	-4.4%	
30	Donations	750	1,000	300	500	200	66.7%	
31	Recreation Facility/Field Use Fees	8,500	12,113	10,625	9,300	(1,325)	-12.5%	
32	Transfer From baseball Funds	10,395	6,538	16,210	15,540	(670)	-4.1%	
33	Capital Project Grants/Donations	5,000	9,045	5,000	0	(5,000)		
34	Transfer from Bay Park&Other Funds	5,500	140	5,500	0	(5,500)		
35	Transfer From Davis Park Fund				14,600	14,600		
36	SUB-TOTAL RECREATION	168,950	189,862	186,832	185,807	(1,025)	-0.5%	
LIBRARY								
37	Copier Fees		570					
38	Grant Revenues		1,489					
39	Library gifts/donations		975					
40	Materials Reimbursements		1,537					
41	Misc. income		157					
42								
43	SUB-TOTAL LIBRARY	0	4,728	0	0	0		

LINE #	REVENUE CATEGORIES	FY 2016 2015-16 BUDGET	FY 2016 2015-16 ACTUAL	FY 2017 2016-17 BUDGET	FY 2018 2017-18 BUDGET	FY 2018 INCR (DECR)	% CHG. Notes
1	FINANCIAL MANAGEMENT						
2	Investment Interest	1,000	402	1,000	1,000	0	0.0%
3	Applied Fund Balance	0		0	0	0	
4	SUB-TOTAL	-----	-----	-----	-----	-----	-----
5	FINANCIAL MANAGEMENT	1,000	402	1,000	1,000	0	0.0%
	RESCUE						
6	Transfer From Ambulance Fund	237,484	279,230	240,751	259,919	19,169	8.0%
7	First Aid/ CPR Class Fees&misc.		375				
8	Misc. Income		2,429				
9	SUB-TOTAL RESCUE	237,484	282,034	240,751	259,919	19,169	8.0% NOTE 10
	MISCELLANEOUS						
10	Miscellaneous	3,500	3,563	3,500	3,500	0	0.0%
11	Fire Dept. Grants/Donations/Misc.	5,000	15,486	5,000	171,413	166,413	3328.3% NOTE 24
12	Insurance Claims		4,096			0	
13	Pymt. in Lieu of Taxes	6,000	6,183	6,000	6,000	0	0.0%
14	State Current Use Payment	115,600	114,059	118,000	120,000	2,000	1.7%
15	Mooring Fees	50,100	50,920	50,100	50,100	0	0.0%
16	Town Ctr./ Tn Hall Facilities Use	11,500	13,288	15,000	15,000	0	0.0%
17	Act 60/68 Administration	41,000	46,745	46,000	46,000	0	0.0%
18	Pierson Bldg. Lease	28,564	27,736	28,564	28,564	0	0.0%
19	CSSU Village Ctr. Lease	64,000	64,000	64,000	64,000	0	0.0%
20	CSSU Bldg. Maint. Allocation	35,000	38,625	37,000	37,000	0	0.0%
21	Cellular Tower Fees	73,800	72,438	76,444	43,117	(33,327)	-43.6%
22	Transfer Fr. Rec. Impact Fees Acct.	75,000	75,000	20,000	6,000	(14,000)	-70.0% NOTE 11
23	Beaver Creek Special Assessment	49,941	49,941	49,041	45,294	(3,748)	-7.6% NOTE 12
24	MISCELLANEOUS	559,005	582,080	518,649	635,988	117,339	22.6%
25	Total Non-Tax Revenue	\$2,036,938	\$2,253,326	\$2,132,781	\$2,237,806	\$105,025	4.9%
26	GRAND TOTAL	\$7,485,529	\$7,692,721	\$7,739,226	\$8,073,752	334,525	4.3%
27	Grand List	15,029,884		15,025,808	15,176,066	150,258	1.0%
28	Tax Rate	\$ 0.3602		\$0.3724	\$0.3845	\$ 0.0121	3.2%
29	Tax Rate Change From Prior Yr.	\$ 0.0031		\$0.013	\$0.012		

TOWN OF SHELBURNE GENERAL FUND BUDGET EXPENDITURES

EXPENDITURE CATEGORIES		FY 2016	FY 2016	FY 2017	FY 2018	FY 2018	
ITEM		2015-16	2015-16	2016-17	2017-18	INCR	%
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG. Notes
SELECTBOARD							
1	Selectboard Salaries	6,300	6,300	6,300		(6,300)	-100.0% NOTE 13
2	FICA	482	482	482	482	0	0.0%
3	Expenses	8,300	8,755	8,300	8,500	200	2.4%
4	VLCT Dues	8,619	8,619	8,808	9,248	440	5.0%
5	Town Reports	2,240	2,471	2,240	2,500	260	11.6%
6 SUB-TOTAL SELECTBOARD		25,941	26,627	26,130	20,730	(5,400)	-20.7%
7 Legal Expense							
SUB-TOTAL LEGAL EXPENSE		30,000	322,935	32,000	60,000	28,000	87.5%
8 MANAGER'S OFFICE							
9	Salaries	119,186	108,044	141,487	168,650	27,163	19.2%
10	Benefits	49,926	36,130	48,148	52,537	4,389	9.1%
11	Manager's Expenses	2,300	1,905	2,300	7,300	5,000	217.4% NOTE 14
12	Vehicle Expense	2,500	2,031	2,500	2,500	0	0.0%
13	Emergency Management	1,000	123	1,000	1,000	0	0.0%
14 SUB-TOTAL MANAGER'S OFFICE		174,912	148,233	195,435	231,988	36,552	18.7%
15 ADMINISTRATIVE SERVICES							
16	Technical Assistance	5,000	22,950	5,000	10,000	5,000	100.0% NOTE 15
17	Training	7,000	819	7,000	7,000	0	0.0%
18	Office Equipment & Repairs	1,000	259	1,000	5,000	4,000	400.0% NOTE 16
19	Postage	18,000	18,580	18,000	19,000	1,000	5.6%
20	Copier Expenses	7,000	5,735	6,800	7,300	500	7.4%
21	Office Supplies	7,000	7,385	6,000	7,000	1,000	16.7%
22	Computer Software	14,106	17,018	14,110	14,110	0	0.0%
23	Computer Hardware	2,700	1,585	10,135	8,075	(2,060)	-20.3%
24	Computer Tech. Assistance	11,000	10,072	11,000	12,000	1,000	9.1%
25	Data Line	3,100	2,571	3,100	1,740	(1,360)	-43.9%
26	Telephone Exp. (Tn. Ctr & Library)	10,700	3,300	16,950	5,000	(11,950)	-70.5% NOTE 17
27 SUB-TOTAL ADMINISTRATIVE SVCS.		86,606	90,273	99,095	96,225	(2,870)	-2.9%
28 ELECTIONS							
29	Election Salaries	1,000	1,598	7,500	1,000	(6,500)	-86.7%
30	Election Expense	1,000	1,794	4,000	1,000	(3,000)	-75.0%
31	BCA Expenses	500	457	500	500	0	0.0%
32 SUB-TOTAL ELECTIONS		2,500	3,850	12,000	2,500	(9,500)	-79.2% NOTE 18
33 FINANCE & INSURANCE							
34	Salaries	171,480	172,480	174,114	181,054	6,941	4.0%
35	Benefits	63,537	54,194	54,408	65,365	10,957	20.1% NOTE 19
36	Property/Liability Insurance	223,000	251,163	277,620	300,000	22,380	8.1%
37	Insurance Claims: Deductible	5,000	2,966	5,000	5,000	0	0.0%
38	Unemployment Insurance	3,940	4,192	6,446	2,000	(4,446)	-69.0%
39	Annual Audit	14,000	18,362	14,000	14,850	850	6.1%
40 SUB-TOTAL FINANCE& INSURANCE		480,957	503,358	531,588	568,269	36,682	6.9%

EXPENDITURE CATEGORIES		FY 2016	FY 2016	FY 2017	FY 2018	FY 2018	
ITEM		2015-16	2015-16	2016-17	2017-18	INCR	%
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG.
							Notes
1 TOWN CLERK/TREASURER							
2	Salaries	131,951	136,025	134,584	126,219	(8,365)	-6.2%
3	Benefits	54,078	39,396	40,590	38,918	(1,672)	-4.1%
4	Expenses	1,950	1,264	2,000	2,000	0	0.0%
5	Office Expense	7,000	6,127	9,800	9,800	0	0.0%
6	ACS Recording Software&Supplies	20,000	16,121	18,000	21,000	3,000	16.7% NOTE 1
7	Records Automation/Preservation	40,000	19,400	50,000	40,000	(10,000)	-20.0% NOTE 1
8	Computer Software/Hardware	500	0	500	500	0	0.0%
9 SUB-TOTAL TOWN CLERK/TREAS.		255,479	218,333	255,474	238,437	(17,037)	-6.7%
PLANNING & ZONING							
10	Salaries	151,885	149,278	154,843	170,919	16,076	10.4%
11	Benefits	79,910	59,703	57,295	61,702	4,407	7.7%
12	Zoning Enforcement Contractor			20,000		(20,000)	
13	Planning Expense	6,500	8,431	6,500	6,500	0	0.0%
14	Conferences and Training	900	159	900	900	0	0.0%
15	Special Projects	30,000	1,989	18,750	7,500	(11,250)	-60.0% NOTE 9
16	Grant Projects		14,518				
17	Planning Projects			42,500	39,500	(3,000)	
18	Planning Assistance	5,500	9,775	5,610	5,600	(10)	-0.2%
19	Independent Technical Review	200	0	200		(200)	-100.0%
20	GIS & Permit Software	4,590	7,930	8,600	6,800	(1,800)	
21	SUB-TOTAL PLANNING						
22	AND ZONING	279,485	251,783	315,198	299,422	(15,776)	-5.0%
23 ASSESSING							
24	Salaries	37,279	37,852	38,024	38,785	761	2.0%
25	Benefits	20,241	16,543	29,236	15,304	(13,932)	-47.7% NOTE 20
26	Admin Asst.	27,246	27,992	29,771	28,336	(1,435)	-4.8%
27	Expenses	3,500	3,321	3,500	3,500	0	0.0%
28							
29	SUB-TOTAL ASSESSING	88,266	85,709	100,531	85,925	(14,606)	-14.5%
BUILDINGS & GROUNDS							
30	Salaries	97,535	94,271	100,071	101,855	1,784	1.8%
31	Benefits	58,958	47,711	48,691	51,014	2,323	4.8%
32	Town Center Operating expense	35,000	50,383	42,000	50,000	8,000	19.0%
33	Town Center Bldg. Maintenance	12,600	7,055	12,600	15,000	2,400	19.0%
34	Town Hall Operating expense	1,600	8,379	1,600	2,000	400	25.0%
35	Town Hall Bldg. Maintenance	3,700	4,272	3,700	5,000	1,300	35.1%
36	Town Hall & Library Heating Fuel	9,268	5,498	9,268	7,000	(2,268)	-24.5%
37	Town Center Heating Fuel	20,506	15,479	22,000	22,000	0	0.0%
38	Town Center Utilities	50,097	49,532	50,600	52,300	1,700	3.4%
39	Pierson Building Maintenance	2,000	292	2,000	7,000	5,000	250.0% NOTE 21
40	Transfer to HW Equip. Fund	1,000	1,000	1,000	1,000	0	0.0%
41	Recreation Fields Maintenance	10,000	3,701	10,000	10,000	0	0.0%
42	Capital Projects	20,000	9,980	20,000	10,000	(10,000)	-50.0%
SUB-TOTAL							
43	BUILDINGS & GROUNDS	322,264	297,553	323,530	334,169	10,639	3.3%
44 STORMWATER							
45	Salaries	5,000	5,000	6,500	10,000	3,500	53.8%
46	Benefits	524		677	1,328	650	96.0%
47	Legal Expense				5,000	5,000	
48	Engineering/Planning	2,000	0	5,000	10,000	5,000	100.0%
49	Stormwater Partnerships			8,600	8,600	0	
50	Stormwater Permit Fees	9,300	16,409	14,000	14,000	0	0.0%
51	Stormwater Maint. (So. Burl Contract)	9,000	17,249	50,000	55,000	5,000	10.0%
52	Misc.			2,000	1,000	(1,000)	
53	Munroe Brook Flow Monitoring	41,500	33,735	12,200	12,200	0	0.0% NOTE 22
54	SUB-TOTAL						
STORMWATER		67,324	72,393	98,977	117,128	18,150	18.3%

EXPENDITURE CATEGORIES		FY 2016	FY 2016	FY 2017	FY 2018	FY 2018	
ITEM		2015-16	2015-16	2016-17	2017-18	INCR	%
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG.
							Notes
1	HARBORMASTER						
2	Salary	5,110	5,110	5,213	5,318	104	2.0%
3	FICA	391	391	399	407	8	2.0%
4	Mooring Inspections/Maint.	13,100	13,236	13,100	11,100	(2,000)	-15.3%
5	Seasonal Dock&Buoy Install/Removal	4,200	6,561	4,200	6,600	2,400	57.1%
6	Equipment	5,500	705	5,500	5,500	0	0.0%
7	Admin exp.	300	0	300	300	0	0.0%
8	Transfer to Bay Park Fund	8,500	8,500	8,500	20,876	12,376	145.6% NOTE 23
9	SUB-TOTAL	-----	-----	-----	-----	-----	
10	HARBORMASTER	37,101	34,503	37,212	50,100	12,888	34.6%
POLICE							
11	Salaries	836,983	801,792	875,407	873,259	(2,148)	-0.2%
12	Overtime	111,725	122,717	117,466	119,080	1,614	1.4%
13	Special Duty details	21,890	24,176			0	
14	Special Duty Enforcement Grants		170,017		17,000	17,000	NOTE 3
15	Benefits	418,842	345,671	390,839	379,010	(11,829)	-3.0%
16	Office Expense	9,000	9,153	10,500	10,500	0	0.0%
17	Telephones	11,300	11,959	10,000	10,000	0	0.0%
18	Lifeline System		16,721	22,500	22,500	0	
19	Radio Expense	16,180	18,940	10,000	10,700	700	7.0%
20	Travel/Conferences	2,500	5,108	2,500	2,500	0	0.0%
21	Police Photos	6,300	5,373	6,300	6,000	(300)	-4.8%
22	Police Training	10,000	5,293	10,000	10,000	0	0.0%
23	Gasoline	45,000	31,311	34,000	32,500	(1,500)	-4.4%
24	Tires	4,900	3,506	5,100	5,100	0	0.0%
25	Vehicle Maint.	12,000	17,320	15,000	18,000	3,000	20.0%
26	General Equipment	4,000	7,382	6,000	5,000	(1,000)	-16.7%
27	Finger Print Equip. Expense	3,500	3,831	3,500	3,831	331	9.5%
28	Uniform Purchase	8,000	3,709	8,000	8,000	0	0.0%
29	Uniform Cleaning	4,000	2,836	4,000	3,500	(500)	-12.5%
30	Building expense	2,000	3,799	2,000	2,000	0	0.0%
31	Computer Maint	12,900	5,688	19,000	19,000	0	0.0%
32	Matching Funds for Grants	1,000	0	1,000	1,000	0	0.0%
33	Capital Improvements	12,160	0	16,293	18,000	1,707	10.5%
34	Transfer to Cruiser Fund	35,000	35,000	35,000	35,000	0	0.0%
35	Animal Enforcement	2,750	3,722	3,100	3,100	0	0.0%
36	C.U.S.I	11,427	11,427	11,354	14,100	2,746	24.2%
37	SUB-TOTAL POLICE	1,603,357	1,666,451	1,618,859	1,628,680	9,821	0.6%
FIRE DEPARTMENT							
39	Salaries	42,000	42,176	45,000	47,000	2,000	4.4%
40	FICA	2,831	3,089	2,831	3,596	765	27.0%
41	Office Supplies/Phones	5,225	4,471	5,445	6,445	1,000	18.4%
42	Heating Fuel/service	9,500	4,517	9,500	5,000	(4,500)	-47.4%
43	Fire Prev. & Training	7,000	5,854	7,000	7,000	0	0.0%
44	Radio Maintenance	5,025	1,226	4,000	4,000	0	0.0%
45	Fire Prot. Clothing	22,500	23,693	20,500	21,900	1,400	6.8%
46	Gas & Oil	6,000	2,456	5,000	5,000	0	0.0%
47	Firefighting Supplies	5,000	3,248	5,500	5,500	0	0.0%
48	Equipment Maint.	24,600	34,388	24,600	24,600	0	0.0%
49	Building Maint.	6,000	6,416	8,000	8,000	0	0.0%
50	Fire Equipment	19,430	23,645	23,325	24,025	700	3.0%
51	Grant Projects		4,884		180,435	180,435	NOTE 24
52	Rescue Boat	5,900	5,247	5,300	5,700	400	7.5%
53	Capital Improvements	22,500	18,702	25,000	20,000	(5,000)	-20.0%
54	Periodicals & Memberships	2,000	2,061	2,000	2,000	0	0.0%
55	Membership events/incentives	5,500	5,642	6,500	7,500	1,000	15.4%
56	Physicals/ PF Testing	3,000	640	4,000	4,000	0	0.0%
57	SUB-TOTAL FIRE DEPARTMENT	194,011	192,356	203,501	381,701	178,200	87.6%

EXPENDITURE CATEGORIES		FY 2016	FY 2016	FY 2017	FY 2018	FY 2018	
ITEM		2015-16	2015-16	2016-17	2017-18	INCR	%
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG. Notes
1	PUBLIC SAFETY & DISPATCH						
2	Dispatch Salaries	376,164	384,724	398,833	407,576	8,743	2.2%
3	Overtime	46,524	54,490	49,381	50,764	1,384	2.8%
4	Benefits	148,645	130,591	134,896	145,073	10,177	7.5%
5	Training	3,000	1,582	3,000	3,000	0	0.0%
6	Uniforms	2,000	652	2,000	2,000	0	0.0%
7	Uniform Cleaning	100	0	100	100	0	0.0%
8	Capital Improvements	2,000	456	14,500	12,500	(2,000)	-13.8%
9	Dispatch Radio Equipment	9,000	10,929	15,000	15,000	0	0.0%
10	Pritchard Mt. Tower Lease					0	
11	Computer Use	17,020	19,253	16,000	16,000	0	0.0%
12	SUB-TOTAL PUBLIC	-----	-----	-----	-----	-----	-----
13	SAFETY & DISPATCH	604,453	602,677	633,709	652,013	18,304	2.9%
14							
15	HIGHWAY						
16	Salaries	263,428	254,657	268,692	280,152	11,460	4.3%
17	Overtime	27,951	13,471	28,509	29,570	1,062	3.7%
18	Benefits	148,604	114,036	117,735	124,721	6,986	5.9%
19	Inter-Dept. Assistance	1,835	487	1,835	1,835	0	0.0%
20	Road Maintenance	30,000	38,919	35,000	40,000	5,000	14.3%
21	Tree Removal	5,000	6,655	5,100	5,100	0	0.0%
22	Drainage System Maintenance	15,000	17,657	15,000	15,000	0	0.0%
23	Capital Projects	40,000	0	40,000	45,000	5,000	12.5%
24	Retreatment (Paving)	300,000	300,644	345,000	335,000	(10,000)	-2.9%
25	Sidewalk Maintenance	2,000	0	2,000	2,000	0	0.0%
26	Traffic Safety Improvements				12,000	12,000	
27	Rte 7 Sidewalk Tn Ctr to Shelb. Mus.	138,000	23,262	128,000	128,000	0	0.0%
28	Line Striping and crosswalks	4,500	3,972	4,500	4,500	0	0.0%
29	Engineering Svcs.	3,000	170	3,000	3,000	0	0.0%
30	Street Signs	3,000	4,882	4,000	5,000	1,000	25.0%
31	Winter Sand	5,000	7,705	5,000	5,000	0	0.0%
32	Salt	90,000	55,163	90,000	95,000	5,000	5.6%
33	Garage Heating Fuel	7,616	5,455	7,280	7,300	20	0.3%
34	Garage Utilities	11,000	9,359	12,082	14,000	1,918	15.9%
35	Uniforms	4,200	3,235	4,600	4,600	0	0.0%
36	Gas & Diesel	35,000	13,419	30,000	25,000	(5,000)	-16.7%
37	Equip. Repair & Maint	50,000	52,877	50,000	50,000	0	0.0%
38	Transfer To Equip. Repl. Fund	80,000	80,000	80,000	80,000	0	0.0%
39	Garage Expense & Supplies	5,000	10,692	5,000	5,000	0	0.0%
40	Building Maintenance	5,000	96	5,000	5,000	0	0.0%
41	Street Light Installation/upgrade	20,000	0	20,000	20,000	0	0.0%
42	Street & Caution Lights	10,200	9,167	10,000	10,000	0	0.0%
43	SUB-TOTAL HIGHWAY	1,305,334	1,025,981	1,317,332	1,351,778	34,446	2.6%
44	HEALTH & SOCIAL SERVICES						
45	Salary - Health Officer	875	0	875	875	0	0.0%
46	FICA	64		64	64	0	0.0%
47	United Way/Social Service Agencies	38,000	38,000	38,000	38,000	0	0.0%
48	Transfer to Shelburne Community Fund	2,000	2,000	2,000	2,000	0	0.0%
49	Health Officer Expense	450	0	450	450	0	0.0%
50	SUB-TOTAL HEALTH &	-----	-----	-----	-----	-----	-----
51	SOCIAL SERVICES	41,389	40,000	41,389	41,389	0	0.0%

NOTE 2

EXPENDITURE CATEGORIES		FY 2016	FY 2016	FY 2017	FY 2018	FY 2018		
ITEM		2015-16	2015-16	2016-17	2017-18	INCR %		
		<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	(DECR)	CHG.	Notes
LIBRARY								
1	Salaries	197,009	201,260	206,633	216,364	9,731	4.7%	
2	Benefits	91,199	76,208	80,143	84,778	4,635	5.8%	
3	Supplies	5,000	5,888	5,700	5,700	0	0.0%	
4	Books,Tapes,Periodicals,AV Mat'ls.	42,225	42,551	43,500	45,000	1,500	3.4%	
5	Building Maint. Expense	6,500	5,750	6,700	13,500	6,800	101.5%	NOTE 27
6	Library Utilities	15,700	15,951	16,171	17,300	1,129	7.0%	
7	Equipment	1,300	1,457	2,000	2,150	150	7.5%	
8	Administrative Expense	1,000	1,138	2,000	2,000	0	0.0%	
9	Computer/Technology Expense	7,300	6,942	8,800	8,800	0	0.0%	
10	Programs	4,000	4,009	4,000	5,000	1,000	25.0%	
11	Public Information	100	80	500	500	0	0.0%	
13		-----	-----	-----	-----	-----	-----	-----
14	SUB-TOTAL LIBRARY	371,333	361,235	376,147	401,092	24,945	6.63%	
15 DEBT PAYMENTS								
16	Fire Truck (2010)	51,464	50,748	50,486	44,339	(6,147)	-12.2%	
17	Dispatch Radio Equipment	16,315	16,007	16,500		(16,500)	-100.0%	
18	Rec. Path 2008 Bond; 2012 issue	34,376	34,376	28,951	28,515	(436)	-1.5%	
19	Town Center Project	312,621	312,621	230,154	216,740	(13,414)	-5.8%	
20	Highway Dept. Sand/Salt Shed	30,614	30,614			0		
21	Recreation Fields Project	109,421	109,411	101,625	98,009	(3,617)	-3.6%	
22	Rec. Path 2008 Bond; 2008 issue	26,977	26,977	26,054	25,306	(748)	-2.9%	
23	Mt. Philo Sidewalk (2010 issue)	5,054	5,057			0		
24	Rec. Path 2008 Bond; 2010 issue	28,463	28,945	28,028	27,581	(448)	-1.6%	
25	Beach Sea Wall 2009 Bond	16,978	17,090	16,652	16,316	(336)	-2.0%	
26	FY 2017 Capital Projects				50,525	50,525		
27	Beaver Creek 2009 Bond	49,941	49,941	49,041	45,294	(3,748)	-7.6%	
28	SUB-TOTAL	-----	-----	-----	-----	-----	-----	-----
29	DEBT PAYMENTS	682,224	681,786	547,491	552,624	5,133	0.9%	
INTER-GOVERNMENTAL TRANSFERS								
30	County Tax	66,977	66,534	72,326	75,305	2,979	4.1%	
31	Grtr. Burl. Ind. Devel. Corp (GBIC)	1,200	1,200	1,200	1,200	0	0.0%	
32	Chitt Cty Regional Planning(CCRPC)	18,431	18,431	18,361	18,756	395	2.2%	
33	Chitt. Cty. Transport Auth. (CCTA)	104,051	104,057	102,073	98,739	(3,334)	-3.3%	
34	SUB-TOTAL INTER-	-----	-----	-----	-----	-----	-----	-----
35	GOVERNMENTAL TRANSF.	190,659	190,222	193,960	194,000	40	0.0%	
BENEFITS (Included in each Dept.)								
36	Retirement	145,134	59,193	155,104	158,835	3,731	2.4%	
37	Social Security	222,295		235,931	240,015	4,085	1.7%	
38	HRA & Flex Spending Admin.	21,500	15,023	21,500	21,500	0	0.0%	
39	Health Insurance Reimbursements	148,900	152,877	97,752	79,000	(18,752)	-19.2%	NOTE 28
40	Health Insurance Premium	610,343		619,992	627,662	7,670	1.2%	
41	Long Term Disability & Life Ins.	21,340	1,183	22,744	23,580	835	3.7%	
42	Dental Insurance	43,681		48,614	49,251	637	1.3%	
43	Employee Assistance Program	700	684	700	700	0	0.0%	
44	Employee Events/Recognition		638			0		
45	VSP Vision Plan		102					
46	Immunizations	1,000	0	1,000	1,000	0	0.0%	
47	SUB-TOTAL BENEFITS	1,214,893	229,700	1,203,337	1,201,543	(1,795)	-0.1%	
MISCELLANEOUS								
48	Selectbrd. Discretionary Expenses	3,700	2,360	3,700	5,000	1,300	35.1%	
49	BCA Appeals Interest		106					
50	Selectbrd. Town Committees Support	6,500	200	6,500	1,500	(5,000)	-76.9%	NOTE 14
51	Town Community Events	1,500	1,444	1,500	1,500	0	0.0%	
52	Tree Conservation	1,000	3,400	1,000	10,000	9,000	900.0%	
53	Tax Adjustmts/BCA/Court Decisions		2,755					
54		-----	-----	-----	-----	-----	-----	-----
55	SUB-TOTAL MISC.	12,700	10,265	12,700	18,000	5,300	41.7%	
56 COMMUNITY IMPROVEMENT								
57	Transfer to Open Space Fund	25,000	25,000	30,000		(30,000)	-100.0%	NOTE 29
58	SUB-TOTAL	-----	-----	-----	-----	-----	-----	-----
59	COMMUNITY IMPROVEMENT	25,000	25,000	30,000	0	(30,000)	-100.0%	
60	GRAND TOTAL EXPENDIT.	\$7,485,529	\$7,682,525	\$7,739,226	\$8,073,752	\$334,525	4.3%	

NOTES

1. A Municipal records reserve fund has been established, funded by fees charged to record documents in the Town Clerk's office. This fund will be used to support an automation project involving electronic storage of land records and other Town documents.
2. A sidewalk will be constructed along the west side of Route 7 between the Town offices and Shelburne Museum. A grant will pay for 90% of the cost. The project began in FY2015-16, and is expected to be constructed in FY2016-17 or FY 2017-18.
3. Police "Special Duty" details include enforcement details funded by State/Federal grants as well as payments for traffic control at construction sites and public events. These are fully paid for by grant funds or by the organizations requesting the services.
4. The Shelburne Dispatch Center provides dispatching services for Shelburne Police, Fire, Rescue and 33 other fire/rescue/police agencies in Chittenden and Addison County. 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. A perpetual care fund, funded by Cemetery lot sales has been in place for a number of years. State Statutes provide that income from this fund may be used to operate and maintain the cemetery. The Cemetery Commission will be developing a methodology to determine the level of income that may be withdrawn each year.
8. Interment fees are paid when Cemetery staff dig graves for burials.
9. Grant projects being considered for application in FY 2017-18 include: an opinion survey, transportation studies, continued work on Form Based Zoning and an application for nomination of an area in Shelburne to be included on the national registry.
10. All of Shelburne Rescue's capital and operating expenses are funded by revenues received from transport billings, subscriptions and donations.
11. Recreation impact fees are collected as part of the permitting cost for new residential construction. The fees are used to partially offset debt payments associated with construction of pedestrian bike/paths and the recreation playing fields off Harbor Road. The amount transferred reflects the fees anticipated to be collected in one year.
12. 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.
13. Selectboard Salaries will be determined by separate floor vote at town meeting on March 6th.
14. Funding to support Town Committee work and other misc. projects has been moved to the Town Manager's budget in FY2018.
15. Technical Assistance in FY 2018 includes funds to study the creation of a regional emergency dispatch and 911 call center in Chittenden County.
16. The Town has obtained grants to purchase several ergonomic chairs for staff, replacing office chairs that are 15+ years old.
17. The phone system in the Town Offices is budgeted to be replaced in FY 2016-17. Annual expenditures in FY 2017-18 will be for routine maintenance.
18. Election expenses will decrease in FY 2018 due to no statewide election
19. Benefit costs include payments for 3 full time staff and a half-time web administrator.
20. Assessing office salary and benefit costs assume a part time Assessor and part time Administrative Assistant.
21. The Pillars on the Pierson building at 54 Falls Road (Jamie Two Coats store) are budgeted to be replaced in FY 2017-18.
22. 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 stormwater management plan. The Town has contracted with the South Burlington Wastewater Dept. to assist in this process.
23. Mooring fees will be transferred to the Bay Park Fund to plan for a mooring block upgrade project expected to take place in the next 2 or 3 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 2016-17 budget included a project to repave the access path at the beach at a budgeted cost of \$6,000
26. The Tennis courts at Davis Park will be resurfaced in FY 2017-18.
27. This line item includes contracting with a cleaning service, required by the increasing use of the library building.
28. A portion of employee deductible medical expenses are reimbursed by the Town. Premium costs are budgeted by department.
29. The amount transferred to the Open Space Fund will be voted by Ballot on March 7th. The Open Space fund has a current balance of \$291,154. Of that amount, \$150,000 has been committed to an upcoming project.

**OFFICIAL WARNING
SHELburne TOWN SCHOOL DISTRICT
ANNUAL MEETING
March 6, 2017 and March 7, 2017**

The legal voters of the Shelburne Town School District are hereby notified and warned to meet at the Shelburne Community School gymnasium on Monday, March 6, 2017, at 7:00 p.m. to transact any of the following business not involving voting by Australian ballot. Following the meeting the Board of School Directors will review the School District budget and Australian ballot articles and answer any questions which may be presented.

- ARTICLE I: To elect a moderator.
- ARTICLE II: To hear and act upon the reports of the Shelburne School District Officers.
- ARTICLE III: To transact any other business proper to come before said meeting.

BALLOT QUESTIONS

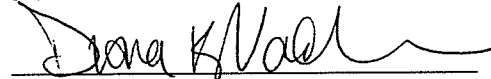
The legal voters of the Shelburne Town School District are hereby notified to meet at the Shelburne Municipal Offices at 7:00 a.m. at which time the polls will open until 7:00 p.m., at which time the polls will close, on Tuesday, March 7, 2017 to vote by Australian ballot upon the following articles:

- ARTICLE IV: To elect for the Champlain Valley Union High School District No. 15 one (1) School Board Director for a term of three (3) years, beginning in March, 2017.
- ARTICLE V: To elect one (1) Town School Board Director for a term of two (2) years, beginning in March, 2017.
- ARTICLE VI: To elect one (1) Town School Board Director for a term of three (3) years, beginning in March, 2017.

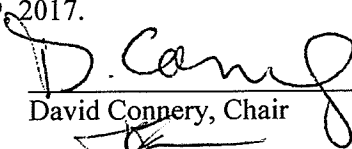
The legal voters of the Shelburne Town School District are further notified that voter qualification, registration and absentee/early voting relative to said special meeting shall be as provided in Section 552 of Title 16, and Chapters 43, 51 and 55 of Title 17, Vermont Statutes Annotated.

Adopted and approved at a duly noticed, called and held meeting of the Board of School Directors of the Shelburne Town School District on January 9, 2017. Received for record and recorded in the records of the Shelburne Town School District on January 23, 2017.

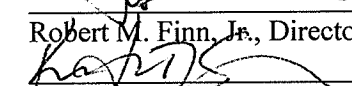
ATTEST:



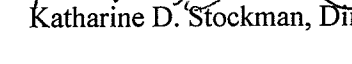
Diana Vachon, Shelburne Town Clerk



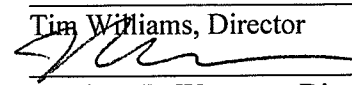
David Connery, Chair



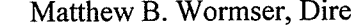
Robert M. Finn, Jr., Director



Katharine D. Stockman, Director



Tim Williams, Director



Matthew B. Wormser, Director

**WARNING FOR HEARING
SHELBURNE TOWN SCHOOL DISTRICT**


March 6, 2017

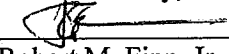
The legal voters of the Shelburne Town School District are hereby notified and warned that the Shelburne Town School District Meeting warned for Monday, March 6, 2017 at the Shelburne Community School gymnasium in said Town, at 7:00 p.m., to transact business not involving voting by Australian ballot, will also constitute and be a public hearing on and for those items involving voting by Australian ballot on the succeeding day.

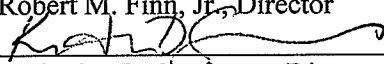
Dated this 9th day of January, 2017

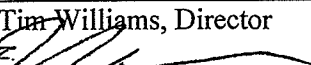
ATTEST:

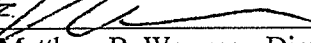

Diana Vachon, Shelburne Town Clerk


David Connery, Chair


Robert M. Finn, Jr., Director


Katharine D. Stockman, Director


Tim Williams, Director


Matthew B. Wormser, Director

WARNING
CHAMPLAIN VALLEY UNION HIGH SCHOOL DISTRICT NO. 15

March 6, 2017

The legal voters of the Champlain Valley Union High School District No. 15, consisting of the towns of Charlotte, Hinesburg, Shelburne, and Williston, are hereby notified and warned to meet at the Champlain Valley Union High School Room 140/142 in the Town of Hinesburg on **Monday, March 6, 2017, at 5:00 p.m.** to transact the following business.

ARTICLE I: To elect the following officers and fix their compensation:

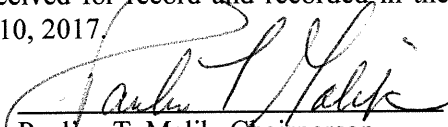
1. Moderator
2. Clerk
3. Treasurer

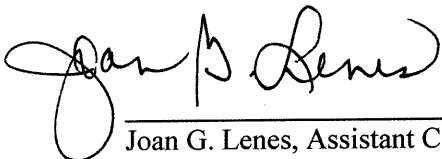
ARTICLE II: To hear and act upon the reports of the Union High School District Officers.

ARTICLE III: To transact any other business proper to come before said meeting.

The legal voters of Champlain Valley Union High School District No. 15 are further notified that voter qualification and registration 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 meeting of the Board of School Directors of Champlain Valley Union High School District No. 15 held on January 9, 2017. Received for record and recorded in the records of Champlain Valley Union High School District No. 15 on January 10, 2017.


Pauline T. Malik, Chairperson


Joan G. Lenes, Assistant Clerk

**Comparative Data for Cost-Effectiveness, FY2017 Report
16 V.S.A. § 165(a)(2)(K)**

School: Shelburne Community School
S.U.: Chittenden South S.U.

A list of schools and school districts in each cohort may be found on the DOE website under "School Data and Reports":
<http://www.state.vt.us/educ/>

FY2016 School Level Data

Cohort Description: K - 8, enrollment ≥ 200
(29 schools in cohort)

Cohort Rank by Enrollment (1 is largest)
3 out of 29

School level data		Grades Offered	Enrollment	Total Teachers	Total Administrators	Stu / Tchr Ratio	Stu / Admin Ratio	Tchr / Admin Ratio
Smaller ->	St Albans City School	PK - 8	743	59.10	2.00	12.57	371.50	29.55
	St Albans Town Educ Center	PK - 8	752	56.00	2.00	13.43	376.00	28.00
	Barre Town Elementary School	PK - 8	857	74.00	4.00	11.58	214.25	18.50
	Shelburne Community School	PK - 8	862	53.50	2.00	16.11	431.00	26.75
<- Larger	Barre City Elementary/Middle School	PK - 8	882	100.75	4.00	8.75	220.50	25.19
	Williston Schools	PK - 8	1,133	76.80	3.00	14.75	377.67	25.60
Averaged SCHOOL cohort data			457.86	38.73	1.99	11.82	230.52	19.50

School District: Shelburne
LEA ID: T186

Special education expenditures vary substantially from district to district and year to year. Therefore, they have been excluded from these figures.

The portion of current expenditures made by supervisory unions on behalf of districts varies greatly. These data include district assessments to SUs. Including assessments to SUs makes districts more comparable to each other.

FY2015 School District Data

Cohort Description: K - 8 school district, FY2013 FTE ≥ 200
(33 school districts in cohort)

Grades offered in School District | Student FTE enrolled in school district | Current expenditures per student FTE **EXCLUDING** special education costs

Cohort Rank by FTE
(1 is largest)
7 out of 33

School district data (local, union, or joint district)

Smaller ->	St. Johnsbury	PK-8	680.25	\$11,389
	St. Albans City	PK-8	726.91	\$11,940
	St. Albans Town	PK-8	745.37	\$11,080
	Shelburne	PK-8	829.44	\$11,532
<- Larger	Barre Town	PK-8	850.89	\$10,634
	Barre City	PK-8	851.83	\$11,108
	Williston	PK-8	1,097.17	\$12,200

Current expenditures are an effort to calculate an amount per FTE spent by a district on students enrolled in that district. This figure excludes tuitions and assessments paid to other providers, construction and equipment costs, debt service, adult education, and community service.

Averaged SCHOOL DISTRICT cohort data

529.55 **\$12,143**

FY2017 School District Data

LEA ID	School District	Grades offered in School District	School district tax rate			Total municipal tax rate, K-12, consisting of prorated member district rates		
			SchIDist	SchIDist	SchIDist	MUN	MUN	MUN
			Equalized Pupils	Education Spending per Equalized Pupil	Equalized Homestead Ed tax rate	Equalized Homestead Ed tax rate	Common Level of Appraisal	Actual Homestead Ed tax rate
Smaller ->	T177 St. Albans Town	PK-8	716.74	13,151.32	1.3557	1.4808	105.60%	1.4023
	U017 Mt. Mansfield USD #17	5-12	776.31	15,937.39	1.5829	-	-	-
	T176 St. Albans City	PK-8	792.34	12,866.26	1.3263	1.4466	97.94%	1.4771
	T186 Shelburne	PK-8	794.65	14,270.73	1.4711	1.4787	96.11%	1.5385
<- Larger	T012 Barre Town	PK-8	795.94	11,860.45	1.2226	1.2576	89.36%	1.4073
	T079 Georgia	PK-8	855.92	13,334.43	1.3745	1.3745	102.69%	1.3385
	T011 Barre City	PK-8	875.31	11,862.28	1.2228	1.2559	102.85%	1.2211

The Legislature has required the Agency of Education to provide this information per the following statute:

16 V.S.A. § 165(a)(2) The school, at least annually, reports student performance results to community members in a format selected by the school board. . . . The school report shall include:

(K) data provided by the commissioner which enable a comparison with other schools, or school districts if school level data are not available, for cost-effectiveness. The commissioner shall establish which data are to be included pursuant to this subdivision and, notwithstanding that the other elements of the report are to be presented in a format selected by the school board, shall develop a common format to be used by each school in presenting the data to community members. The commissioner shall provide the most recent data available to each school no later than October 1 of each year. Data to be presented may include student-to-teacher ratio, administrator-to-student ratio, administrator-to-teacher ratio, and cost per pupil.



Chittenden South
SUPERVISORY UNION

5420 Shelburne Road, Suite 300, Shelburne, VT 05482

Telephone 802-383-1234 Fax 802-383-1242

January 9th, 2017

Residents of the communities of:

Shelburne Town School District

Fiscal Audits of Chittenden South Supervisory Union and its member schools are now the responsibility of the Supervisory Union Board.

Audits for Fiscal Year 2015-2016 were completed, reviewed and approved by the School's Board Chair on January 9th, 2017.

Audit copies are available on the web:

<http://cssu.org/cms/lib5/VT01000775/Centricity/Domain/561/Shelburne%2016%20FS%20final.pdf>

They are also available by contacting the Chittenden South Supervisory Union Offices directly.

Respectfully Submitted,



Dave Connery
Board Chair, SSD

Respectfully Submitted,



Robert Mason
Chief Operations Officer, CSSU



Dear CSSU Community,

Over the past ten years, three separate study committees, comprised of board and community members, considered governance consolidation of our schools. On June 7th, the communities of Charlotte, Hinesburg, St. George, Shelburne and Williston voted to form the *Champlain Valley School District*.

This historic outcome is having a profound positive impact on our ability to provide the most effective education system – one that provides all of our students the greatest educational opportunities, ensures equity across all of our schools, and provides operational efficiencies that will reduce our costs over time.

At the school level, we are engaged in fine-tuning our operations. While we have had coordinated, unified curriculum and assessment and professional development for the past 6-10 years, in our new structure, we're better equipped to ascertain the instructional support we provide for each student and school site. This allows us to have important discussions and make decisions about which areas are fundamental to a quality education and which are discretionary. In this way, we can assure that there is equity of resources for every student while maintaining a healthy level of local autonomy. Whereas past conversations about best practices ultimately resulted in important sharing without resultant changes, current discussions are ultimately focused on understanding the best components of each system and coming up with a collective model that truly is best practice and that truly ensures the best opportunities for our students.

I am personally enthusiastic about this work and am grateful to work in a system that has committed and engaged board members, devoted and exceptional staff, and a community that appreciates and supports its schools.

Finally, I want to acknowledge the enormous contributions of COO Bob Mason to the Chittenden South Supervisory Union. When Bob joined the CSSU central office in 2003, he embarked on a journey to provide a financial and operations systems overhaul that was based on consistency, collaborative planning, and efficient and effective use of all resources. His success is our legacy. CSSU is a highly functional, systems-based entity due in no small part to the work of Mr. Mason. We owe him our sincere thanks and appreciation.

Sincerely,
Elaine F. Pinckney
Superintendent of Schools

Shelburne Board of Educators Annual Report

The past year has seen continuous change for the Shelburne Community School as part of the CSSU. There are many education initiatives underway, from Pre-K all the way to CVU, and more change is on the way with the newly formed Champlain Valley School District.

Our SU continues the cultural change around Multi-Tiered Systems of Support. MTSS steps away from the lens of “regular education vs. special education” and instead recognizes that students begin and progress along a range of achievement. With tiered systems of support, a child who is just beginning to struggle academically can be given the more intensive help he or she may need to get back on track, and not have to wait to fail before receiving that support.

We are in our third year of consolidated Special Education. Required by Act 156, all special education staffing, budgeting, Medicaid billing, programmatic and instructional planning has been moved to the Supervisory Union. While this has been a cultural shift for our education team, the learning and sharing of best practices is beginning to pay dividends for our students. In addition, the budgeting process working across the SU is also starting to show ways to deliver cost-effective services to all students.

We are in our second year of implementing Personalized Learning Plans (Act 77). Students are becoming more involved in their learning; articulating their interests, and identifying their areas of strength and where they need more focus. Also part of this legislative initiative is the definition and execution of proficiency based standards. This past fall, students from grades 6 and up received evaluations of their work reported through the Jumprope software, specifically tailored to the proficiency based standards.

The biggest initiative of the year for the board was the successful pass of Act 46 leading to the consolidation of the five towns into one school district, the Champlain Valley School District. With the organization of the new board in September, the first task was the budget for the '17-'18 fiscal year. As we begin the process of standardizing our policy and budget guidance, we will move to leverage the advantages of governance consolidation in the delivery of education services to the 4050+ students of the new district when the new board assumes full responsibility on July 1, 2017.

The second biggest initiative of the SCS Board? This would be overseeing the successful first 2 phases of construction on our \$9.2 million renovation of the school. One major wing is nearly complete and should be moved into by February break, and the project completed by summer of '17. Many thanks to the administrative staff and construction teams making this work go smoothly. If you get a chance to see the new spaces, do take advantage of it. They are wonderful and we plan to have them be a great learning space for kids for years to come.

This is indeed an exciting time for the CSSU and the CVSD. The board continues to be proud of the hard work put forth by students, staff, and administration to make our school a place of exceptional 21st century learning.

Respectfully submitted on behalf of the SCS, CVSD, and CSSU boards,
David Connery, SCS Board Chair, CVSD and CSSU Board Chair

ABSTRACT OF SCHOOL MEETING
February 29 & March 1, 2016

The School Meeting was called to order on February 29, 2016 at 7:50 p.m. in the Shelburne School Gymnasium by Moderator Tom Little who introduced School Director Chair Dave Connery. He in turn introduced the School Board members to the audience: Robert Finn, David Connery, Kathy Stockman and Tim Williams. Also introduced were CVU School Directors Joan Lenes and Kim Schmitt. Jeff Solomon was not present. Dave Connery also introduced Community School Principal Allen Miller.

Moderator Little stated that the Town Meeting would be run according to Roberts 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 who would bring them the microphone and they should then state their name before speaking.

ARTICLE I: To hear and act upon the reports of the Shelburne Town School District Officers. Passed unanimously by voice vote.

ARTICLE II: Shall the voters of the Shelburne Town 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? Passed unanimously by voice vote.

ARTICLE III: Shall the Shelburne School District hold its 2017 Annual Meeting on Monday, March 6, 2017 at 7:30 p.m. to transact any business not involving voting by Australian ballot? Passed unanimously by voice vote.

School Director Chairman Dave Connery presented the school budget (Article V). The FY proposed budget for fiscal year 2016/2017 is \$13,289,971 a 2.23% increase from 2015/2016 fiscal year.

Mr. Connery referred to the various factors driving the increase. These include an increasing student population, a contracted 3.25% salary increase for professional employees and the inflationary growth of supplies, materials etc. The reductions made to maintain equalized per pupil spending of less than a 3% increase are: Reduction of 5 full time paraprofessionals, reduction of stipend positions including coaching and advising and a reduction in electricity cost through solar net metering. Mr. Connery spoke of Act 46. This law was passed by the Vermont legislature in 2015 to study how a school district could be more sustainable by merging with other school districts. He spoke of an upcoming consolidation vote. A vote in favor of this would reduce homestead tax rates and the district would receive a transition facilitation grant in the amount of \$150,000.

Kim Schmitt, CVU School Director, gave a presentation on the Champlain Valley Union High School budget to be voted on by Australian ballot on Tuesday, March 1 2016. The CVU proposed budget (Article VII) for fiscal year 2016/2017 is \$21,710,882 which is a 1.2% decrease from the 2015/2016 fiscal year. Ms. Schmitt also referred to Article VIII (allocation of fund balance) Article IX (purchase of two school buses) and Article X (school improvements).

Moderator Little referred to Town School Article VII (school bus) and Article VI (authorization to allocate the current balance). There was no discussion on these articles.

ARTICLE IV: To transact any other business proper to come before said meeting.

There was no additional business to transact.

A motion was made, seconded and carried to recess the School meeting at 9:00 p.m. until Tuesday, March 1, 2016 at 7:00 a.m. at the Town Center Gym. 113 voters out of a total of 5273 registered voters appeared at this March 1, 2016 School Meeting.

Tuesday, March 1, 2016 the School meeting was reconvened at the Shelburne Town Center Gymnasium at 7:00 a.m. Justice of the Peace Bud Ockert swore in the ballot clerks at 7:00 a.m., 11:00 a.m. and 3:00 p.m.

VOTED IN THE BOOTH

School Director for three years: David Connery

School Director for two years: Robert Finn

C.V.U. School Director for three years: Joan G. Lenes

SCHOOL

ARTICLE V: Shall the voters of the Shelburne School District approve the school board to expend Thirteen Million, Two Hundred Eighty-Nine Thousand, Nine Hundred Seventy-One Dollars (\$13,289,971), which is the amount the school board has determined to be necessary for the ensuing fiscal year? It is estimated that this proposed budget, if approved, will result in education spending of \$14,271 per equalized pupil. This projected spending per equalized pupil is 2.13% higher than spending for the current year.

Yes 1757 No 900

ARTICLE VI: Shall the voters of the Shelburne School District authorize the Board of School Directors to allocate its current fund balance, without effect upon the District tax levy, as follows: assign One Hundred Sixty-Five Thousand Dollars (\$165,000) of the school district's current fund balance as revenue for the 2016-2017 operating budget, and assign the remaining balance (\$170,160) as revenue for future budgets?

Yes 2115 No 482

ARTICLE VII: Shall the voters of the Shelburne Town School District authorize the Board of School Directors to borrow money by issuance of notes not in excess of Two Hundred Eight Thousand Dollars (\$208,00) for the purpose of purchasing two (2) school buses to be financed over five years?

Yes 1800 No 841

A total of 3099 out of 5273 registered voters (58.8%) appeared Tuesday, March 1, 2016 to cast their ballot in this Town Meeting. Of this total 770 were absentee ballots.

Respectfully submitted: Colleen T. Haag, Town Clerk

ABSTRACT OF TOWN MEETING

February 29 & March 1, 2016

Town Moderator Tom Little called the 228th Town Meeting to order on Monday, March 1, 2016 at 7:40 p.m. at the Shelburne Community School Gymnasium.

Moderator Little introduced the Boy Scout Troop #602 members Matthew Ireland, John Curley, Nate Brangan, Garrett Gruending, Zachary Loiter, Nathaniel Mick, Drew Buley, Andrew Slauterbeck and Alex Merrill and their leaders Jim Brangan, Mike Major and Donal Curley. They presented the colors and led the Pledge of Allegiance to the U.S. flag.

Moderator Little stated the meeting was being broadcast on VCAM Channel 17 TV. Moderator Little recognized Elizabeth Rossano, Shaunese Crawford, Jean-Luc Seipke and Jude Domski for bringing televised services to other citizens not present at this meeting.

Moderator Little also recognized Community School Principal Allan Miller, Becky Marshak for the Community dinner and Bill Miller and the maintenance crew for their assistance. He referred to the display tables for Town events located in the hallway and to the Doyle polls that can be filled out and returned to Colleen Haag.

Moderator Little referred to the inside cover of the Town report that is dedicated to the memory and public service of long-time residents Barbara Snelling and Tom Bessette.

Moderator Little introduced Town Manager Joe Colangelo who in turn introduced members of the Fire Department, Finance Director Peter Frankenburg, Library Director Lara Keenan, Highway Supt. Paul Goodrich, Rescue Chief Linda Goodrich and Constable and Health Officer Bob Lake.

Moderator Little stated that the Town Meeting would be run according to Roberts 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 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 Peter Gadue and Lee Suskin as tellers.

The Town's portion of the Meeting was called to order at 9:02 p.m. by Moderator Little following completion of the School portion.

Moderator Little introduced Chairman of the Selectboard Gary von Stange who then introduced the other Board members: Toni Supple, John Kerr, Colleen Parker and Tim Pudvar. He recognized the years of service to the town by outgoing Selectboard members Toni Supple and Tim Pudvar.

The Moderator then went through each of the warned Articles.

ARTICLE I: Voted to hear and act on the report of Town officers and the Auditor's report for the budgetary period July 1, 2014 through June 30, 2015 [Fiscal Year 2015]. Passed unanimously by voice vote.

ARTICLE II: Will the voters determine the compensation to be paid to the Selectboard for Fiscal Year 2016-2017? [Note: Current compensation are Chair \$1500.00, all others are \$1200.00]. Continuing current compensation passed unanimously by voice vote.

ARTICLE III: Other business, deferred until after the other Articles.

ARTICLE IV: Election of Town Officers as per the ballot. Moderator Little read the open officers up for election, and then introduced Jerry Storey who is running unopposed for the two year Selectboard seat and Josh Dein who is running for the three year seat.

ARTICLE V: Chairman Gary von Stange presented the Town budget article. He first gave an overview of the Town Departments and their activities over the past year. He talked about several highlights of the year. The Fire Department will be celebrating their seventy fifth year of service to the Town and he read a proclamation concerning this event. He stated that the Veteran's Monument Dedication held on September 13, 2015 was largely attended and inspirational. He highlighted a more transparent government process with the public able to receive the same documents that the Selectboard do, a weekly Manager's report, Ethics and Conflict of Interest Policy that were amended, railroad crossings agreements have been resolved for several affected Shelburne neighborhoods, Shelburne youth's participation on Town Committees, Form based code enactment and resolving and approving two Town bargaining units.

He stated the 2016-2017 proposed budget expenses are \$7,702,926. The increase in the municipal tax rate is 3.6% if all articles pass. The estimated town tax rate including all voted articles would be \$0.3731. He spoke of upcoming capital projects including a town office computer server, new phone system, town center roof heat exchangers, Fire department Gear and hose drier as well as a new generator for the Fire department. Significant changes to operation in the FY2017 include a second full time person in the Manager's office, an appointed Town Treasurer, a contracted part-time zoning enforcement officer, increasing the library director's salary, a transition to the Health Exchange, Stormwater partnership with South Burlington, increase in the paving budget and greater emphasis on Zoning enforcement.

ARTICLES VI and VII to be voted on by Australian ballot.

Article VI: (Appointed Town Treasurer) There was no discussion on this article.

Article VII (Open space fund) There is currently \$261,000 in this fund. Don Stevens asked if there was a list or map of open lands available to residents as he could not find it on the website. He was advised that these will be posted in the near future.

ARTICLE VIII: To transact any other business proper to come before said meeting.

The Moderator recognized Derrick Senior of VTUNITED.org who stated that this group does not accept the Vermont Railway proposed project to be built between the tracks and the LaPlatte River behind Harbor Industries and asked that a nonbinding resolution to that effect be voted on as a recommendation to the Selectboard.

David Connery moved to make a non-binding resolution to the Board and it was seconded by David Bertrand.

Nonbinding Resolution by Residents of the Town of Shelburne to Stop Development of 2087 Shelburne Rd by Vermont Railway

This resolution is a request to the Shelburne Selectboard to continue the fight against the development of the property at 2087 Shelburne Road by the Vermont Railway.

WHEREAS, The lower LaPlatte River downstream of Route 7, and the surrounding wetland and upland natural communities, have been recognized as important natural areas of statewide significance that are worthy of continued protection; and

WHEREAS, these wetlands that are in such a condition to meet the criteria of Class 1 wetlands as defined in statute; and

WHEREAS, this area adjoins a critical wildlife habitat consisting of mapped deer wintering areas and other habitat for bobcats and bear; and

WHEREAS, this area contains natural resources of statewide significance (including nine rare plants [one on the State endangered list), a rare butterfly, a rare salamander, and two state endangered fish; and

WHEREAS, this area is an extensive floodplain forest that has been described by the Vermont Natural Heritage Inventory, part of the Vermont Department of Fish and Wildlife, as one of the best such examples in the state of Vermont, giving it an A rank (the top ranking); and

WHEREAS, this a forested upland buffer for one of the highest quality floodplain forests in the state of Vermont; and

WHEREAS, the safety of children passing through town on their way to and from school is of paramount concern to parents whether they are walking, biking, or being driven in cars; and

WHEREAS, increased emergency response time for police, fire, and rescue could result from trains blocking Harbor Rd during unloading of cars; and

WHEREAS, Vermont Railway's assertion of federal preemption with respect to all development contemplated on the subject parcel is inconsistent with applicable legal precedent due in part to the Barrett Trucking activities and operations; and

WHEREAS, Section 5.1 of the of the September 19, 1990 Lease by and between the State of Vermont as Lessor and Vermont Railway, Inc. as lessee provides: "Railway covenants and agrees that, except as limited herein, it will maintain and operate said line or lines of railroad in compliance with Federal, State and Local laws and administrative regulations relating to the operation and maintenance thereof;" and

WHEREAS, in any development of this land, the Act 250 review process would always be expected to be used as the barometer of legitimate land development as administered by the Town of Shelburne Development Review Board;

Now therefore be it Resolved, that the town residents voting in favor of this resolution are completely opposed to the development of this site for the storage, distribution, and transshipment of salt, fuel or other chemicals by Vermont Railway or its agents; and be it further

Resolved, that town residents voting in favor of this resolution are requesting that Vermont Railway vacate this site for this purpose and seek an alternate site that does not put the environment, public safety, and children at risk; and be it further

Resolved, that the town residents voting in favor of this resolution request that the Selectboard continue to fight this Development.

After much discussion a non binding vote was taken. *The foregoing nonbinding Resolution was adopted at the Shelburne Town Meeting on the 29th day of February 2016, by a vote of 35 Yeas, 4 Nays and 15 Abstentions including Moderator Little and all members of the Selectboard.*

On a motion made, seconded and carried the meeting was recessed at 10:32 p.m. until Tuesday, March 1, 2016 to reconvene in the Shelburne Town Center at 7:00 a.m. for voting by Australian ballot. There were 5273 registered voters on the checklist at the time of this meeting. 113 voters from the Town of Shelburne appeared at this February 29, 2016 meeting.

Tuesday, March 1, 2016 the Town Meeting reconvened at the Town Center gymnasium at 7:00 a.m. Justice of the Peace Bud Ockert swore in the ballot clerks at 7:00 a.m., 11:00 a.m. and 3:00 p.m.

VOTED IN THE BOOTH

Town Moderator for one year: Thomas A. Little

School Moderator for one year: Thomas A. Little

Selectman for three years: Josh Dein

Selectman for two years: Jerry Storey

Constable for two years: Bob Lake

Champlain Water District Commissioner for two years of a three year term:

Peter E. Gadue

TOWN

ARTICLE V: Shall the Town adopt the Selectboard's proposed budget of \$7,702,926 of which \$5,570,146 is to be raised by taxes?

Yes 1981 No 833

ARTICLE VI : Shall the voters of the Town of Shelburne Adopt the Town Charter as amended?

Chapter 3 Officers-Town Treasurer

§147-3.2 Elected Officers

The elected officers of the Town shall be:

~~A Treasurer~~

§147-3.5 Appointive Officers

A Town Treasurer shall be appointed and may be removed by the Selectboard in accordance with this subchapter.

Yes 2092 No 418

ARTICLE VII: 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?

[The fund balance in the Open Space Fund is currently \$261,000]

Yes 1963 No 698

A total of 3099 out of 5273 registered voters (58.8%) appeared Tuesday, March 1, 2016 to cast their ballot in this Town Meeting. Of this total 770 were absentee/early ballots.

Respectfully submitted: Colleen T. Haag, Town Clerk

TOWN ORDINANCES ADOPTED OR AMENDED IN 2016

Parking Ordinance (Amended): Ordinance was amended to add section 2(v) as follows: on the North side of Harbor Road from Turtle Land to 687 Harbor Road

Food Truck Ordinance (Adopted): The general purpose of this ordinance is to promote the health, safety, comfort, convenience, prosperity, and general welfare of Shelburne citizens by establishing guidelines and regulations for Food Trucks and to encourage the safe and convenient use of the Town's public rights-of-way.

Peddlers' Ordinance (Amended): To regulate the activities of peddling within the Town of Shelburne for the protection of the public health, safety, welfare, and convenience, to maintain safe and efficient pedestrian and automotive traffic movement, and to protect the residents of Shelburne from unscrupulous, fraudulent, and immoral business practices.

Solar Ordinance Electric Generation Facility Siting Standards Ordinance (Adopted): These standards are intended to avoid and mitigate potential impacts of solar electric generation facility development, while promoting new installations in appropriate locations and achieving proportionality with respect to Shelburne's contribution to State-wide renewable energy targets.

Sewer Capacity Allocation Ordinance (Amended) : For a three year allocation from May 10, 2016 – May 10, 2019

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 issues relating to water, sewer, capital improvements, budget process, organizational structure and succession planning. Shelburne's newly instituted Student Town Board Program received front page Burlington Free Press recognition, resulted in two former student Board members becoming full-time voting members, and led other communities to follow Shelburne's lead. Town volunteer Board participation has reached a new high. For the first time in many years our Boards are close to 100% filled.

The Town defended two lawsuits this year, neither of which was instituted by the Town. One suit was brought by a business owner, appealing a decision of the Town's Development Review Board. The Town, the business owner and third-party neighbors participated in mediation to reach a settlement. The other suit, ongoing as of the submission date of this report, was filed in Federal Court by Vermont Railway and involves Vermont Railway, Barrett Trucking and the Town. Before the Town responded to the Railroad's suit, one thousand people, the overwhelming majority of whom were Shelburne residents, petitioned the Town with one message – "We the undersigned residents of Shelburne hereby request that the Select Board use ANY and ALL means possible to relocate this project." The Town repeatedly has endeavored to resolve this case through good faith discussion, negotiation and mediation. But those efforts cannot succeed unless and until the objective of good faith compromise is bilateral.

Over the past three years, the Town embarked upon a new era of openness and transparency, with the Board instituting measures to foster that environment, to facilitate dialogue between Town Boards, and to encourage civility. Previously, only Selectboard members received documents relating to agenda items. Now, Shelburne (i) receives Town-wide information, all materials that the Board receives are available to residents through annotated agendas that are posted on the Town web site, Front Porch Forum, and offered through an email distribution list that includes over 500 addresses, (ii) receives weekly Town Manager Reports via the same publication and distribution channels, (iii) holds seminars to help educate and inform our Boards so that every volunteer can learn about Open Meeting Laws, Public Documents, Ethics, Disclosures and Recusals, (iv) coordinates Commission, Board and Committee Reports to foster dialogue between Boards, (v) has adopted Selectboard Rules of Procedure that do not permit cross-examination of residents, requiring instead that all questions and comments be directed to the Board, (vi) has passed an Amended Ethics and Conflict of Interest Ordinance that establishes standards of conduct and guidance, helping ensure independent, impartial, and responsible Town Boards, and (vii) has instituted a new user-friendly and interactive web site opening Town government for all residents and increasing Town web visits from 1,000 to over 10,000 per month.

Going forward, Shelburne continues to face difficult issues and budgetary concerns including (i) possible regionalization of dispatch services, (ii) potential formation of a stormwater utility to address the now apparent \$7-10 million costs that the State has passed to Shelburne, (iii) needed bridge repairs, (iv) water and sewer infrastructure needs, (v) a new round of Collective Bargaining Negotiations with the Town's police union, and (vi) the necessity of maintaining municipal services while addressing continued organizational planning and succession planning.

In great part as a result of these initiatives, over the previous two years the Selectboard embraced civility, productivity was high, and residents were provided with an open and transparent Town government. This past year, with a newly constituted Board, there has been a sharp and detrimental departure from previous standards of civility and productivity. It is my hope the Board will return to civility and its more productive ways.

It has been an honor to serve as Chair of the Selectboard.

Respectfully,

Gary von Stange

TOWN MANAGER'S REPORT

Most importantly, especially during a year of such tension and transition, I want to highlight the work product, dedication, civic pride, and accomplishments of Shelburne's entire municipal staff. They all deserve the highest praises.

As hinted at in the Town Manager's annual report last year, the biggest challenge this year was Shelburne's litigation with Vermont Railways, Inc. regarding their application of federal-preemption in developing a 34 acre parcel just north of Shelburne Village along Rte 7. Other noteworthy matters affecting the Town Manager's Office this year included an appeal hearing before the Development Review Board on a Notice of Violation (NOV) issued to the Champlain Housing Trust for Harbor Place, a debate which lasted the span of numerous Selectboard meetings over the summer for a proposed Sidewalk and Trails Map, and the construction of a 'Primitive Path' connecting the Pierson Drive neighborhood to Boulder Hill.

Working with Shelburne's Water Commissioners, long-standing needs to rehabilitate Shelburne's South Water Tank and transfer Shelburne's North Water Tank to the Champlain Water District (CWD) were accomplished, and at a Special Town Meeting, voters approved a \$500,000 bond to repair the Spear Street Waterline.

Shelburne's stormwater program expanded significantly in 2016 when we entered into an inter-municipal agreement with the City of South Burlington. We also held a town-wide 'Stormwater Summit' and received the results of a 3-year study, informing the community that the town's mandatory obligations to improve Munroe Brook over the next 16 years are estimated to be greater than \$7,000,000.

With direction from both the Library Board of Trustees and the Selectboard, a significant amount of effort from the Town Manager's Office went towards developing a preferred design alternative (called 'The Scoop') for a new library, rehabilitations to the Town Hall, and improvements to the municipal campus. Early in 2017 a town-wide survey will be distributed to test the communities' appetite to put public monies towards this project. Additionally, in collaboration with Lara Keenan, Library Director, Shelburne's first Poet Laurette, Rick Bessette was appointed.

The Selectboard directed the Town Manager to develop the Organizational Improvement Plan which provides insight into the future needs of all town departments and to implement an updated budgeting process – both initiatives proved to be useful. Safety improvements along the Bay Road Corridor, Route 7 South (known as "The Southern Gateway"), the Village Center, and the Martindale neighborhood were emphasized this year and will likely continue in subsequent years.

Ann Janda was promoted from Management Intern to Director of Administration starting July 1st and made an immediate positive impact. After 35 years of service as Shelburne's Clerk & Treasurer, Colleen Haag retired and, working with a committee appointed by the Selectboard, Diana Vachon was appointed Shelburne's new Town Clerk in early October. Finance Assistant Betty Marcher retired in late summer from full-time employment in the Finance Department after serving the town for 30 years but remains on as our part-time webmaster. We had to say goodbye to Bob Wooster who retired after 23 years as our Maintenance Technician and Sharon Palady, Administrative Assistant in the Police Department, who also retired in December 2016 after serving the Town for 36 years.

Looking into the immediate future, two items stand-out as most pressing for the next twelve months. First, Shelburne will need to tackle its stormwater responsibilities; it's anticipated that the establishment of a stormwater utility will be a point of significant discussion in 2017. Second, the town will need to determine how it will handle 911 call taking and dispatching services during the next calendar year. On-going litigation with Vermont Railway will continue to be part of the mix, too. It's an honor to serve Shelburne as Town Manager and I appreciate the opportunity.

Respectfully submitted, Joe Colangelo, Town Manager

TOWN CLERK & TREASURER'S REPORT



Our office filed the following vital statistics in 2016:
74 births 121 deaths 26 Burials 69 marriages

Our office also processed the following:
414 Passports 653 Passport photos 91 Motor vehicle registrations
476 Notary services 84 Green Mountain Passports 225 Overweight Permits issued

We recorded 6960 pages in warranty, quit claims and mortgage deeds, liens and other miscellaneous recordings in 2016.

I retired as Shelburne's Town Clerk on October 10, 2016 after thirty-four years of service to the Town. My recurring bouts with chronic Lyme disease and my medical support team's advice for more rest and less stress in my life helped me make my decision to leave.

I had an amazing journey with many changes along the way. I moved my office three times, worked with five town managers, several assistants, student interns and a multitude of town support staff along with present and past boards who have helped make Shelburne the special community it is.

I've never been fond of those who retire and write long lists of their accomplishments. That said I would like my legacy to include the following:

- My office's focus on superior customer service.
- Completing a project of scanning and digitizing the Town's land records back to our first recording year of 1763 and making them accessible to the public in electronic as well as paper format.

I truly appreciate the support I have been given throughout the years. I have been so blessed. Thanks for all the wonderful memories I will carry with me.

Colleen Haag, Town Clerk from 1982-2016

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 3 busy elections. The last one in November the General Election was one of our highest turnouts, 79% of the checklist voted with over 52% of those votes submitted as Early/Absentee ballots.

In May, we lost Ruth Morrow, a lifelong resident of Shelburne. She worked as treasurer for the Chittenden South School District, was a member of several organizations, and very active in the Shelburne community serving as Auditor, Ballot Clerk, and on the Cemetery Commission. She will be deeply missed.

I would like to express my sincere gratitude for the opportunity to service as your new Town Clerk. Since October 11, 2016, when I took the oath of office, I have enjoyed getting to know and working with so many wonderful people. Thank you all so much for your support and encouragement. You make Shelburne a special place to live and work. I would also like to thank, Lisa Mann and Sue Moraska, Assistant Town Clerks. They are doing a fantastic job. And saving the best for last, Colleen Haag admired, respected and loved by all. I am deeply grateful for all your help getting me off to a great start. I wish you health, happiness, and all the best as you embark on the next journey in your life.

Respectfully submitted, Diana K. Vachon, Town Clerk

ASSESSOR'S REPORT

Shelburne Appraised Values – Fiscal year 2016

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

A. Annual maintenance. We inspected changes on roughly 250 properties in Shelburne with just under 600 notices mailed. The inspections were prompted by the property owner or changes to the property status. Valuation changes were made for the application of functional depreciation based upon a study of sales completed in January of 2016. We have seen new residential construction in the remaining lots on O'Brien Drive and commercial improvements at Shelburne Green.

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

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 continued firming of Shelburne real estate market activity. Downward movement of the CLA indicates, on average the sale prices are increasing in comparison to the Grand List values as the latter remains fixed from the time of a reappraisal. Properties for sale within the most active segment of the local real estate market appear to have been transferring both above the assessments and more rapidly than the other segments. This also has an impact on the CLA. The COD has remained at an acceptable level indicating a relatively uniform pattern of equity in the relationship between sales and assessed values.

We 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. Administrative Assistant Elaine Eno has done a great job working with the property owners through mailings, scheduling and providing helpful information. 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,

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

Planning Commission: Planning Commission duties are set by state law 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. Accordingly, in 2016 Planning Commissioners spent much of their meeting time discussing and advancing zoning amendments, contemplating changes to Shelburne’s Comprehensive Plan, and formulating specific policy recommendations for issues like siting of renewable energy facilities. Further reflecting its diverse responsibilities, the Commission also took part in the annual update of the Capital Improvement Plan, discussed the future of the Town’s rural areas, and hosted numerous presentations, on topics as diverse as ethics, design review guidelines, local business, and transportation issues on US Route 7.

The first meetings in 2016 featured warned public hearings on the Form Based Zoning (FBZ) proposal developed throughout all of 2015. (The FBZ proposal was later approved by the Selectboard and became effective in May.) As 2016 progressed, the Commission also conducted hearings on two other zoning proposals. One proposal expanded locations where pet care facilities may be located and the other—warned for discussion in mid-December—would regulate the location of adult-oriented businesses. Several other meetings during the year were organized around work sessions held to discuss zoning changes suggested by the Development Review Board—including requirements for sidewalks and paths, excavation and fill, setbacks from private rights-of-way, lighting of signs, and trailers used for storage. At the request of the Paths Committee, Commissioners also conducted a public hearing on possible changes to the Comprehensive Plan. The proposal would have updated maps depicting the location of desired future facilities. The committee later withdrew the request, following hearings warned by the Selectboard.

The Planning Commission is also playing an important role in how the Town improves stormwater management and in 2016 helped organize—and hosted—the Town’s first “Stormwater Summit.” Similarly, Commissioners spent multiple meetings discussing the future of the Rural District and hosted a presentation on forest fragmentation by staff from the Vermont Department of Fish & Wildlife. As in past years, Commissioners sought to play an increased role on the “Section 248” review process, in hopes of influencing decisions relating to renewable energy and telecommunication facilities. To that end, Commissioners

Development Review Board Activity, 2016	
Type of Review	Number of Applications
Site Plan /Design Reviews	
Site Plan Review	9
Design Review	20
Subdivision/PRD/PUD Reviews	
Sketch Plan	8
Preliminary Plan	2
Final Plan	4
Boundary Line Adjustments	2
Re-Approvals/Minor Amendments	5
Withdrawals	3
Form Based Zoning Reviews	
Site Plan	0
Conditional Use	0
Sketch	1
Preliminary	0
Final	0
Conditional Use Review	
Approvals	17
Denials	0
Withdrawals	0
Variance Reviews (1)	
Approvals	0
Denials	0
Withdrawals	0
Appeals (2)	
Approvals	1 (3)
Denials	0

(1) One variance application was filed in calendar year 2016 but has not yet been warned for a public hearing.

(2) One appeal application was filed in calendar year 2016 and has a scheduled hearing for January 4, 2016 with a requested continuance until January 18, 2016.

(3) The Harbor Place decision was issued on in calendar year 2016, however the date of the application was in calendar year 2015.

supported the adoption of a local solar facility siting ordinance and separately provided comments to the Regional

Planning Commission regarding local resources that should be considered in facility-siting decisions. Meetings of the Planning Commission continue to take place on the second and fourth Thursday of each month, except for November and December. In March, Chair Ron Bouchard stepped down from the Planning Commission, and Jaime Heins was elected to be the new Chair. A complete list of Planning Commission members is included in the front of the Town Report and on the Town’s web site.

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 adhered 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). 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. Following the adoption of OTR the DRB adopted Rules of Discovery and Evidence. The document has been used as a guideline for reviewing applications and conducting public hearings. Thus far, only one appeal has been reviewed under the requirements of OTR. As a result a full evaluation of the effectiveness of OTR in obtaining the aforementioned goals has not yet been completed.

As shown in the table above, in calendar year 2016 the DRB approved several applications including those for subdivision, conditional use, site plan and design reviews. Additionally, the DRB reviewed the first form based zoning application. The application was for a nine (9) lot subdivision and received authorization to proceed to preliminary plan review which the applicant has not yet proceeded with. There are also a number of other projects that began the review process in 2016 that will continue to be reviewed in 2017. These include applications for the proposed Kwiniaska PUD, Desautels PUD and Saar Subdivision. Meetings of the DRB occur on the first and third Wednesday of each month. Current members, alternate members and student members are listed in the front of the Town Report.

Building Permits and Certificates of Occupancy

The total number of residential building permits issued in calendar year 2016 (01/01/2016=12/22/2016) was 139. As shown below, 17 zoning permits were issued for single family dwellings, including three replacement homes, and three zoning permits were issued for new multi-family units. The multi-family building permits that were approved were for two duplexes and one triplex.

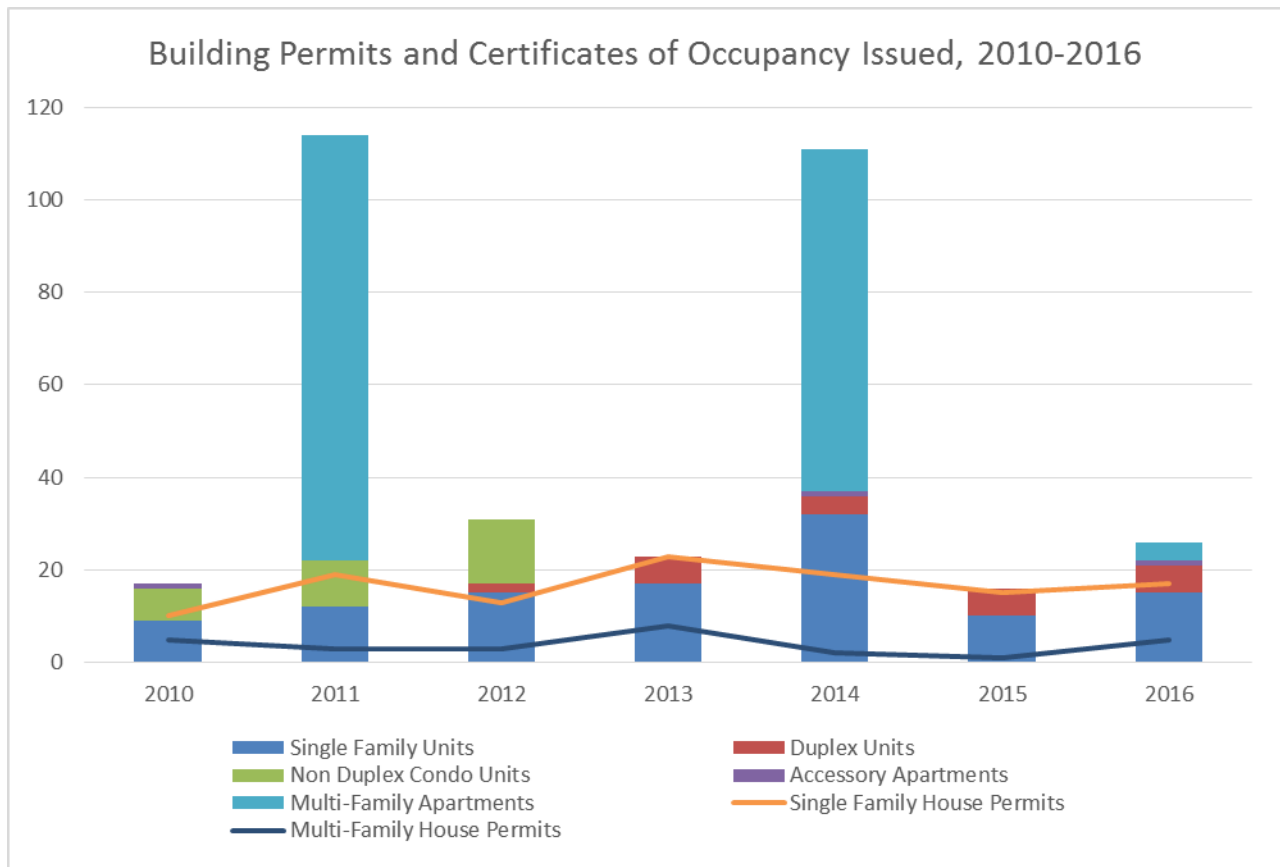
Building Permits, 2010-2016							
	2010	2011	2012	2013	2014	2015	2016
Single Family House Permits	10	19	13	23	19	15	17
Multi Family House Permits	5	3	3	8	2	1	3
Total all Residential and Non Residential Building Permits	162	150	154	208	181	146	139

As shown in the table below, the total number of Certificates of Occupancy issued for residential units in calendar year 2016 (01/01/16-12/22/16) was 26, up from 16 in 2015. The majority of COs issued were for single family dwellings.

Residential Units Receiving Certificates of Occupancy, 2010-2016							
	2010	2011	2012	2013	2014	2015	2016
Single Family Units	9	12	15	17	32	10	15
Duplex Units	0	0	2	6	4	6	6
Non Duplex Condo Units	7	10	14	0	0	0	0
Accessory Apartments	1	0	0	0	1	0	1
Multi-Family Apartments	0	92	0	0	74	0	4
Total # Units Receiving CO	17	114	31	23	111	16	26
Replaced/ Renovated Units*	3	3	2	5	5	2	6
Affordable Units*	0	0	2	0	78	0	2

* Also included in unit type categories and totals; affordable units consist of units in a single duplex; replacement units include 5 SF homes and one SF converted to duplex

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



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, Jaime Heins, Chair, 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 with 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 is constantly adapting to address the ever changing needs of our community. Anecdotally, we have seen an increase in people in need of social and/or mental health services. All of our Police Officers have completed state-mandated training in dealing with individuals in mental health crisis. Wherever possible we work with our partners in social services to determine the best course of action at the time of crisis.

With the decriminalization of small amounts of marijuana and the state's opioid epidemic, we have seen an increase in the amount of driver's under the influence of drugs. Nearly all of our officers have advanced roadside impairment detection training and two of our officers are Drug Recognition Experts (DREs). The extensive DRE training was entirely state or grant funded with no cost to Shelburne Residents.

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 and DWI Enforcement. This use of these grants allows for greater enforcement in these areas at little or no cost to the local taxpayer. In 2016 the Shelburne Police Department received educational grants designed to reach out to our youth about safe practices when driving and bicycling. The Shelburne Police Department has been recognized both Statewide and Nationally for its traffic safety efforts.

The Police Department is a full-service 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.

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

We would like to thank the community for all the support they have provided to Officer Michael Thomas while he has been battling Leukemia. While he is still out on an extended leave, his recovery is going well and we expect to see him back soon.

Communications Center: The Communications Center is often referred to as “Shelburne Dispatch” or “Shelburne PSAP” and serves as a regional Emergency Communications Center covering 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 Kristen Pierce to our dispatching team.

Respectfully submitted,

Chief James W. Warden
Shelburne Police Department.

SHELBURNE FIRE DEPARTMENT

The Shelburne Volunteer Fire Department responded to 247 calls in 2016 which is down just slightly from our average of 250. The majority of our responses are to motor vehicle accidents, CO alarms, and automatic fire alarms. We had a slight increase in calls that required 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 4th of July fireworks, the Wings over Vermont air show, 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 36 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 2016, we had 1 member receive their Firefighter 1 certification, 4 received their Firefighter II certification, and 3 obtained their Fire Instructor 1 certification. We currently have 1 member enrolled in Firefighter 1 and 7 in the Firefighter I/II combined class.

Our fire prevention program continues to be one of our biggest commitments to the community. In 2016, firefighters volunteered over 200 hours in 11 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 Captain Andrew Dickerson 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. Rob Barrett was selected as Firefighter of The Year, and Kyle Bessette was chosen as Rookie of The Year.

The Shelburne Firefighters Association continues to offer to the residents of Shelburne the green reflective street address signs. These signs are visible day or night and are very affective 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.

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, 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. 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 – 1st Asst. Chief
Jim Buell – 2nd Asst. Chief
Andrew Dickerson – Captain
Dwight Mazur – 1st Lieutenant
Devin Major – 2nd Lieutenant
Tom Tompkins – Secretary
Lee Krohn – Treasurer



Shelburne Fire Department Volunteers participate in training drills.

SHELBURNE RESCUE

Shelburne Rescue responded to approximately 1000 emergency calls in 2016. We continue to provide mutual aid for the Shelburne Volunteer Fire Department, and 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 50 volunteer members on our roster.

Our members are pleased and proud to eliminate the tax burden to the Town of Shelburne taxpayers for the ninth consecutive year. Through insurance billing, generous community donations, and our annual subscription service, Shelburne Rescue has been able to cover all its operating expenses, including, but not limited to, our full time employee's salary, squad building maintenance/utilities, equipment, training costs and capital budget planning.

The following is a list of the current officers for Shelburne Rescue: Linda Goodrich, Chief, Megan Cross, Assistant Chief, Wendi Turner Treasurer, Andrew Kehl, Training Officer, and Jenna Lindermann, Secretary.

Shelburne Rescue was pleased to induct Susanne Zaner 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:	Megan Cross
Driver of the Year:	John Kelley
Charlie Phelps Award:	Wendi Turner
Joan Foster Award:	Megan Cross
Rookie of the Year:	Jacob Leopold

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 is 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 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 three full-time employees Lee Coleman, Rob LeBeau, Victor Raymond. Mike Gill is highway's full-time mechanic providing maintenance services for all Town owned vehicles, as well as, assisting with snow plowing in the winter. During the summer and winter months we hire one part-time employee to mow roadsides and one part-time employee to plow sidewalks.

In addition to the usual winter and summer road maintenance the highway department paving for 2016 was

completed on Longmeadow Development, Executive Drive (North Side Drive), Old Orchard Lane, Thomas Road and Lake View Drive, as well as a half mile on Irish Hill Road, 1.3 miles on Harbor Road and Bay Road from Harbor Road to under pass.

Other projects during 2016 included installing some storm drains on Juniper Ridge and Brook Lane, replacing miscellaneous road culverts, 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), Mike Regan , Michael Abrams, Steve Smith and Peter Gadue are the current commissioners. Our department is staffed by our Superintendent Rick Lewis, operators Chris Carlson and Chad Racine, and administrative assistant Candy Bessette. We continue to make improvements to the system and respond to the challenges associated with maintaining approximately 66 miles of aging infrastructure . We also maintain 2300 water meters, 700 main line gate valves and 375 fire hydrants. This past year our Department repaired 16 major water main breaks.

This past year we were able to completely repaint our 500,000 gallon South storage tank which we will continue to own and were able to transfer ownership of our North storage tank to CWD. We are also working on plans to replace approximately 4000 feet of 12" water main on Spear Street.

In fiscal year 2016 we purchased 173,500,000 gallons of water from CWD at a rate of \$1.978 per thousand gallons. Shelburne's retail rate was \$5.80 per thousand gallons.

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

Respectfully Submitted
Rick Lewis 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 44 alarms/calls this year.

In FY15-16 the department treated 221 Million gallons of wastewater. The average flow for WWTF#1 was 251,000 gallons/day and the average flow for WWTF#2 was 350,000 gallons/day. The total operating budget was \$1,851,496. Shelburne's retail rate was \$12.64 per thousand gallons.

The department took in 901,655 gallons of septage from private haulers that pump out rural septic tanks from Shelburne and surrounding communities.

The department processed 4,711,095 gallons of sludge which equates to 781 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.

A \$3 million bond was authorized by the voters and the department has hired Aldrich & Elliott Engineers to begin working on specific upgrades to the wastewater collection system and treatment facilities. The following collection system projects are being planned:

1. Webster Rd pump station force main replacement and new valve pit.
2. Falls Bridge pump station force main replacement.
3. Falls Road gravity sewer line replacement from Church St to Route 7.
4. Harbor Rd gravity sewer line replacement.
5. Wes Rd sewer line diversion.
6. Bay Rd pump station emergency storage.
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 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 flow restoration plan is required and 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 \$7 million and will be shared by the Town and permittees. These projects will be distributed over the next sixteen years. 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 an initial budget of \$50,000 for these services with an expected increase to \$85,000 within the next few fiscal years. The Town is looking into the possibility of creating a stormwater utility to assist in managing and funding the ever-increasing stormwater obligations. 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 43,000 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 5,000 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 43,000 physical books, e-books, DVDs, music CDs, audiobooks, and magazines.
- Open 47.5 hours per week
- Over 5,000 library card holders
- Over 62,000 annual visits

Library Staff: Director Lara Keenan runs the day-to-day operations of the library. In addition, she works and interacts with the town offices, local businesses, senior living communities, nonprofits, and citizen groups through an extensive outreach program. Lara also continues to lead the Library Building Steering Committee to develop a vision for the future of Library, historic Town Hall, and municipal campus. Under the watchful eye of Katie Bosley, the children's department is 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 is always very welcoming while working the main desk and helping to keep displays looking fresh. Caitlin Bell helps on Monday mornings and offers a weekly story time with craft. Alice Bennett, AJ Humphrey, Patrice Macomber, 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: Programs often have more people attending than can fit comfortably in the space available at the library. In addition, there have been several maintenance issues with the building such as leaks, odors, high humidity and insufficient heating. The staff continues to offer a high level of service to the community while taking care of the building issues so that patrons are not disturbed.

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, Erin Miller Heins, Secretary, Lauren Mathon, Bonnie Christie, Jane Osborne McKnight, Cathy Townsend; and Lara Keenan, Library Director.

The Friends of Pierson Library held their annual Book Sale in the Town Hall in October, 2016.



FRIENDS OF THE PIERSON LIBRARY

Monthly Meetings – Pierson Library Meeting Room, 6:30pm, second Thursday of the month
Membership – 110 Members Email Address - Friends.piersonlibrary@gmail.com

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 first time we took part in TWO book sales in a year. It was so great, we are doing it again in 2017. Some special thank you's - to Friends member Gene Schinto for his continued support sorting books year after year, 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, paid for new shelves in children's area, and painting of the Conference Room.

We added three bookcases (a whole wall!) for a year-round Book Sale inside the library. We are always adding to it.

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 are looking forward to another productive year in 2017! We would be happy to talk to anyone who would like to know more about us.

SHELburne PARKS & RECREATION COMMITTEE

This year brought a long anticipated improvement to the Recreation Department's services and function with the addition of online registration through WebTrac. This web based program allows users to register online with a credit card and the office software is automatically updated, which improves our office efficiency and the convenience for customers. Another huge improvement we are proud of this year is the installation and implementation of the Lift at Shelburne Beach. The lift is a much needed service that provides access from the picnic level of the facility down to the water level, for people who are unable to safely use the stairs, but still want to get to the water.

Our variety of programs and community special events continue to be the mainstay of our focus and remain popular and in demand with residents. In 2016 the youth sport programs flourished with high participation in fall soccer (338), lacrosse (191), LL baseball/softball (276) and basketball (82). Several after school programs were also successful such as Young Rembrandts, After School Fitness, Tennis Lessons, and Bolton Valley Ski and Ride. New Adult programs this year included a truffle making class, Voice-over class, Gentle Yoga, and Self Defense for Women.

Residents attended the community events in large numbers, and enjoyed a variety of entertaining performances and activities. We enjoy seeing our Shelburne neighbors at these events socializing with their families and friends. We

are lucky to live in a vibrant, active community where people care about each other and the place they live! Included in this group are the supportive businesses that sponsor our events.

A big thank you to the following for their wonderful donations that underwrite the success of these events!

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

A sincere thank you to the hundreds of volunteers who are the backbone of our programs and events! We couldn't function without your involvement and support! A special thank you to the Town Staff who helps us throughout the year with special projects and events including Darwin Norris, Wastewater and Water Departments, Paul Goodrich and the Highway Dept., as well as Shelburne Police, Fire and Rescue.

A special Thank You to the Recreation Committee Members for all the time, effort, and volunteering they do to make our special events, parks and programs so successful and enjoyable to our community.

As chair of the Parks and Recreation Committee I would like to express our appreciation of Betsy as our Recreation Director and Sue Craig as her administrative assistant. They certainly make the Shelburne Parks and Recreation Department one that is outstanding and the best for all the citizens of Shelburne. Thank you.

Respectfully Submitted, Peggy Coutu, Chair

The Youth Rec. Soccer Program had another successful season!



Shelburne Beach water level reached a record low in the fall of 2016!

SHELburne VILLAGE DOG PARK COMMITTEE

This past fiscal year has been a productive one for the Shelburne Village Dog Park (SVDP). Thanks to so many of our volunteers, we have worked together to continue to keep the park a safe, secure, and well-maintained place for all of our visitors, human and canine. Daily and weekly waste collection and removal as well as scheduled work days to remove unwanted vegetation and invasive species have been handled by a loyal group of volunteers dedicated to maintaining the park.

Safety for all visitors to the park has received increased attention this past year. Additional signage, informal presentations within the park, and posted information about procedures to follow when aggressive canine behavior becomes problematic have enhanced the awareness of visitors to safety issues within the park.

Funds to support the maintenance of the park came from Town dog license fees, SVDP memberships, donations, and various fundraising activities. The Committee conducted the Second Annual Car Wash, the Third Annual Dog Park Calendar, and the Fourth Annual Fall Fundraiser to help with routine maintenance costs as well as special projects designed to make the park more user-friendly and more attractive.

The success of the dog park depends on the countless volunteer hours and generous donations of visitors from Vermont as well as neighboring states. In addition to thanking them, we would like to thank the many people who

submitted photos for the calendar contest, our number one fundraiser which covers annual operating expenses, as well as the businesses and professionals who purchased ads for the calendar: A Little Something, Archies, Ark Veterinary Hospital, Barkeaters, Danform Shoes, Pauline's, Pet Food Warehouse, Shelburne Dental, Shelburne Eyeworks, Shelburne Meat Market, Special Touch Salon, and Village Wine and Coffee.

Respectfully submitted,
Kay Boyce, Chair

SHELBURNE BIKE & PEDESTRIAN PATHS COMMITTEE

The Paths Committee is pleased to report its progress on the Town's evolving bike & pedestrian path network. Committee membership had no changes this year.

2016 was another active year of Bike and Pedestrian infrastructure construction and planning.

Path Committee Initiatives in 2016:

- 1) Worked with RPC to Create Traffic Calming Project on Bay Rd: To make Bay Road and specifically the tunnel under the railroad bridge safer, RPC will be implementing a traffic study to take the road under the railroad bridge down to one lane.
- 2) Created Bicycle and Pedestrian Paths Planning Map: This map provided a vision for a more pedestrian and bike connected Shelburne. It showed the potential for a network of non-motorized corridors that would help Shelburne residents safely walk and bike all over Shelburne.
- 3) Worked with Town to build Sidewalks on Route 7 and Falls Road: Worked with town on the process to construct these two sidewalks.
- 4) Gravel Path Alongside Bay Road: Encouraged town to apply for VTrans grant for a gravel path alongside Bay Road between the Bay Park and Fish and Game parking lots. We did not get the grant.
- 5) Cross Walk at Shelburne War Memorial: Presented need and guided town to put crosswalk across Falls Road at the Veterans Memorial to make it safer to cross Falls Road, visit the war memorial and handle the crowds on farmer market days.
- 6) Worked with town and CCRPC on Southern Gateway Project.
- 7) Worked with town and John Kerr on improving Bay Road.

Goals for 2017 Include:

- 1) Work with town and CCRPC on the **next** pilot project to make the lane under the railroad bridge on Bay Road safer for pedestrians, bikers and automobiles.
- 2) Create gravel path construction linking Bay Park with Bay Road State Boat Launch.
- 3) Support town in completing the sidewalk from the Town Offices to the Shelburne Museum Covered Bridge.
- 4) Support town in completing the sidewalk construction extending the Falls Road sidewalk to the entrance to LaPlatte Trails/Overlook Park.
- 5) Support town in replacing the bridge over the LaPlatte on Bay Road with a bridge to accommodate safe bike and pedestrian traffic.
- 6) Support the effort to design and build the LaPlatte River Primitive Path suspension bridge.
- 7) Work with Town and Regional Planning Commission through a recently funded study to develop improvements to sidewalk system in the center of the town, especially on Falls Road.

- 8) Focusing on Village core, especially on Rt. 7 and Falls Road, work to install pedestrian controlled crosswalk lights and motorist speed warning signs.

Our normal meeting date is third Monday of each month, with some scheduling exceptions as required to avoid holidays. We welcome your input and suggestions.

Respectfully submitted, Steven Rocco Antinozzi, Vice-Chair

TREE ADVISORY COMMITTEE

This has been another busy year for the Tree Advisory Committee. We have accomplished the following:

- Completed the Shelburne Tree Management Plan with the Chittenden County Regional Planning Commission staff. This is the second part of a grant the Town of Shelburne received from the State Urban and Community Forestry Program and UVM. The first part of this grant was for the completion of a tree inventory for the Village area that was completed in the Fall of 2014.
- Set up booths at the Back to the Beach event, several Farmer's Markets and Shelburne Day to publicize what our committee is working on. At Shelburne Day, we held our first tree raffle at Shelburne Days and raised \$200 - our first fundraiser!
- Applied for and received a State Urban and Community Forestry Commemorative Tree Grant for planting two new River Birch Trees at the Shelburne Town Beach, which was done in early October.
- Successfully planted two memorial trees through our Memorial Tree Fund program:
 - A Kousa Dogwood tree in honor of CVU Soccer coaches was planted at Davis Park, and
 - A Japanese Tree Lilac tree in memory of Nori Sims was planted at the Shelburne Town Beach.
- Printed and distributed the Shelburne Cultural Landscapes Walking Tour brochure which was partially funded by a State Urban & Community Forestry grant, the Shelburne Tree Fund, and the Town. This brochure was prepared by a UVM graduate student in 2014 for the committee.
- Worked with the Shelburne Parks and Recreation Committee on a landscape master plan for the Shelburne Town Beach. A UVM class worked on this as a studio design project. Lots of creative ideas were presented and the committees will work together in 2017 to come up with one clear master plan for the Shelburne Town Beach!
- Presented to the Shelburne Charlotte Rotary Club about our work and specifically the Memorial Tree planting program. Rotarians were very excited with our work and, thus, they donated a book about trees to the Shelburne Pearson Library.

We welcomed 2 new members to our committee: Hope Johnson and Dawn Keough Schmidt. Citizens interested in learning more about our committee or becoming a member are encouraged to attend our meetings that are scheduled on the first 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



Photos taken by Lee Krohn, Shelburne fire fighter

SHELBURNE CEMETERY COMMISSION

The Village Cemetery had seven grave lot (vault) burials and twenty three cremation burials during the FY2015-2016 period. Ten cremation lots and eight grave lots were sold in the Village Cemetery for this time period.

The Commission has a full board thanks to Deb Belcher becoming a Commissioner with experience in cemetery burials and history.

The swale on the west side of the bridge was excavated as well as the fence along the west side boundary cleaned up and repaired.

Thanks to Ernie Goodrich, Gene LeClair and Pat Kingsland for their dedication and maintenance of the cemeteries. Ernie and Gene take care of the grounds for the Village and Spear Street cemeteries. Pat is responsible for planting and maintaining the Cremation Garden and entrance gardens.

The Commission lost a long time member of the board this year with the passing of Ruth Morrow. She will be remembered for her smile and dedication. Thank you Ruth.

SHELBURNE ETHICS COMMITTEE

At the March, 2015 Town Meeting, Shelburne voters adopted a revised Ethics and Conflict of Interest Ordinance for Shelburne's public officials that had been recommended by the Ethics Committee. The new ordinance defines the Town's expectations and requirements for ethical behavior, making it clear that public officials must act impartially and make decisions in the best interest of the Town and not for personal or financial gain. Under the ordinance, public officials conducting quasi-judicial proceedings, such as matters that may come before the Development Review Board and the Board of Civil Authority are subject to a higher standard.

No complaints concerning the ethical behavior or impartiality of public officials were filed with the Ethics Committee in 2016. In an attempt to make sure that persons know that the ordinance authorizes persons to file complaints directly with the Clerk of the Ethics Committee, the Committee decided to request that the Town Manager include a notice in his weekly town report that citizens have the option of filing directly.

The Committee requested at this year's budget hearing that it be authorized to access, without Town Manager approval, funds needed to obtain an investigator or legal counsel to hear and resolve a complaint filed against a member of the Selectboard to the Town Manager. The Committee agreed with the Selectboard that the appropriate approach would be to consider recommending an amendment to the ordinance to authorize such access.

The Ethics Committee has set as its agenda for 2017 consideration of whether additional revisions to the ordinance are needed to further the ordinance's stated purpose.

Respectfully Submitted,

Lee Suskin, Chair, Tom Little, Vice-Chair, Michael Ashooh, Gwen Webster, Bill Deming, Peter Gadue, (Alternate), Diana Vachon, Clerk

SHELBURNE SOCIAL SERVICES COMMITTEE

The Committee was appointed by the Selectboard in the fall of 2016 and consists of Georgene Grover, Barbara Cimaglio, Deb Niemasz, Kristin Prior and Margaret Ottinger. At present we do not have student advisors, although we are open to that possibility; in addition we seek to promote committee membership and engagement with a more diverse range of residents because we believe it will lead to more authentic representation of town population. Our charge is to advise the Selectboard on matters pertaining to the social service needs of the residents of Shelburne and to seek a variety of means to provide aid to residents through the organizations that serve them.

Since our present committee membership coalesced last fall with 3 of the five as new members, we have sought to review and revise our mission and vision. We presented a revised Mission Statement at our November meeting for Selectboard approval (passed). Since then we have developed a plan to determine the most effective way to focus our budget on:

1. Organizations meeting local needs (Food Shelf, Community School, etc.)
2. Those Shelburne residents who have basic needs that have gone unmet through the present social service system.

Our plan is to interview representatives of Shelburne social service organizations to learn different perspectives on the needs, both met and unmet of Shelburne residents. To date we have interviewed representatives from United Way and the Visiting Nurses Association; we have scheduled future interviews with Age Well (formerly CVAA), the field director of Human Services, Shelburne Rescue and Community School guidance counselors. We maintain one board position on the Shelburne Food Shelf, which is filled by Barbara Cimaglio and have a representative on the Food Shelf's Summer Lunch Program committee, Georgene Grover.

As of December, 2016 the Social Services Committee has disbursed funds as follows:

Shelburne Food Shelf

\$1,000 for non-food personal products

\$1,000 for emergency utility grants

Shelburne Community School

\$500 for winter clothing needs

In the future the Committee will seek to share our findings with the Shelburne Selectboard and our Shelburne neighbors, to develop a fair and systemic way of applying the Social Services budget to support the unmet needs of Shelburne residents (as much as possible through local organizations), and a method of evaluating the impact of such a system for continuous revision.

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 every other week 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 the 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. This past year, the Commission continued reviewing projects proposed by the developer of the new neighborhood on Falls Road opposite the Post Office. At the end of the year, the developer was still preparing his submission regarding the fate of the turn-of-the-century Fisher House, the original farmhouse on that property.

"In 2015, the Commission received a grant to review and update the Town's Design Review Guidelines for the Village/Falls district. After a year of effort by the Commission and its consultant, the Board of Selectmen approved the new Guidelines in 2016. This document replaced outdated and inadequate 1988 guidelines. Now incorporated into the Town's zoning bylaws, it is a comprehensive document providing informative instructions to guide applicants for projects located in the Village Historic Overlay District as well as the Commission in its reviews and planning for the future. 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 about our work and the concerns we have about protecting the cultural assets of the Town. The Commission will continue to focus on the education of our Town Boards and the public about the importance of Historic Preservation to sustainable economic growth of Shelburne and the value of saving our unique environment for future Shelburne residents.

In the upcoming year, the HPDRC will continue to work with the Planning Commission on the possible zoning changes to allow "pocket neighborhoods" and "Village compatible" infill developments. Dealing with the potential of "tear-downs" and preservation issues of our deteriorated historic buildings is also a priority for the Commission.

Commission member Laurie Valentine, a member since 2009, resigned in 2016. She contributed greatly to the Commission's work and will be missed. New Commission members in 2016 are Marc Vincent and Eileen Warner. Remaining members in alphabetical order are Fritz Horton, Tom Koerner, Ann Milovsoroff, Dorothea Penar, and David Webster. 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 Planner'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 has had a busy year. We have over 100 members, and our activities are well supported by the Shelburne population and business community.

SHS Board member Roz Graham continues to contribute her talents by writing articles for the Shelburne News, called "Living Our Legacy". In February 2016 the renowned historian, Howard Coffin, spoke to our Society about Vermont's involvement in the Civil War. Odale Cress and Dorothea Penar researched Shelburne's involvement in that war and created a display for the event. Over 100 people attended the talk, and in addition the exhibit was shown at the Civil War reenactor event in the spring. On February 11, 2017, Chris Sabick will give a presentation on the steamboat archaeology project conducted at the Shelburne Bay this past summer. Mary Griswold of the Shelburne Shipyard is the generous sponsor of this event.

The SHS participated in the Vermont History Expo in June in Tunbridge VT with our Shelburne Shipyard exhibit. The SHS has made a two-year grant of \$500 to support Colleen Haag's project to collect biographies of the veterans memorialized at the new memorial on the Parade Grounds. We have received several photos and documents of historical interest from donors, so if you are cleaning out your attic and find anything from Shelburne's history, please consider giving the items to the SHS, or allow us to scan the material to be placed in safe keeping for future research.

The Society's future plans include reprinting Truman Webster's book about Shelburne history, reaching out to involve local schools in local history projects, and developing a working website making Shelburne's history accessible to interested researchers. We would like to find a temporary location to set up a small desk and begin to scan documents for placement on the website.

We are always looking for help with our projects, so if you have a special talent or interest in local history, please contact us at Shelburne1763@gmail.com. We encourage every family in Shelburne to support the SHS in our mission to preserve our Town's history by becoming a member of the Society.

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, Lee Goldborough, Roz Graham, Stuart Morrow, Odale Cress, Joan Madison, Dorothea Penar, David Webster, Alice Winn.

Active supporters of the SHS mission: Sue Moraska, Toni Hill, Toby Knox, Colleen Haag, Nancy Green.

Respectfully submitted by Dorothea Penar

VETERANS COMMITTEE

The Committee's Mission is to oversee official ceremonies, physical maintenance, and community outreach planned for the monument. The Committee is fully operational with ten standing members plus two adjunct volunteers.

For the new year we are aiming to increase our membership of women, veterans, and younger veterans. This will be carried out by the Outreach sub-committee. The Maintenance sub-committee has learned much about our plants and trees and care of the bricks. We have over 450 installations. These installations are carried out by a team of a veterans.

Our Farmers Market Canopy welcomes Shelburne residents, visitors, tourists and youngsters. We provide information at the tent and/or at the monument site. We cover the 14 Saturdays and make it possible to maintain the appearance of the Monument during the busy market season. We are donating three portable benches for elder-use as it is difficult to stand /or sit on the grass while eating. We give out flags and patriotic beads donated by local merchants.

On week days, the Monument has regular visitors and it appears that the area is kept neat. We work with our town manager on other issues such as road crossing, parking, safety, and utilities. This year we have the crosswalk markings and signs, installed metered water, and we're expecting electricity this Spring. We have excellent support from the town of Shelburne.

This Fall, our flag was stolen and was replaced by Senator Leahy's office. On Veteran's Day, we had a ceremony accepting the replacement flag. Due to the weather, our planned events were held inside. Veterans and guests created an intimate storytelling atmosphere sharing their family member's experience. The South Burlington Rick Marcotte Central School student choir sang a series of melodies that left the audience significantly moved. The Veteran's Committee and the Charlotte-Shelburne Rotary dedicated a bench at the monument in honor of Colleen Haag and her long time effort in behalf of the building of the monument.

The Ceremony Committee will continue to clarify and plan our holiday celebrations, and improve the area such as audio access, seating, and electricity. We are planning with the Boy Scouts for a new easy to move platform to serve as a stage.

The Maintenance Committee has almost completed a seasonal plan for the care of our trees and plants. We now have a series of contracts for services concerning the monument itself. This committee's work, this past year, has been significant including "weeding on their hands and knees."

The Outreach Committee is continuing to arrange activities for community education and involvement. They are developing a brochure and a history project to share the stories of each veteran that has a brick. This will be made up of one page summaries of the veteran's service record and a picture. This work will reside in the Library. The project is a team effort and includes the involvement of people on the Historical Society. We are working with the Rotary to develop awards and scholarship for students. The Committee plans to develop a general veteran's membership organization, which will sponsor a number of meetings for projects and social activities.

We have presented our 2017 budget to the Selectboard. Our fundraising activities from the bricks and donation Fish Bowl have covered our expenses for the first year. The monument project has been deeply appreciated by the community. The Committee enjoys the complements and suggestions from our neighbors.

NATURAL RESOURCES AND CONSERVATION COMMITTEE

SNRCC had an active 2016 with activities that encompassed the full range of responsibilities defined in our bylaws.

Our membership, targeted for 9 members, has fluctuated. Long-time member Rob Scharf moved on to pursue his law practice and Joannah Ralston has also moved on but continues in her role as graphic designer for the coming update of the Town's Open Space Plan. Josh Dein resigned upon his election to the Selectboard. As student member, Peter Antinozzi, completed his term and moved on to serve as student member of the Planning Commission; Kyle Bergeron became our student member and, in December, was appointed to a full SNRCC voting membership. During the course of the year two additional members, Bonnie Christie and Michael Abrams, joined SNRCC. We were disappointed in December to learn that Bonnie was relocating to be near family out-of-state and Michael had decided to limit his service to other Town committees he concurrently served.

As development proposals ratcheted up this year we became frequent participants in DRB meetings, often after prior meetings with and offering recommendations to developers. Among the proposed subdivisions and developments we commented upon were new construction at Wake Robin, expansion of the RiteAid facility in the Shelburne Shopping Park, subdivision at New Village Farm, construction of a secondary water tower at Wake Robin and others. We also offered recommendations that significantly influenced the proposed design for housing development at Kwiniaska by Snyder Custom Homes, focusing our comments heavily on the need to protect neighboring properties from stormwater, eliminating impact to the MS4-designated Munroe Brook watershed, protection of the existing forest corridor that borders the property..

In other activities, we met with Shelburne Farms' president, Alec Webb, to discuss the Farms' plans to update their Master Plan and we held preliminary meetings with other large landowners in advance of potential applications for subdivision of their properties.

SNRCC became deeply involved in supporting the Town's effort to address and modify Vermont Railway's salt shed construction on the banks of the LaPlatte River by offering comments and testimony on the destruction of habitat, threats to endangered species and threats to water quality.

We worked closely this year with Town staff and Committees, with neighboring communities and with community organizations to build our knowledge of stormwater mitigation strategies and water quality in preparation for new standards Shelburne must meet to address impaired (MS4) waterways and to clean up water quality in Lake Champlain. We met several times with Chris Robinson to examine sewer plant issues, attended presentations explaining proposed collaboration with South Burlington's wastewater utility and participated in discussions with the Planning Commission on form-based code and stormwater. In May, we hosted hydrologist Andres Torizzo, who offered an informative presentation on stormwater mitigation strategies, the important role of trees and forests in controlling stormwater, the negative effects of chloride use and the benefits of pervious paving materials. In December, as part of our joint effort with the Planning Commission (PC) to examine the future of rural district and better understand the negative implications of forest fragmentation on wildlife and on water quality, we attended a presentation before the PC by Vermont Agency of Natural Resources biologist Jens Hilke.

Our public education efforts this year also focused on water quality issues. We achieved that by offering a public presentation and discussion of the film "What's your Watermark?" to bring community attention to the impact private citizens can have by addressing water quality in their own backyards. We also participated in the townwide stormwater summit.

Our conservation efforts were buoyed by a partnership with the Vermont Land Trust to help conserve the Barr Farm on Pond Road. A \$150,000 allocation from the Open Space Fund, granted by the Selectboard, and a bargain sale from the current owner have helped leverage more significant additional funds from the VT Housing and Conservation Board and Federal sources, leaving VLT to raise only the remaining portion needed to keep the farm in active agriculture. We hope and expect that this major conservation project will be finalized in the coming months.

As the year draws to a close, we anticipate recruiting two new members to SNRCC to fill our two vacant positions. Our meetings, held on the 2nd Wednesday of each month, are open to the public and we invite and welcome the participation of our neighbors.

Respectfully submitted,

Gail Albert, Kyle Bergeron, Sean MacFaden, Susan Moegenburg, Thomas Newcomb, Don Randall and Peg Rosenau.

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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77 Barre Street
 P.O. Box 947
 Montpelier, VT 05601
 802/223-2352
 www.sullivanpowers.com

Fred Duplessis, CPA
 Richard J. Brigham, CPA
 Chad A. Hewitt, CPA
 Wendy C. Gilman, CPA
 V.T. Lic. #92-000180

Page #

Independent Auditor's Report

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

73-74

Schedule of Deficiencies in Internal Control

Report on the Financial Statements

75-78

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, 2016, 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.

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, 2016, 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.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated February 14, 2017 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 14, 2017
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016

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, 2016. This report should be read in conjunction with the Town's financial statements.

Financial Highlights

- The Town's combined net position increased by \$596,815 as a result of this year's operations. Net position of our business-type activities increased by \$649,793 and net position of our governmental activities decreased by \$52,978.
- In the Town's business-type activities, revenues and capital contributions were \$2,889,086 while expenses were \$2,572,083. Net position at June 30, 2016 totaled \$10,552,743.
- The cost of all of the Town's programs was \$10,387,487 this year, with no new programs added.
- The General Fund reported a surplus on a budgetary basis this year of \$10,195 which was \$10,195 better than budgeted.
- The unassigned fund balance in the General Fund at June 30, 2016 was \$555,926. This amount is available for future year budgets.
- The Non-major Funds reported a surplus of \$46,037 this year which increased the cumulative surplus to \$1,527,859.

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, 2016
(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 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 legal 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, 2016
(Continued)

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

The Town's combined net position increased by \$596,815 from 2015, increasing from a balance of \$21,331,351 to \$21,928,166. Our analysis in Table 1 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 <u>FY 2016</u>	Governmental Activities <u>FY 2015</u>	Business-type Activities <u>FY 2016</u>	Business-type Activities <u>FY 2015</u>	Total <u>FY 2016</u>	Total <u>FY 2015</u>
Current and Other Assets	\$ 3,352,266	\$ 3,339,882	\$ 1,516,037	\$ 1,422,249	\$ 4,868,303	\$ 4,762,131
Capital Assets	<u>12,671,731</u>	<u>13,339,043</u>	<u>14,557,935</u>	<u>14,696,457</u>	<u>27,229,666</u>	<u>28,035,500</u>
Total Assets	<u>16,023,997</u>	<u>16,678,925</u>	<u>16,073,972</u>	<u>16,118,706</u>	<u>32,097,969</u>	<u>32,797,631</u>
Deferred Outflows of Resources	<u>298,930</u>	<u>85,393</u>	<u>42,573</u>	<u>12,396</u>	<u>341,503</u>	<u>97,789</u>
Current Liabilities	1,106,545	1,096,722	947,153	796,958	2,053,698	1,893,680
Long-term Liabilities	<u>3,768,929</u>	<u>3,995,620</u>	<u>4,616,649</u>	<u>5,409,916</u>	<u>8,385,578</u>	<u>9,405,536</u>
Total Liabilities	<u>4,875,474</u>	<u>5,092,342</u>	<u>5,563,802</u>	<u>6,206,874</u>	<u>10,439,276</u>	<u>11,299,216</u>
Deferred Inflows of Resources	<u>72,030</u>	<u>243,575</u>	<u>0</u>	<u>21,278</u>	<u>72,030</u>	<u>264,853</u>
Net Investment in Capital Assets	9,000,531	9,075,143	9,269,045	8,674,519	18,269,576	17,749,662
Restricted	912,612	953,619	0		912,612	953,619
Unrestricted	<u>1,462,280</u>	<u>1,399,639</u>	<u>1,283,698</u>	<u>1,228,431</u>	<u>2,745,978</u>	<u>2,628,070</u>
Total Net Position	<u>\$ 11,375,423</u>	<u>\$ 11,428,401</u>	<u>\$ 10,552,743</u>	<u>\$ 9,902,950</u>	<u>21,928,166</u>	<u>21,331,351</u>

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 \$1,462,280 at June 30, 2016 for the governmental activities.

The unrestricted net position of our business-type activities was \$1,283,698 at June 30, 2016. 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, 2016
(Continued)

Table 2

Change in Net Position

	Governmental Activities <u>FY 2016</u>	Governmental Activities <u>FY 2015</u>	Business-type Activities <u>FY 2016</u>	Business-type Activities <u>FY 2015</u>	Total <u>FY 2016</u>	Total <u>FY 2015</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,316,970	\$ 1,355,270	\$ 2,752,488	\$ 2,717,451	\$ 4,069,458	\$ 4,072,721
Operating Grants and Contributions	609,343	480,224	0	0	609,343	480,224
Capital Grants and Contributions	29,361	91,362	136,598	39,813	165,959	131,175
General Revenues:						
Property Taxes	5,470,605	5,297,765	0	0	5,470,605	5,297,765
Penalties and Interest on Delinquent Taxes	88,425	81,934	0	0	88,425	81,934
General State Grants	166,987	165,995	0	0	166,987	165,995
Unrestricted Investment Earnings	11,723	(16,619)	6,945	4,659	18,668	(11,960)
Gain on Sale of Equipment	31,046	0	0	0	31,046	0
Other Revenues	42,966	35,700	320,845	73,731	363,811	109,431
Transfers	(5,000)	0	5,000	0	0	0
Total Revenues	<u>7,762,426</u>	<u>7,491,631</u>	<u>3,221,876</u>	<u>2,835,654</u>	<u>10,984,302</u>	<u>10,327,285</u>
Expenses:						
General Government	2,253,398	1,738,013	0	0	2,253,398	1,738,013
Public Safety	2,948,531	2,750,586	0	0	2,948,531	2,750,586
Highways and Public Works	1,543,883	1,679,763	0	0	1,543,883	1,679,763
Community Development		530,000	0	0	0	530,000
Health and Welfare	38,000	38,025	0	0	38,000	38,025
Recreation and Parks	474,423	431,114	0	0	474,423	431,114
Library	385,732	376,440	0	0	385,732	376,440
Interest on Long-term Debt	171,437	177,166	0	0	171,437	177,166
Water	0	0	1,061,470	1,028,594	1,061,470	1,028,594
Sewer	0	0	1,510,613	1,568,069	1,510,613	1,568,069
Total Expenses	<u>7,815,404</u>	<u>7,721,107</u>	<u>2,572,083</u>	<u>2,596,663</u>	<u>10,387,487</u>	<u>10,317,770</u>
Increase/(Decrease) in Net Position	<u>\$ (52,978)</u>	<u>\$ (229,476)</u>	<u>\$ 649,793</u>	<u>\$ 238,991</u>	<u>\$ 596,815</u>	<u>\$ 9,515</u>

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016
(Continued)

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 2016		FY 2015		FY 2016		FY 2015
		Total Cost		Total Cost		Net Cost		Net Cost
		of Services		of Services		of Services		of Services
General Government	\$	2,253,398	\$	1,738,013	\$	1,726,851	\$	981,985
Public Safety		2,948,531		2,750,586		2,049,649		2,230,315
Highways and Public Works		1,543,883		1,679,763		1,329,263		1,382,834
Community Development		0		530,000		0		530,000
Health and Welfare		38,000		38,025		38,000		38,025
Recreation and Parks		474,423		431,114		184,763		99,839
Library		385,732		376,440		359,767		354,087
Interest on Long-Term Debt		171,437		177,166		171,437		177,166
Totals	\$	<u>7,815,404</u>	\$	<u>7,721,107</u>	\$	<u>5,859,730</u>	\$	<u>5,794,251</u>

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 \$2,522,474 which represents an increase of \$33,970 from last year's total of \$2,488,504. Included in this year's total change in fund balance is a decrease of \$12,067 in the Town's General Fund balance, and an increase of \$46,037 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:

	Budget	Actual	Variance
Revenues	\$ 7,088,150	\$ 7,288,989	\$ 200,839
Transfers In	397,379	404,857	7,478
Total Revenues + Transfers In	<u>7,485,529</u>	<u>7,693,846</u>	208,317
Expenditures	7,327,429	7,524,786	(197,357)
Transfers out	158,100	158,865	(765)
Total Expenditures + Transfers Out	<u>7,485,529</u>	<u>7,683,651</u>	(198,122)
Difference	-	10,195	10,195

The actual results show Revenues & Transfers In exceeded Expenditures & Transfers Out by \$10,195, which was a positive variance of \$10,195.

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016
(Continued)

Significant Budget vs Actual Variances

General Fund Revenues	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Property Taxes & Late Fees	\$ 5,566,532	\$ 5,594,874	\$ 28,342
Highway Revenue	277,300	170,009	(107,291)
Police Department	412,540	619,468	206,928
Recreation Dept.	153,055	183,184	30,129
Fire & Rescue Grants/Misc.	5,000	18,288	13,288
All Other	<u>673,723</u>	<u>703,166</u>	<u>29,443</u>
Total	\$ 7,088,150	\$ 7,288,989	\$ 200,839
General Fund Expenditures			
Legal Services	30,000	322,935	(292,935)
Town Manager Office	169,916	148,233	21,683
Property/Liability Insurance	226,940	255,355	(28,415)
Microfilming and Preservation/ Records Automation	60,000	35,522	24,478
Planning/Zoning Projects	30,000	16,507	13,493
Buildings/Grnds. Expenditures	311,587	296,553	15,034
Police Department	1,504,501	1,631,451	(126,950)
Public Safety Dispatch	588,988	602,677	(13,689)
Highway Dept.	1,198,369	945,981	252,388
Shelburne Rescue	234,971	277,701	(42,730)
Recreation Dept.	316,932	336,436	(19,504)
All Other	<u>2,655,225</u>	<u>2,655,435</u>	<u>(210)</u>
Total	\$ 7,327,429	\$ 7,524,786	\$ (197,357)
 Revenues - Expenditures	 \$ (239,279)	 \$ (235,797)	 \$ 3,482
 Net Transfers From (To)Funds	 239,279	 245,992	 6,713
 Year End Surplus (Deficit)	 \$ -	 \$ 10,195	 \$ 10,195

General Fund Revenue Variances:

Property Tax late fees/charges exceeded budget due to charges for late payments and late Homestead declarations. Highway Dept. revenue was less than budget due to the delay of a grant funded sidewalk construction project. Police Revenues exceeded budget from grants to operate enforcement details. This variance was offset by corresponding Police Dept. expenditures for the details. Recreation Dept. revenues exceeded budget as a result of program activity. The Fire and Rescue Depts. received several grants, which were offset by corresponding expenditures.

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016
(Continued)

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 zoning appeal cases. Town Manager office expenses were less than budget due to a full time position staffed by an intern. Property/Liability insurance expense was greater than budget due to increased premiums at renewal. Records automation expense was less than budget based on the work completed. Planning/Zoning project expense reflects actual grant projects that took place. Building/grounds expense was less than budget due to lower utility costs from the warm winter and postponement of capital projects to offset the higher Legal Expenses. Police Dept. expenditures were greater than budget due to the grant-funded enforcement details mentioned above. Dispatch salaries were greater than budget due to overtime required to fill shifts when the department was not fully staffed. Highway Dept. Expense was less than budget due to delay of a grant funded sidewalk project, lower winter maintenance costs from the warm winter and postponement of highway projects to offset the increased legal expense. Shelburne Rescue expenses exceeded budget due to utilization of per diem employees to cover shifts as crew chiefs. Revenue from billings and subscriptions offset these variances. Recreation Dept. expenses were greater than budget due to participation in program offerings and were offset by corresponding increased revenues.

Water and Sewer Fund Budget Variations

The Water and Sewer budget vs actual results, prepared for rate setting purposes for the year ended June 30, 2016 are shown in Schedules 12 & 13.

WATER FUND (see Schedule 12)	<u>Budget</u>	<u>Actual</u>	Favorable <u>(Unfavorable)</u>
Revenues	\$ 974,763	\$ 1,024,005	\$ 49,242
Expenses	<u>974,763</u>	<u>1,045,192</u>	<u>(70,429)</u>
Net Income (Loss)	\$ -	\$ (21,187)	\$ (21,187)

SEWER FUND (see Schedule 13)	<u>Budget</u>	<u>Actual</u>	Favorable <u>(Unfavorable)</u>
Revenues	\$ 1,851,496	\$ 1,849,017	\$ (2,479)
Expenses	<u>1,851,496</u>	<u>1,785,679</u>	<u>65,817</u>
Net Income (Loss)	\$ -	\$ 63,338	\$ 63,338

Water Fund

On a budgetary basis, the Water Fund operating budget ended the year with a loss of \$21,187, which was worse than budget by \$21,187. Revenues exceeded budget by \$49,242. Revenues from metered and bulk water sales, connection fees, and reimbursements for line repairs all exceeded budget. Expenses were greater than budget by \$70,429. Extremely cold weather in the winter resulted in a number of frozen waterlines and waterline breaks. Payments for these repairs exceeded budget by \$83,617. Purchased water cost was less than budget by \$13,014. A budgeted transfer of \$41,500 to the capital improvement fund did not take place in order to minimize the operating fund deficit, which occurred for the second year in a row.

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016
(Continued)

Sewer Fund

On a budgetary basis, the Sewer Fund operating budget ended the year with a surplus of \$63,338, which was better than budget by \$63,338. Revenues were less than budget by \$2,479 and expenses were less than budget by \$65,817. Health and dental expenses were less than budget by \$23,581 due to lower premiums and reimbursements. Collection system capital improvements exceeded budget by \$23,505 due to a pump station upgrade project.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2016, the Town had \$27,229,666 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 \$805,834 from last year.

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

	Governmental Activities		Business-type Activities		Totals	
	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015
Land	\$ 1,280,571	\$ 1,280,571	\$ 11,000	\$ 11,000	\$ 1,291,571	\$ 1,291,571
Construction in Progress	110,763	167,475	90,837	13,856	201,600	181,331
Buildings and Improvements	3,602,380	3,747,878	537,232	572,372	4,139,612	4,320,250
Vehicles and Equipment	2,012,074	2,337,180	316,549	177,265	2,328,623	2,514,445
Infrastructure	5,411,700	5,551,935	0	0	5,411,700	5,551,935
Water and Sewer Systems	0	0	13,602,317	13,921,964	13,602,317	13,921,964
Library	254,243	254,004	0	0	254,243	254,004
	<u>\$ 12,671,731</u>	<u>\$ 13,339,043</u>	<u>\$ 14,557,935</u>	<u>\$ 14,696,457</u>	<u>\$ 27,229,666</u>	<u>\$ 28,035,500</u>

Debt Administration

At June 30, 2016, the Town had \$8,960,090 in bonds and notes payable outstanding versus \$10,285,838 on June 30, 2015 – a decrease of \$1,325,748 – as shown in Table 5.

Table 5
Outstanding Debt at Year-End

	Governmental Activities		Business-type Activities		Total	
	FY2016	FY2015	FY2016	FY2015	FY2016	FY2015
Bonds and Notes Payable	<u>\$ 3,671,200</u>	<u>\$ 4,263,900</u>	<u>\$ 5,288,890</u>	<u>\$ 6,021,938</u>	<u>\$ 8,960,090</u>	<u>\$ 10,285,838</u>

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016
(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 2017 budget, tax rates, and fees. One of those factors was the economy and unemployment in the region. Shelburne's unemployment rate was 2.2% in June 2016, compared to 2.4% in June 2015. These rates remained below the state unemployment rate, which was 3.4% in June 2016 and 3.67% in June 2015. When adopting the budget for the 2016-2017 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 to be stable and the Town's common level of appraisal in 2016 was 96.1%. A large affordable housing project was completed in 2015, contributing to the overall tax base and water/sewer system usage. 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 139 permits issued in 2016. The Town grand list contains a mix of residential commercial and industrial properties. The total assessed value of all taxable properties in Shelburne was \$1.50 billion in July 2016, which was an increase of 0.2% from 2015. 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 1.6% in the sewer user fee effective July 1, 2016. This increase was mainly due to increased operating expenses experienced with aging equipment. A \$3.0 million bond issue was passed in November 2015 to fund necessary equipment replacements. Collection system improvements funded by the bond will take place in 2017.

The water user fee increased by 5% effective July 1, 2016. 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 flows 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 of the necessary measures for the Munroe Brook watershed is \$7,000,000, which will be shared by communities and other entities in the watershed area. Planning for and funding the necessary mitigation measures will be a significant challenge in the coming years.

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 Finance Director, Town of Shelburne, 5420 Shelburne Road, P.O. Box 88, Shelburne, VT 05482.

TOWN OF SHELBURNE, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,862,458	\$ 220,786	\$ 2,083,244
Investments	770,844	806,912	1,577,756
Receivables (Net of Allowance for Uncollectibles)	518,678	678,331	1,197,009
Internal Balances	192,492	(192,492)	0
Prepaid Expenses	7,794	0	7,794
Inventory	0	2,500	2,500
Capital Assets:			
Land	1,280,571	11,000	1,291,571
Construction in Progress	110,763	90,837	201,600
Other Capital Assets, (Net of Accumulated Depreciation)	11,280,397	14,456,098	25,736,495
Total Assets	<u>16,023,997</u>	<u>16,073,972</u>	<u>32,097,969</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>298,930</u>	<u>42,573</u>	<u>341,503</u>
Total Deferred Outflows of Resources	<u>298,930</u>	<u>42,573</u>	<u>341,503</u>
<u>LIABILITIES</u>			
Accounts Payable	352,505	112,142	464,647
Accrued Payroll and Benefits Payable	55,781	7,782	63,563
Accrued Interest Payable	25,008	13,426	38,434
Unearned Revenue	42,051	21,180	63,231
Noncurrent Liabilities:			
Due Within One Year	631,200	792,626	1,423,826
Due in More than One Year	3,768,929	4,616,646	8,385,575
Total Liabilities	<u>4,875,474</u>	<u>5,563,802</u>	<u>10,439,276</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	<u>72,030</u>	<u>0</u>	<u>72,030</u>
Total Deferred Inflows of Resources	<u>72,030</u>	<u>0</u>	<u>72,030</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	9,000,531	9,269,045	18,269,576
Restricted:			
Recreation	169,170	0	169,170
Cemetery	225,090	0	225,090
Highway Equipment	268,969	0	268,969
Records Preservation	114,511	0	114,511
Library	67,033	0	67,033
Other	67,839	0	67,839
Unrestricted	<u>1,462,280</u>	<u>1,283,698</u>	<u>2,745,978</u>
Total Net Position	<u>\$ 11,375,423</u>	<u>\$ 10,552,743</u>	<u>\$ 21,928,166</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, 2016

	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
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 2,253,398	\$ 492,398	\$ 34,149	\$ 0	\$ (1,726,851)	\$ 0	\$ (1,726,851)
Public Safety	2,948,531	511,381	387,501	0	(2,049,649)	0	(2,049,649)
Highways and Public Works	1,543,883	40,352	144,907	29,361	(1,329,263)	0	(1,329,263)
Health and Welfare	38,000	0	0	0	(38,000)	0	(38,000)
Recreation and Parks	474,423	255,192	34,468	0	(184,763)	0	(184,763)
Library	385,732	17,647	8,318	0	(359,767)	0	(359,767)
Interest on Long-term Debt	171,437	0	0	0	(171,437)	0	(171,437)
Total Governmental Activities	7,815,404	1,316,970	609,343	29,361	(5,859,730)	0	(5,859,730)
Business-Type Activities:							
Water	1,061,470	962,649	0	0	0	(98,821)	(98,821)
Sewer	1,510,613	1,789,839	0	136,598	0	415,824	415,824
Total Business-Type Activities	2,572,083	2,752,488	0	136,598	0	317,003	317,003
Total Primary Government	\$ 10,387,487	\$ 4,069,458	\$ 609,343	\$ 165,959	(5,859,730)	317,003	(5,542,727)
General Revenues:							
Property Taxes					5,470,605	0	5,470,605
Penalties and Interest on Delinquent Taxes					88,425	0	88,425
General State Grants					166,987	0	166,987
Unrestricted Investment Earnings					11,723	6,945	18,668
Other Revenues					42,966	320,845	363,811
Gain on Sale of Equipment					31,046	0	31,046
Transfers					(5,000)	5,000	0
Total General Revenues and Transfers					5,806,752	332,790	6,139,542
Change in Net Position					(52,978)	649,793	596,815
Net Position - July 1, 2015					11,428,401	9,902,950	21,331,351
Net Position - June 30, 2016					\$ 11,375,423	\$ 10,552,743	\$ 21,928,166

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

TOWN OF SHELBURNE, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 1,833,806	\$ 28,652	\$ 1,862,458
Investments	361,186	409,658	770,844
Receivables (Net of Allowance for Uncollectibles)	518,678	0	518,678
Loans Receivable (Net of Allowance for Uncollectibles)	0	0	0
Due from Other Funds	0	1,201,441	1,201,441
Prepaid Expenses	7,794	0	7,794
Total Assets	\$ 2,721,464	\$ 1,639,751	\$ 4,361,215
<u>LIABILITIES</u>			
Accounts Payable	\$ 346,916	\$ 5,589	\$ 352,505
Accrued Payroll and Benefits Payable	55,781	0	55,781
Due to Other Funds	902,646	106,303	1,008,949
Unearned Revenue	42,051	0	42,051
Total Liabilities	1,347,394	111,892	1,459,286
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	72,030	0	72,030
Unavailable Property Taxes, Penalties and Interest	169,359	0	169,359
Unavailable Receivables	138,066	0	138,066
Total Deferred Inflows of Resources	379,455	0	379,455
<u>FUND BALANCES</u>			
Nonspendable	7,794	0	7,794
Restricted	0	912,612	912,612
Committed	430,895	370,679	801,574
Assigned	0	244,568	244,568
Unassigned	555,926	0	555,926
Total Fund Balances	994,615	1,527,859	2,522,474
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,721,464	\$ 1,639,751	
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.			12,671,731
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.			307,425
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.			298,930
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.			(4,425,137)
Net Position of Governmental Activities			\$ 11,375,423

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, 2016

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 5,506,449	\$ 0	\$ 5,506,449
Penalties & Interest on Delinquent Taxes	88,425	0	88,425
Intergovernmental	598,594	27,988	626,582
Charges for Services	761,263	21,088	782,351
Permits, Licenses & Fees	244,190	48,459	292,649
Rental Income	267,007	0	267,007
Investment Income	763	10,960	11,723
Contributions	0	68,583	68,583
Other	70,716	7,305	78,021
	<u>7,537,407</u>	<u>184,383</u>	<u>7,721,790</u>
Total Revenues			
Expenditures:			
General Government	2,021,273	5,000	2,026,273
Public Safety	2,693,524	1,308	2,694,832
Cemetery	45,943	0	45,943
Highways and Public Works	1,219,100	126	1,219,226
Health and Welfare	38,000	0	38,000
Recreation and Parks	324,328	54,097	378,425
Library	317,976	12,063	330,039
Capital Outlay:			
Public Safety	10,661	72,846	83,507
Highways and Public Works	90,827	49,782	140,609
Recreation and Parks	38,111	10,399	48,510
Library	43,257	0	43,257
Debt Service:			
Principal	520,700	164,000	684,700
Interest	161,086	2,827	163,913
	<u>7,524,786</u>	<u>372,448</u>	<u>7,897,234</u>
Total Expenditures			
Excess/(Deficiency) of Revenues Over Expenditures	<u>12,621</u>	<u>(188,065)</u>	<u>(175,444)</u>
Other Financing Sources/(Uses):			
Proceeds from Sale of Equipment	8,550	113,864	122,414
Proceeds from Long-Term Debt	0	92,000	92,000
Transfers In	125,627	153,865	279,492
Transfers Out	(158,865)	(125,627)	(284,492)
	<u>(24,688)</u>	<u>234,102</u>	<u>209,414</u>
Total Other Financing Sources/(Uses)			
Net Change in Fund Balances	(12,067)	46,037	33,970
Fund Balances - July 1, 2015	<u>1,006,682</u>	<u>1,481,822</u>	<u>2,488,504</u>
Fund Balances - June 30, 2016	<u>\$ 994,615</u>	<u>\$ 1,527,859</u>	<u>\$ 2,522,474</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, 2016

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)	\$	33,970
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$315,882) is allocated over their estimated useful lives and reported as depreciation expense (\$891,827). This is the amount by which capital outlays exceeded depreciation in the current period.		(575,945)
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		(91,367)
The issuance of long-term debt (\$92,000) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$684,700) 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.		592,700
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		14,590
Governmental Funds report pension contributions as expenditures (\$100,801). However, in the Statement of Activities, the cost of pension benefits earned net of employer contributions (\$129,346) is reported as pension expense. This amount is due to the net effect of the differences in the treatment of pension expense.		(28,545)
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>1,619</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>(52,978)</u></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, 2016

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 148,143	\$ 72,643	\$ 220,786
Investments	608,244	198,668	806,912
Receivables (Net of Allowance for Uncollectibles)	244,012	434,319	678,331
Due from Other Funds	0	653,825	653,825
Inventory	2,500	0	2,500
Total Current Assets	1,002,899	1,359,455	2,362,354
Noncurrent Assets:			
Land	0	11,000	11,000
Construction in Progress	77,523	13,314	90,837
Buildings and Building Improvements	41,989	1,677,024	1,719,013
Vehicles, Machinery and Equipment	127,150	430,483	557,633
Distribution/Collection Systems	4,770,092	16,946,555	21,716,647
Less: Accumulated Depreciation	(1,919,899)	(7,617,296)	(9,537,195)
Total Noncurrent Assets	3,096,855	11,461,080	14,557,935
Deferred Outflows of Resources:			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	10,653	31,920	42,573
Total Deferred Outflows of Resources	10,653	31,920	42,573
Total Assets and Deferred Outflows of Resources	\$ 4,110,407	\$ 12,852,455	\$ 16,962,862
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 58,033	\$ 54,109	\$ 112,142
Accrued Payroll	2,981	4,801	7,782
Accrued Interest Payable	4,903	8,523	13,426
Unearned Revenue	9,318	11,862	21,180
Due to Other Funds	846,317	0	846,317
Bonds and Notes Payable - Current Portion	85,000	707,626	792,626
Total Current Liabilities	1,006,552	786,921	1,793,473
Noncurrent Liabilities:			
Compensated Absences Payable	35,335	16,933	52,268
Net Pension Liability	17,346	50,768	68,114
Bonds and Notes Payable - Noncurrent Portion	670,000	3,826,264	4,496,264
Total Noncurrent Liabilities	722,681	3,893,965	4,616,646
Total Liabilities	1,729,233	4,680,886	6,410,119
<u>NET POSITION</u>			
Net Investment in Capital Assets	2,341,855	6,927,190	9,269,045
Unrestricted	39,319	1,244,379	1,283,698
Total Net Position	2,381,174	8,171,569	10,552,743
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 4,110,407	\$ 12,852,455	\$ 16,962,862

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, 2016

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 953,305	\$ 1,768,192	\$ 2,721,497
Penalties & Interest	9,344	21,647	30,991
Miscellaneous	29,393	4,168	33,561
Total Operating Revenues	<u>992,042</u>	<u>1,794,007</u>	<u>2,786,049</u>
Operating Expenses:			
Salaries and Wages	194,208	301,671	495,879
Administrative Charges	44,217	63,447	107,664
Benefits	88,526	125,564	214,090
Insurances	12,602	34,637	47,239
Professional Services	9,044	24,721	33,765
Communications	3,325	6,442	9,767
Utilities	0	189,250	189,250
Sludge Removal	0	85,466	85,466
Water Supply & Engineering	363,735	0	363,735
Maintenance	192,717	150,008	342,725
Chemicals	0	33,981	33,981
Depreciation	107,178	423,115	530,293
Other Operating Expenses	13,179	50,147	63,326
Total Operating Expenses	<u>1,028,731</u>	<u>1,488,449</u>	<u>2,517,180</u>
Operating Income/(Loss)	<u>(36,689)</u>	<u>305,558</u>	<u>268,869</u>
Non-Operating Revenues/(Expenses):			
Water Tank Revenue	80,424	0	80,424
Debt Cancellation	0	206,860	206,860
Investment Income	4,725	2,220	6,945
Interest Expense	(32,739)	(22,164)	(54,903)
Total Non-Operating Revenues/(Expenses)	<u>52,410</u>	<u>186,916</u>	<u>239,326</u>
Income (Loss) Before Capital Contributions and Transfers	15,721	492,474	508,195
Transfers In	0	5,000	5,000
Capital Contributions - Connection Fees	0	136,598	136,598
Change in Net Position	15,721	634,072	649,793
Net Position - July 1, 2015	<u>2,365,453</u>	<u>7,537,497</u>	<u>9,902,950</u>
Net Position - June 30, 2016	<u>\$ 2,381,174</u>	<u>\$ 8,171,569</u>	<u>\$ 10,552,743</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, 2016

	Water Fund	Sewer Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 974,620	\$ 1,838,208	\$ 2,812,828
Other Receipts	29,393	4,168	33,561
Payments for Goods and Services	(580,108)	(578,837)	(1,158,945)
Payments for Interfund Services	(44,217)	(63,447)	(107,664)
Payments for Wages and Benefits	(287,434)	(404,992)	(692,426)
	<u>92,254</u>	<u>795,100</u>	<u>887,354</u>
Net Cash Provided by Operating Activities			
Cash Flows From Noncapital Financing Activities:			
Decrease/(Increase) in Due from Other Funds	37,236	(184,051)	(146,815)
	<u>37,236</u>	<u>(184,051)</u>	<u>(146,815)</u>
Net Cash Provided/(Used) by Noncapital Financing Activities			
Cash Flows From Capital and Related Financing Activities:			
Water Tank Revenue	80,424	0	80,424
Transfers from Other Funds	0	5,000	5,000
Proceeds of Long-Term Debt	0	157,000	157,000
Acquisition and Construction of Capital Assets	(93,954)	(297,817)	(391,771)
Capital Contributions-Connection Fees	0	136,598	136,598
Principal Paid on:			
General Obligation Bonds	(85,000)	(598,188)	(683,188)
Interest Paid on:			
General Obligation Bonds	(30,960)	(13,642)	(44,602)
	<u>(129,490)</u>	<u>(611,049)</u>	<u>(740,539)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities			
Cash Flows from Investing Activities:			
Net Change in Certificates of Deposit	(144,259)	70,423	(73,836)
Receipt of Interest	4,725	2,220	6,945
	<u>(139,534)</u>	<u>72,643</u>	<u>(66,891)</u>
Net Cash Provided/(Used) by Investing Activities			
Net Increase(Decrease) in Cash	(139,534)	72,643	(66,891)
Cash - July 1, 2015	287,677	0	287,677
Cash - June 30, 2016	<u>\$ 148,143</u>	<u>\$ 72,643</u>	<u>\$ 220,786</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ (36,689)	\$ 305,558	\$ 268,869
Depreciation	107,178	423,115	530,293
(Increase)/Decrease in Receivables	11,605	48,368	59,973
Increase/(Decrease) in Accounts Payable	14,494	(4,185)	10,309
Increase/(Decrease) in Pension Liabilities	(7,681)	17,442	9,761
Increase/(Decrease) in Accrued Payroll	2,981	4,801	7,782
Increase/(Decrease) in Unearned Revenue	366	1	367
	<u>92,254</u>	<u>795,100</u>	<u>887,354</u>
Net Cash Provided by Operating Activities			

Non-Cash Capital and Related Financing Activities:

The Town was granted a reduction of debt in the Sewer Fund in the amount of \$206,860 due to an adjustment by the State of Vermont.

In the Water Fund, equipment was disposed with a cost and accumulated depreciation of \$26,235.

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

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.

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.

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 referred 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 statements 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. The Town has one (1) type of item which arises under the accrual basis of accounting that qualifies for reporting in this category. The governmental activities, the business-type activities and the proprietary funds report deferred outflows of resources related to the Town’s participation in VMERS. 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. The Town has there (3) types of items which arise under the modified accrual basis of accounting and one (1) type which arises under the accrual basis of accounting that qualify for reporting in this category. The governmental activities report deferred inflows of resources from one (1) source: prepaid property taxes. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows of resources are related. The governmental funds report deferred inflows of resources from three (3) sources: prepaid property taxes, unavailable property taxes, penalties and interest and unavailable receivables. 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 fair 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.

II. 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.

III. 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, 2016, expenditures in the General Fund exceeded appropriations by \$197,357. These over expenditures were funded by excess revenues.

TOWN OF SHELburnE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

TOWN OF SHELburnE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash and investments as of June 30, 2016 consisted of the following:

Cash:		
Deposits with Financial Institutions	\$2,083,244	
Investments:		
Certificates of Deposit	1,309,755	
Common Stock	107,988	
Mutual Funds	<u>160,013</u>	
Total Investments	<u>1,577,756</u>	
Total Cash and Investments	<u>\$3,661,000</u>	

The Town has twelve (12) certificates of deposit at various banks with interest rates ranging from .1% to .99%. The certificates of deposit mature in the following fiscal years:

2017	\$1,278,394
2018	<u>31,361</u>
	<u>\$1,309,755</u>

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.

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$1,024,393	\$1,024,393
Uninsured, Collateralized by U.S. Government Securities Held by the Bank, In the Bank's Name for the Benefit of the Town	1,719,629	1,982,618
Uninsured, Uncollateralized, Secured by Mortgage Loans Held in the Bank's Name	<u>648,977</u>	<u>648,977</u>
Total	<u>\$3,392,999</u>	<u>\$3,655,988</u>

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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	\$2,083,244
Investments – Certificates of Deposit	<u>1,309,755</u>
Total	<u>\$3,392,999</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.

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.

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TOWN OF SHELburnE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

B. Receivables

Receivables as of June 30, 2016, 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	\$ 143,204	\$ 0	\$ 143,204
Penalties and Interest	38,315	0	38,315
Billed Services	92,866	73,458	166,324
Unbilled Services	0	588,557	588,557
Grants	179,152	0	179,152
Miscellaneous	65,141	26,316	91,457
Allowance for Doubtful Accounts	0	(10,000)	(10,000)
	<u>\$ 518,678</u>	<u>\$ 678,331</u>	<u>\$ 1,197,009</u>

C. Loans Receivable

Loans receivable as of June 30, 2016 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, 2016	<u>\$ 0</u>

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TOWN OF SHELburnE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

D. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,280,571	\$ 0	\$ 0	\$ 1,280,571
Construction in Progress	167,475	62,830	119,542	110,763
Total Capital Assets, Not Being Depreciated	<u>1,448,046</u>	<u>62,830</u>	<u>119,542</u>	<u>1,391,334</u>
Capital Assets, Being Depreciated:				
Buildings and Land Improvements	9,411,684	170,011	0	9,581,695
Vehicles and Equipment	5,114,094	141,460	454,169	4,801,385
Infrastructure	6,487,286	17,866	0	6,505,152
Library Collection	400,118	43,257	0	443,375
Totals	<u>21,413,182</u>	<u>372,594</u>	<u>454,169</u>	<u>21,331,607</u>
Less: Accumulated Depreciation for:				
Buildings and Land Improvements	5,663,806	315,509	0	5,979,315
Vehicles and Equipment	2,776,914	375,199	362,802	2,789,311
Infrastructure	935,351	158,101	0	1,093,452
Library Collection	146,114	43,018	0	189,132
Totals	<u>9,522,185</u>	<u>891,827</u>	<u>362,802</u>	<u>10,051,210</u>
Total Capital Assets, Being Depreciated	<u>11,890,997</u>	<u>(519,233)</u>	<u>91,367</u>	<u>11,280,397</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,339,043</u>	<u>\$ (456,403)</u>	<u>\$ 210,949</u>	<u>\$ 12,671,731</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,000	\$ 0	\$ 0	\$ 11,000
Construction in Progress	13,856	76,981	0	90,837
Total Capital Assets, Not Being Depreciated	<u>24,856</u>	<u>76,981</u>	<u>0</u>	<u>101,837</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	1,719,013	0	0	1,719,013
Vehicles, Machinery and Equipment	410,248	173,620	26,235	557,633
Distribution and Collection Systems	21,575,477	141,170	0	21,716,647
Totals	<u>23,704,738</u>	<u>314,790</u>	<u>26,235</u>	<u>23,995,293</u>
Less: Accumulated Depreciation for:				
Buildings and Building Improvements	1,146,641	35,140	0	1,181,781
Vehicles, Machinery and Equipment	232,983	34,336	26,235	241,084
Distribution and Collection Systems	7,653,513	460,817	0	8,114,330
Totals	<u>9,033,137</u>	<u>520,293</u>	<u>26,235</u>	<u>9,537,195</u>
Total Capital Assets, Being Depreciated	<u>14,671,601</u>	<u>(215,503)</u>	<u>0</u>	<u>14,456,098</u>
Business-Type Activities Capital Assets, Net	<u>\$ 14,696,457</u>	<u>\$ (138,522)</u>	<u>\$ 0</u>	<u>\$ 14,557,935</u>

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TOWN OF SHELburnE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Depreciation was charged as follows:

Governmental Activities:	Business-Type Activities:	
General Government	\$ 207,723	Water \$ 107,178
Public Safety	253,699	Sewer 423,115
Highways and Public Works	278,714	
Recreation and Parks	95,998	
Library	<u>55,693</u>	
Total Depreciation Expense - Governmental Activities	<u>\$ 891,827</u>	<u>\$ 530,293</u>

E. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2016 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 902,646
Non-Major Governmental Funds	1,201,441	106,303
Water Fund	0	846,317
Sewer Fund	<u>653,825</u>	<u>0</u>
Total	<u>\$ 1,855,266</u>	<u>\$ 1,855,266</u>

Interfund transfers during the year ended June 30, 2016 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Dog Park Fund	765	Annual Appropriation
General Fund	Boy Park Fund	8,500	Annual Appropriation
General Fund	Police Fund	35,000	Annual Appropriation
General Fund	Highways Equipment Fund	81,000	Annual Appropriation
General Fund	Other (Cometery Trust) Fund	1,600	Annual Appropriation
General Fund	Other (Community Fund)	2,000	Annual Appropriation
General Fund	Open Land Trust Fund	25,000	Annual Appropriation
General Fund	Sewer Fund	3,000	Fund Stormwater Expenses
Non-Major Funds:			
Records Preservation Fund	General Fund	34,949	Reimbursement Expenditures in General Fund
Cemetery Fund	General Fund	9,000	Annual Appropriation
Recreation (Baseball) Fund	General Fund	6,118	Reimburse Expenditures in General Fund
Recreation-Other	General Fund	560	Reimburse Expenditures in General Fund
Recreation Impact Fees	General Fund	<u>75,000</u>	Reimburse Expenditures in General Fund
Total		<u>\$ 284,692</u>	

F. Deferred Outflows of Resources

Deferred outflows of resources in the Governmental Activities consists of \$14,822 from the difference between the expected and actual experience, \$93,379 from changes in assumptions, \$90,587 from the difference between the projected and actual investment earnings, \$3,491 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 \$96,651 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 \$298,930.

Deferred outflows of resources in the Business-type Activities consists of \$2,153 from the difference between the expected and actual experience, \$13,564 from changes in assumptions, \$13,160 from the difference between the projected and actual investment earnings, \$507 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 \$13,189 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 \$42,573.

Deferred outflows of resources in the Water Fund consists of \$548 from the difference between the expected and actual experience, \$3,454 from changes in assumptions, \$3,352 from the difference between the projected and actual investment earnings, \$129 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 \$3,170 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 \$10,653.

Deferred outflows of resources in the Sewer Fund consists of \$1,605 from the difference between the expected and actual experience, \$10,110 from changes in assumptions, \$9,808 from the difference between the projected and actual investment earnings, \$378 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 \$10,019 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 \$31,920.

G. Unearned Revenue

Unearned revenue in the General Fund consists of \$7,577 rent received in advance and \$34,474 recreation revenues received in advance. Unearned revenue in the Water Fund consists of \$9,318 in customer fees received in advance. Unearned revenue in the Sewer Fund consists of \$11,862 in customer fees received in advance. This revenue will be earned in 2017 as fees are billed.

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H. Deferred Inflows of Resources

Deferred inflows of resources in the Governmental Activities consists of \$72,030 of prepaid property taxes.

Deferred inflows of resources in the General Fund consists of \$169,359 of delinquent property taxes, penalties and interest on those taxes and \$138,066 of receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$72,030 of prepaid property taxes. Total deferred inflows of resources in the General Fund is \$379,455.

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, 2016 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	\$ 1,410,000	\$ 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 15, 2023	160,000	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 15, 2025.	750,000	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 15, 2030.	560,000	80,000
Special assessment debt, 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 15, 2030.	450,000	30,000
Capital equipment (truck) note payable to the Vermont Municipal Equipment Loan Fund, annual principal payments of \$22,000, plus annual interest payments at 2.0%, matures December 31, 2016.	22,000	22,000
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.	175,000	25,000
Capital equipment (PSIC grant public safety equipment) note payable to the National Bank of Middlebury, annual principal payment of \$16,200, plus annual interest payment at .95%, matures June 22, 2017.	16,200	16,200
Capital equipment (Truck) note payable to the National Bank of Middlebury, Annual principal payment of \$80,000, plus annual interest payment at 1.17%, matures January 25, 2017.	80,000	80,000

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<u>Governmental Activities</u>	<u>Total</u>	<u>Due in One Year</u>
Capital equipment (truck) note payable to the National Bank of Middlebury, annual principal payment of \$12,000, plus annual interest payment at 1.0%, matures May 25, 2017.	\$ 12,000	\$ 12,000
Capital equipment (truck) note payable to the National Bank of Middlebury, annual principal payment of \$36,000, plus annual interest payment at .95%, matures August 24, 2016.	<u>36,000</u>	<u>36,000</u>
Total long-term bonds and notes payable	<u>\$ 3,671,200</u>	<u>\$ 631,200</u>
 <u>Business-Type Activities</u>		
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.	\$ 2,486,860	\$ 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.	76,932	4,816
Sewer upgrade note payable to State of Vermont Special Environmental Revolving Fund, total available, \$1,620,247, non-interest bearing, annual principal payments of \$85,979.	773,807	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.	354,533	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	418,045	34,354
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.	127,240	6,826

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<u>Business-Type Activities</u>	<u>Total</u>	<u>Due in One Year</u>
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.	\$ 139,473	\$ 12,737
Capital equipment (trucks) note payable to the National Bank of Middlebury, interest at 0.95%, annual principal payment of \$12,000, matures May 25, 2017.	12,000	12,000
Capital equipment (truck) note payable to the National Bank of Middlebury, Interest at 1.0%, annual principal payment of \$145,000, matures December 26, 2016.	<u>145,000</u>	<u>145,000</u>
Total Sewer Fund long-term bond and notes payable	<u>4,533,890</u>	<u>707,626</u>
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 December 1, 2023.	435,000	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 15, 2020.	25,000	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 15, 2028.	<u>295,000</u>	<u>25,000</u>
Total Water Fund long-term bond and notes payable	<u>755,000</u>	<u>85,000</u>
Total Business-type Activities	<u>\$ 5,288,890</u>	<u>\$ 792,626</u>

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Maturities of bonds and notes payable are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2017	\$ 631,200	\$ 70,873	\$ 792,626	\$ 44,716	\$ 837,342
2018	460,000	44,173	636,801	37,821	674,622
2019	460,000	39,350	637,999	34,842	672,841
2020	460,000	18,335	639,221	30,404	669,625
2021	460,000	39,743	640,468	25,783	666,251
2022-2026	970,000	107,832	1,763,209	61,955	1,825,164
2027-2031	230,000	25,132	169,379	7,658	177,037
2032-2036	0	0	9,187	184	9,371
Total	\$ 3,671,200	\$ 345,438	\$ 5,288,890	\$ 243,363	\$ 5,532,253

Changes in long-term liabilities for the year ended June 30, 2016 were as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds and Notes Payable	\$ 4,263,900	\$ 92,000	\$ 684,700	\$ 3,671,200	\$ 631,200
Compensated Absences	269,178	0	9,143	260,035	0
Net Pension Liability	55,542	413,352	0	468,894	0
Total Governmental Activities	\$ 4,588,620	\$ 505,352	\$ 693,843	\$ 4,400,129	\$ 631,200
Business-Type Activities					
Bonds and Notes Payable	\$ 6,021,938	\$ 157,000	\$ 890,048	\$ 5,288,890	\$ 792,626
Compensated Absences	52,268	0	0	52,268	0
Net Pension Liability	6,898	61,216	0	68,114	0
Total Business-Type Activities	\$ 6,081,104	\$ 218,216	\$ 890,048	\$ 5,409,272	\$ 792,626

In 2016, the State of Vermont, determined that the principal balance of one the Town's sewer notes payable was overstated by \$206,860. This is reflected in reductions above and non-operating revenues in the Sewer Fund.

At a special meeting held November 3, 2015, Shelburne voters approved a bond issue of up to three million dollars (\$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. It is anticipated funds will be spent on this project starting in fiscal year 2017. No bonds have been issued yet.

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.

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.

The fund balance in the following fund is nonspendable as follows:

Major Funds	
General Fund:	
Prepaid Expenses	<u>\$ 7,794</u>

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

<u>Non-Major Funds</u>	
Special Revenue Funds:	
Restricted for Recreation by Grant Agreements (Source of Revenue is Grant Revenue)	\$ 69,656
Restricted for Records Preservation Expenses by Statute (Source of Revenue is Fees)	114,511
Other Restrictions by Donations (Source of Revenue is Donations)	<u>37,625</u>
Total Special Revenue Funds	<u>221,792</u>
Capital Project Funds:	
Restricted for Pine Haven Stormwater by Grant Agreements	3,375
Restricted for Library Building by Fee Agreement	38,381
Restricted for Highway Equipment Replacement Expenditures by Statute	268,969
Restricted for Police by Grant Agreements	<u>26,839</u>
Total Capital Project Funds	<u>337,564</u>
Permanent Funds:	
Restricted for Library Endowment by Trust Agreements	28,652
Restricted for Cemetery Fund by Trust Agreements	225,090
Restricted for Lillian Davis Memorial Fund	<u>99,514</u>
Total Permanent Funds	<u>353,256</u>
Total Non-Major Funds	<u>912,612</u>
Total Restricted Fund Balances	<u>\$912,612</u>

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The fund balances in the funds are committed as follows:

Major Fund	
General Fund:	
Committed for Ambulance and Rescue Operations by Voters	\$ <u>430,895</u>
<u>Non-Major Funds</u>	
Special Revenue Funds:	
Committed for Open Land Trust by Voters (Source of Revenue is Transfers)	261,155
Committed for Cemetery Tractor by Voters (Source of Revenue is Transfers)	<u>10,876</u>
Total Special Revenue Funds	<u>272,031</u>
Capital Projects Funds:	
Committed for Bay Park by Voters	44,022
Committed for Police Equipment by Voters	<u>54,626</u>
Total Capital Project Funds	<u>98,648</u>
Total Non-Major Funds	<u>370,679</u>
Total Committed Fund Balances	<u>\$ 801,574</u>

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)	<u>\$155,830</u>
Capital Projects Funds:	
Assigned for Highway Salt Shed Expenditures Assigned for Fire Truck	23,128
Total Capital Project Fund	<u>65,610</u>
Total Assigned Fund Balances	<u>88,738</u>
Total Assigned Fund Balances	<u>\$244,568</u>

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K. Restricted and Designated Net Position

The restricted net position of the Town as of June 30, 2016 consisted of the following:

Governmental Activities:	
Restricted for Recreation by Grant Agreements	\$ 69,656
Restricted for Records Preservation Expenses by Statute	114,511
Restricted for Other Purposes by Donations	37,625
Restricted for Pine Haven Stormwater by Grant Agreements	3,375
Restricted for Library Building by Fee Agreement	38,381
Restricted for Highway Equipment Replacement Expenditures by Statute	268,969
Restricted for Police by Grant Agreements	26,839
Restricted for Cemetery by Trust Agreements	225,090
Restricted for Recreation Projects	28,652
(Lillian Davis Memorial) by Donations	<u>99,514</u>
Total Governmental Activities	<u>\$912,612</u>

The designated net position of the Town's Proprietary Funds as of June 30, 2016 consisted of the following:

Water Fund:	
Designated for Water Capital Projects	\$ 39,319
Total Water Fund	<u>39,319</u>
Sewer Fund:	
Designated for Sewer Capital Projects	187,199
Designated for Future Sewer Capital Projects	<u>185,838</u>
Total Sewer Fund	<u>373,037</u>
Total Business-type Activities	<u>\$412,356</u>

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 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, 2015, the retirement system consisted of 437 participating employees.

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 and Deferred Inflows of Resources

As of June 30, 2015, the measurement date selected by the State of Vermont, VMERS was funded at 87.42% and had a plan fiduciary net position of \$535,903,742 and a total pension liability of \$612,999,552 resulting in a net pension liability of \$77,095,810. As of June 30, 2016, the Town's proportionate share of this was .69654% resulting in a liability of \$537,005. The net pension liability was measured as of June 30, 2015, 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, 2015, the Town's proportion of .69654% was an increase of .01234% from its proportion measured as of June 30, 2014.

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For the year ended June 30, 2016, the Town recognized pension expense of \$148,136.

As of June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of Resources
Difference Between Expected and Actual Experience	\$ 16,975
Changes in proportional share of contributions	3,998
Difference between projected and actual earnings on pension plan investments	103,747
Changes in Assumptions	106,943
Town's required employer contributions made subsequent to the measurement date	109,840
	<u>\$ 341,503</u>

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$109,840 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows.

	Year Ending June 30
2017	\$ 45,691
2018	45,691
2019	45,691
2020	<u>94,590</u>
Total	<u>\$ 231,663</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.

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Service Retirement Allowance:

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

Amount: Group B – 1.75% 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.

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.

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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% effective July 1, 2015 (increased from 4.75%). Group C – 9.875% effective July 1, 2015 and 10.00% effective January 1, 2016 (increased from 9.625%).

Employer Contributions: Group B – 5.50% effective July 1, 2015 (increased from 5.375%). Group C – 7.125% from July 1, 2015 to December 31, 2015 (increased from 7.00%) and then 7.25% effective January 1, 2016.

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. Through July 1, 2014, a select-and-ultimate interest rate set, specified as follows. The interest rate set is restarted every year.

Year 1: 6.25%	Year 10: 8.50%
Year 2: 6.75%	Year 11: 8.50%
Year 3: 7.00%	Year 12: 8.50%
Year 4: 7.50%	Year 13: 8.50%
Year 5: 7.75%	Year 14: 8.50%
Year 6: 8.25%	Year 15: 8.50%
Year 7: 8.25%	Year 16: 8.75%
Year 8: 8.25%	Year 17 and later: 9.00%
Year 9: 8.50%	

Salary Increases: 5% per year.

Deaths:

Active participants: 50% of the probabilities in the 1995 Buck Mortality Tables for males and females.

Non-disabled retirees and terminated vested participants: The 1995 Buck Mortality Tables with no set-back for males and one-year set-back for females.

Disabled retirees: RP-2000 Disabled Life Tables.

Beneficiaries: 1995 Buck Mortality Tables for males and females.

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

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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: Entry Age Normal - Level Percentage of Pay.

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% to 3.25% 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, 2015 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Equity	31.50%	8.61%
Fixed Income	33.00%	1.91%
Alternatives	15.50%	6.93%
Multi-strategy	20.00%	4.88%

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%, a decrease from 8.23% in the prior year. 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%).

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
Current Rate	7.95%	537,005
1% Decrease	6.95%	1,072,631
1% Increase	8.95%	87,996

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 \$1,216,531 and pension expense was \$62,347.

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 ratesetting 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.

The Town of Shelburne is also a member of the Vermont League of Cities and Towns Unemployment Insurance Trust. The Unemployment Trust is a nonprofit corporation formed to provide unemployment coverage 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.

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 2016 were as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Town	.3602	.3602
Veterans Exemption	.0008	.0008
Education	<u>1.4916</u>	<u>1.5777</u>
Total	<u>1.8526</u>	<u>1.9187</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, 2016 is \$99,287.

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.

F. SUBSEQUENT EVENTS

At a special meeting held November 8, 2016, Shelburne voters approved a bond issue of up to \$500,000 for the purpose of replacing the Spear Street water line. Bond payments will be funded through water user fees. It is anticipated funds will be spent on this project in fiscal year 2017.

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, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes:			
Property Taxes	\$ 5,448,591	\$ 5,439,395	\$ (9,196)
Special Assessments	49,941	49,941	0
Penalties	31,000	46,841	15,841
Late Homestead Filing	12,000	17,113	5,113
Interest Income	25,000	41,584	16,584
Total Property Taxes	<u>5,566,532</u>	<u>5,594,874</u>	<u>28,342</u>
Administration:			
Liquor Licenses	2,800	3,210	410
Animal Licenses	5,300	5,632	332
Marriage/Civil Union Licenses	550	690	140
Recording Fees	55,000	42,691	(12,309)
Passport Fees and Photos	10,000	16,835	6,835
Miscellaneous	400	1,634	1,234
Copier Use	6,800	8,853	2,053
Vital Statistics Copies	3,800	5,881	2,081
Other Fees	1,900	1,745	(155)
Total Administration	<u>86,550</u>	<u>87,171</u>	<u>621</u>
Highway Revenue:			
Received for State Aid/Grant	145,000	144,907	(93)
Construction Reimbursements	0	622	622
Permits	8,100	24,480	16,380
Rt. 7 Village Sidewalk Grant	124,200	0	(124,200)
Total Highway Revenue	<u>277,300</u>	<u>170,009</u>	<u>(107,291)</u>
Police Department:			
Judicial Fees	60,000	57,923	(2,077)
Special Duty Reimbursement	35,000	27,786	(7,214)
Public Safety Grants	0	202,883	202,883
Dispatch Contracts	205,340	207,641	2,301
E911 Operation Grant	90,000	90,000	0
Other	22,200	33,235	11,035
Total Police Department	<u>412,540</u>	<u>619,468</u>	<u>206,928</u>
Cemeteries:	<u>1,400</u>	<u>5,800</u>	<u>4,400</u>
Planning and Zoning:			
Permits and Fees	46,275	74,616	28,341
Grant Revenue	21,000	0	(21,000)
Total Planning and Zoning	<u>67,275</u>	<u>74,616</u>	<u>7,341</u>

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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, 2016

	Budget	Actual	Variance Favorable/ (Unfavorable)
Water and Sewer:			
Water Department Administration	\$ 44,217	\$ 44,217	\$ 0
Sewer Department Administration	44,217	44,217	0
Total Water and Sewer	88,434	88,434	0
Recreation Department:			
Sale of Beach Stickers	10,020	20,408	10,388
Fees and Recreation Programs	143,035	162,776	19,741
Total Recreation Department	153,055	183,184	30,129
Library Revenue	0	4,728	4,728
Financial Management:			
Investment Interest	1,000	763	(237)
Total Financial Management	1,000	763	(237)
Miscellaneous Revenue:			
Insurance Claims	0	4,096	4,096
First Aid and Rescue Miscellaneous	0	2,804	2,804
Fire/Rescue Grants/Other	5,000	15,484	10,484
Other	3,500	3,564	64
Payment in Lieu of Taxes	6,000	6,183	183
State Current Use Tax Payment	115,600	114,059	(1,541)
Act 60 Administration	41,000	46,745	5,745
Cellular Tower Fees	73,800	72,438	(1,362)
Mooring Fees	50,100	50,920	820
CSSU Village Center Lease	64,000	64,000	0
CSSU Building Maintenance Allocation	35,000	38,625	3,625
Use of Town Hall/Town Center	11,500	13,288	1,788
Pierson Building Lease	28,564	27,736	(828)
Total Miscellaneous Revenue	434,064	459,942	25,878
Total Revenues	7,088,150	7,288,989	200,839
Expenditures:			
Selectboard:			
Salaries	6,300	6,300	0
FICA	482	482	0
Selectboard's Expenses	8,300	8,755	(455)
VLCT Dues	8,619	8,619	0
Town Reports	2,240	2,471	(231)
Total Selectboard	25,941	26,627	(686)
Legal Services	30,000	322,935	(292,935)

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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, 2016

	Budget	Actual	Variance Favorable/ (Unfavorable)
Administration - Municipal Offices:			
Office Supplies	\$ 7,000	\$ 7,384	\$ (384)
Computer Hardware	2,700	1,585	1,115
Telephone	10,700	3,300	7,400
Computer Software	14,107	17,018	(2,911)
Technical Assistance	5,000	22,950	(17,950)
Training	7,000	819	6,181
Office Equipment and Repair	1,000	259	741
Postage	18,000	18,580	(580)
Copier Expense	7,000	5,735	1,265
Computer Technical Assistance	11,000	10,072	928
CSSU Data Line	3,100	2,571	529
Total Administration - Municipal Offices	86,607	90,273	(3,666)
Town Manager:			
Salaries	119,186	108,045	11,141
FICA	9,117	8,570	547
Retirement	6,236	5,093	1,143
Health and Other Insurance	29,577	22,466	7,111
Manager's Expenses	2,300	1,905	395
Vehicle Expense	2,500	2,031	469
Emergency Management	1,000	123	877
Total Town Manager	169,916	148,233	21,683
Elections:			
Salaries	1,000	1,599	(599)
Election Expense	1,000	1,794	(794)
BCA Expenses	500	457	43
Total Elections	2,500	3,850	(1,350)
Finance and Insurance:			
Salaries	171,479	172,480	(1,001)
FICA	12,872	13,946	(1,074)
Retirement	8,788	9,044	(256)
Health and Other Insurance	32,109	31,205	904
Property and Liability Insurance	226,940	255,355	(28,415)
Insurance Claims - Deductible	5,000	2,966	2,034
Auditing	14,000	18,362	(4,362)
Total Finance and Insurance	471,188	503,358	(32,170)
Town Clerk/Treasurer:			
Salaries	131,951	136,025	(4,074)
FICA	10,448	10,478	(30)
Retirement	6,762	6,073	689
Health and Other Insurance	26,889	22,844	4,045
Expense	1,950	1,264	686
Office Expenses	7,500	6,127	1,373
Microfilming and Preservation	40,000	19,972	20,028
Records Automation	20,000	15,550	4,450
Total Town Clerk/Treasurer	245,500	218,333	27,167

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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, 2016

	Budget	Actual	Variance Favorable/ (Unfavorable)
Planning and Zoning:			
Salaries	\$ 151,885	\$ 149,278	\$ 2,607
FICA	11,310	10,787	523
Retirement	7,784	7,232	552
Health and Other Insurance	54,222	41,683	12,539
Planning Expense	6,500	8,431	(1,931)
Conference and Training	900	160	740
Town Plan and Special Projects	30,000	16,507	13,493
Planning Assistance	5,700	9,775	(4,075)
GIS Software	4,590	7,930	(3,340)
Total Planning and Zoning	272,891	251,783	21,108
Assessor's Office:			
Salaries	37,279	37,852	(573)
FICA	4,858	4,524	334
Retirement	1,396	1,406	(10)
Health and Other Insurance	7,583	10,614	(3,031)
Administrative Assistant	27,246	27,992	(746)
Assessor Expenses	3,500	3,321	179
Total Assessor's Office	81,862	85,709	(3,847)
Buildings and Grounds:			
Salaries	97,534	94,271	3,263
FICA	7,234	7,156	78
Retirement	4,653	4,481	172
Health and Other Insurance	37,395	36,074	1,321
Town Center Operating Expenses	35,000	50,100	(15,100)
Town Parade Ground Expenses	0	283	(283)
Town Center Building Maintenance	12,600	7,055	5,545
Town Hall Operating Expense	1,600	8,379	(6,779)
Town Hall Building Maintenance	3,700	4,272	(572)
Town Hall Heating Fuel	9,268	5,498	3,770
Town Center Heating Fuel	20,506	15,479	5,027
Town Center Utilities	50,097	49,532	565
Pierson Building Utilities and Maintenance	2,000	292	1,708
Recreation Fields Maintenance	10,000	3,701	6,299
Capital Projects	20,000	9,980	10,020
Total Buildings and Grounds	311,587	296,553	15,034
Public Works:			
Stormwater Permits	9,300	16,409	(7,109)
Stormwater Maintenance	11,524	17,249	(5,725)
Munro Brook Flow Restoration Project	41,500	33,735	7,765
Total Public Works	62,324	67,393	(5,069)

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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, 2016

	Budget	Actual	Variance Favorable/ (Unfavorable)
Harbormaster:			
Salaries	\$ 5,110	\$ 5,110	\$ 0
FICA	391	391	0
Mooring Inspection/Maintenance	13,100	13,236	(136)
Seasonal Dock Installation/Removal	4,200	6,561	(2,361)
Equipment	5,500	705	4,795
Maintenance/Administration	300	0	300
Total Harbormaster	28,601	26,003	2,598
Police Department:			
Salaries	836,983	801,792	35,191
FICA	72,626	78,750	(6,124)
Retirement	56,332	56,748	(416)
Health and Other Insurance	226,028	210,172	15,856
Overtime Salaries	111,725	122,717	(10,992)
Special Duty Details	21,890	24,176	(2,286)
Office	9,000	9,153	(153)
Telephone	11,300	11,959	(659)
Radio Expense	16,180	18,940	(2,760)
Travel and Conferences	2,500	5,108	(2,608)
Photos	6,300	5,373	927
Training	10,000	5,293	4,707
Gasoline	45,000	31,311	13,689
Tires	4,900	3,506	1,394
Vehicle Maintenance and Repairs	12,000	17,320	(5,320)
General Equipment	4,000	7,382	(3,382)
Fingerprint Equipment and Supplies	3,500	3,831	(331)
Uniform Purchases	8,000	3,709	4,291
Uniform Cleaning	4,000	2,836	1,164
Computer Maintenance	12,900	5,688	7,212
Building Maintenance	2,000	3,799	(1,799)
Matching Funds	1,000	0	1,000
Capital Improvement	12,160	0	12,160
Animal Enforcement	2,750	3,722	(972)
Police/C.U.S.I	11,427	11,427	0
Other Grants	0	174,280	(174,280)
Governors Highway Safety Grants	0	12,459	(12,459)
Total Police Department	1,504,501	1,631,451	(126,950)
Fire Department:			
Salaries	42,000	42,176	(176)
FICA	2,831	3,089	(258)
Office Supplies and Phones	5,225	4,471	754
Building Heat and Service	9,500	4,517	4,983
Fire Prevention - Training	7,000	5,854	1,146
Radio Maintenance	5,025	1,226	3,799
Protective Clothing	22,500	23,694	(1,194)
Gas and Oil	6,000	2,456	3,544
Fire Fighting Supplies	5,000	3,248	1,752
Equipment Maintenance	24,600	34,388	(9,788)
Building Maintenance	6,000	5,799	201
Equipment	19,430	23,645	(4,215)

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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, 2016

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department/(Cont'd):			
Improvements	\$ 22,500	\$ 18,702	\$ 3,798
Rescue Boat Expense	5,900	3,853	2,047
Periodicals	2,000	2,061	(61)
Physicals/RFT Test	3,000	640	2,360
Membership Events and Incentives	5,500	5,642	(142)
Grant Expense and Other	0	6,895	(6,895)
Total Fire Department	194,011	192,356	1,655
Public Safety and Dispatch:			
Dispatch Salaries	376,164	384,724	(8,560)
Overtime Salaries	46,524	54,490	(7,966)
FICA	31,147	34,380	(3,233)
Retirement	20,984	22,872	(1,888)
Health and Other Insurance	81,049	73,339	7,710
Training	3,000	1,582	1,418
Uniforms	2,100	652	1,448
Capital Improvements	2,000	456	1,544
Dispatch Radio Equipment	9,000	10,929	(1,929)
Computer Use	17,020	19,253	(2,233)
Total Public Safety and Dispatch	588,988	602,677	(13,689)
Public Works - Highways:			
Salaries	263,428	254,657	8,771
FICA	22,938	21,570	1,368
Retirement	15,486	14,096	1,390
Health and Other Insurance	83,215	78,371	4,844
Overtime Salaries	27,951	13,471	14,480
Interdepartmental Assistance	1,835	487	1,348
Road Maintenance	30,000	38,919	(8,919)
Tree Removal	5,000	6,655	(1,655)
Drainage System	15,000	11,693	3,307
Construction Projects	40,000	0	40,000
Retreatment/Repaving	300,000	300,644	(644)
Sidewalk/Paths Engineering	2,000	0	2,000
Garage Heating Fuel	7,616	5,455	2,161
Engineering Services	3,000	170	2,830
Street Signs	3,000	4,882	(1,882)
Winter Sand	5,000	7,705	(2,705)
Winter Salt	90,000	55,163	34,837
Garage Utilities	11,000	9,359	1,641
Uniforms	4,200	3,235	965
Gas and Diesel	35,000	13,419	21,581
Equipment Repair and Maintenance	50,000	52,877	(2,877)
Street and Caution Lights	10,200	9,167	1,033
Garage Supplies	5,000	10,674	(5,674)
Building Maintenance	5,000	96	4,904
Line Striping and Crosswalks	4,500	3,972	528
Street Lights Upgrade	20,000	0	20,000
Grant Expense Route 7 Sidewalk	138,000	23,262	114,738
Other Expenses	0	5,982	(5,982)
Total Public Works - Highways	1,198,369	945,981	252,388

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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, 2016

	Budget	Actual	Variance Favorable/ (Unfavorable)
Health and Social Services:			
Health Officer Salary	\$ 939	\$ 0	\$ 939
United Way Donation	38,000	38,000	0
Health Officer Expenses	450	0	450
Total Health and Social Services	39,389	38,000	1,389
Rescue:			
Medical Supplies	20,000	27,494	(7,494)
Rescue Overtime	861	0	861
FICA	10,836	8,272	2,564
Retirement	2,236	1,319	917
Health and Other Insurance	10,146	6,257	3,889
Uniforms	2,000	370	1,630
Operating	16,000	31,297	(15,297)
Transport Billing Expense	17,000	14,784	2,216
Oxygen	5,000	4,403	597
Training	2,200	10,843	(8,643)
Office	2,000	2,319	(319)
Office Equipment	500	1,774	(1,274)
Communications	2,500	3,962	(1,462)
Vehicle	11,000	11,910	(910)
Building Heating Fuel	2,300	1,824	476
Building Utilities	7,380	5,492	1,888
Building Maintenance	5,500	5,668	(168)
Volunteer Compensation	16,500	22,149	(5,649)
Volunteer Incentive Compensation	40,000	18,447	21,553
Compensation - Full Part-Time	60,437	98,701	(38,264)
Immunizations	75	174	(99)
Public Education	500	242	258
Total Rescue	234,971	277,701	(42,730)
Cemeteries:			
Salaries	29,121	26,067	3,054
Benefits	2,228	2,594	(366)
Supplies and Tools	800	981	(181)
Committee Expenses	100	400	(300)
Gas Expense	1,200	1,064	136
Equipment Maintenance	800	929	(129)
Equipment Purchases	500	308	192
Capital Projects	5,000	4,722	278
Outside Services	2,800	2,922	(122)
Interments	0	5,300	(5,300)
Cremation Garden	1,000	656	344
Total Cemeteries	43,549	45,943	(2,394)

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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, 2016

	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation:			
Administrative Salaries	\$ 88,550	\$ 91,561	\$ (3,011)
FICA	7,820	8,383	(563)
Retirement	4,538	4,551	(13)
Health and Other Insurance	33,290	28,569	4,721
Administration Expenses	8,913	2,984	5,929
Public Information	6,890	6,521	369
Beach Salaries	16,140	22,697	(6,557)
Beach Equipment	1,275	435	840
Beach Utilities	1,902	3,031	(1,129)
Beach Capital Improvements	0	9,153	(9,153)
Adult Sports Leagues	2,550	292	2,258
Dog Obedience	3,150	2,200	950
Davis Park	3,930	32,493	(28,563)
Park Maintenance	17,050	1,350	15,700
Martial Arts	1,915	2,237	(322)
Beach Maintenance	3,500	1,979	1,521
Lacrosse Programs	9,812	9,892	(80)
Swim Lessons	50	0	50
Youth Basketball	3,505	2,909	596
Babe Ruth Baseball	4,900	3,451	1,449
Summer Soccer Camp	9,300	15,840	(6,540)
Softball	5,127	2,645	2,482
Youth Soccer	9,970	7,991	1,979
Little League Baseball	21,565	24,089	(2,524)
Recreation Programs - Non-League	30,865	34,181	(3,316)
Special Events and Concerts	12,450	9,702	2,748
Ski Program	7,975	7,300	675
	<u>316,932</u>	<u>336,436</u>	<u>(19,504)</u>
Total Recreation			
Library:			
Salaries	197,009	201,260	(4,251)
FICA	14,719	15,173	(454)
Retirement	9,662	9,380	282
Health and Other Insurance	53,999	51,654	2,345
Supplies	5,000	5,888	(888)
Materials	42,225	42,551	(326)
Building	6,500	5,750	750
Utilities	15,700	15,951	(251)
Equipment Purchase and Maintenance	1,300	1,457	(157)
Administrative	1,100	1,218	(118)
Programs	4,000	4,009	(9)
Computer Hardware and Software	7,300	6,942	358
	<u>358,514</u>	<u>361,233</u>	<u>(2,719)</u>
Total Library			

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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, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Debt Management:			
Fire Truck Note	\$ 51,464	\$ 50,748	\$ 716
Town Center Project	312,621	312,621	0
Highway Sand and Salt Shed	30,614	30,614	0
Recreation Fields Project	109,421	109,411	10
Bike Path Bond 2008 Issue	26,977	26,977	0
Recreation Path Bond 2010 Issue	28,463	28,945	(482)
Beach Sea Wall 2010 Issue	16,978	17,090	(112)
Beaver Creek 2010 Issue	49,941	49,941	0
Dispatch Radio Equipment	16,315	16,007	308
Mount Philo Sidewalk 2010	5,054	5,056	(2)
Harbor Road Sidewalk	34,376	34,376	0
Total Debt Management	<u>682,224</u>	<u>681,786</u>	<u>438</u>
Intergovernmental:			
County Tax	66,977	66,534	443
G.B.I.C.	1,200	1,200	0
Chittenden County Regional Planning	18,431	18,431	0
Chittenden County Transit Authority	104,051	104,057	(6)
Total Intergovernmental	<u>190,659</u>	<u>190,222</u>	<u>437</u>
Employee Benefits:			
HRA Expenses	147,900	150,896	(2,996)
Health Insurance/Flex Spending Administration Expense	24,105	15,023	9,082
Miscellaneous	0	316	(316)
Employee Assistance Program	700	684	16
Employee Events/Recognition	0	638	(638)
Immunizations	1,000	0	1,000
Total Employee Benefits	<u>173,705</u>	<u>167,557</u>	<u>6,148</u>
Miscellaneous:			
Selectboard Discretionary	3,700	2,360	1,340
Community Events	1,500	1,444	56
Tree Conservation	1,000	3,400	(2,400)
Committee Support	6,500	200	6,300
Miscellaneous Expense	0	4,989	(4,989)
Total Miscellaneous	<u>12,700</u>	<u>12,393</u>	<u>307</u>
Total Expenditures	<u>7,327,429</u>	<u>7,524,786</u>	<u>(197,357)</u>

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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, 2016

	Budget	Actual	Variance Favorable/ (Unfavorable)
Excess/(Deficiency) of Revenues			
Over Expenditures	\$ <u>(239,279)</u>	\$ <u>(235,797)</u>	\$ <u>3,482</u>
Other Financing Sources/(Uses):			
Transfer from Records Preservation Fund	60,000	34,949	(25,051)
Transfer from Cemetery Fund	9,000	9,000	0
Transfer from Bay Park Fund	5,500	0	(5,500)
Transfer from Recreation (Baseball) Fund	10,395	6,118	(4,277)
Transfer from Recreation-Other	0	560	560
Transfer from Ambulance Fund	237,484	279,230	41,746
Transfer from Recreation Impact Fees	75,000	75,000	0
Transfer to Dog Park Fund	0	(765)	(765)
Transfer to Bay Park Fund	(8,500)	(8,500)	0
Transfer to Police Fund	(35,000)	(35,000)	0
Transfer to Highway Equipment Fund	(81,000)	(81,000)	0
Transfer to Sewer Fund for Stormwater	(5,000)	(5,000)	0
Transfer to Other (Cemetery Tractor) Fund	(1,600)	(1,600)	0
Transfer to Other (Community Fund)	(2,000)	(2,000)	0
Transfer to Open Space Fund	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
Total Other Financing Sources/(Uses)	<u>239,279</u>	<u>245,992</u>	<u>6,713</u>
Excess of Revenues and Other Financing Sources			
Over Expenditures and Other Financing/(Uses)	\$ <u><u>0</u></u>	10,195	\$ <u><u>10,195</u></u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Ambulance Fund Revenues		256,968	
Ambulance Fund Transfer		<u>(279,230)</u>	
Net Change in Fund Balance		(12,067)	
Fund Balance - July 1, 2015		<u>1,006,682</u>	
Fund Balance - June 30, 2016		\$ <u><u>994,615</u></u>	

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TOWN OF SHELburnE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2016

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

Notes to the Schedule:

Benefit Changes: none

Changes in Assumptions: The discount rate used to measure net pension liability was lowered from 8.23% to 7.95%, due to the adoption by the Board of Trustees of a 7.95% expected future rate of return for funding purposes.

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

Valuation Dates: June 30, 2015 and 2014

See Accompanying Independent Auditor's Report.

TOWN OF SHELburnE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2016

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

Notes to the Schedule:

Valuation Dates: June 30, 2015 and 2014

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

See Accompanying Independent Auditor's Report.

TOWN OF SHELBURNE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
<u>ASSETS</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash	\$ 0	\$ 0	\$ 28,652	\$ 28,652
Investments	141,657	0	268,001	409,658
Due from Other Funds	<u>580,447</u>	<u>524,950</u>	<u>96,044</u>	<u>1,201,441</u>
Total Assets	<u>\$ 722,104</u>	<u>\$ 524,950</u>	<u>\$ 392,697</u>	<u>\$ 1,639,751</u>
 <u>LIABILITIES</u>				
Accounts Payable	\$ 5,589	\$ 0	\$ 0	\$ 5,589
Due to Other Funds	<u>66,862</u>	<u>0</u>	<u>39,441</u>	<u>106,303</u>
Total Liabilities	<u>72,451</u>	<u>0</u>	<u>39,441</u>	<u>111,892</u>
 <u>FUND BALANCES</u>				
Restricted	221,792	337,564	353,256	912,612
Committed	272,031	98,648	0	370,679
Assigned	<u>155,830</u>	<u>88,738</u>	<u>0</u>	<u>244,568</u>
Total Fund Balances	<u>649,653</u>	<u>524,950</u>	<u>353,256</u>	<u>1,527,859</u>
Total Liabilities and Fund Balances	<u>\$ 722,104</u>	<u>\$ 524,950</u>	<u>\$ 392,697</u>	<u>\$ 1,639,751</u>

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TOWN OF SHELBURNE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Revenues:				
Intergovernmental	\$ 27,988	\$ 0	\$ 0	\$ 27,988
Charge for services	21,088	0	0	21,088
Investment Income	1,169	0	9,791	10,960
Fees and Licenses	26,090	12,919	9,450	48,459
Contributions	59,665	600	8,318	68,583
Other Revenue	<u>0</u>	<u>7,305</u>	<u>0</u>	<u>7,305</u>
Total Revenues	<u>136,000</u>	<u>20,824</u>	<u>27,559</u>	<u>184,383</u>
Expenditures:				
General Government	5,000	0	0	5,000
Public Safety	0	1,308	0	1,308
Recreation and Parks	54,097	0	0	54,097
Highway and Public Works	0	126	0	126
Library	0	11,298	765	12,063
Capital Outlay:				
Recreation and Parks	10,399	0	0	10,399
Public Safety	0	72,846	0	72,846
Highways and Public Works	0	49,782	0	49,782
Debt Service:				
Principal	0	164,000	0	164,000
Interest	<u>0</u>	<u>2,827</u>	<u>0</u>	<u>2,827</u>
Total Expenditures	<u>69,496</u>	<u>302,187</u>	<u>765</u>	<u>372,448</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>66,504</u>	<u>(281,363)</u>	<u>26,794</u>	<u>(188,065)</u>
Other Financing Sources/(Uses):				
Proceeds from Sale of Equipment	0	113,864	0	113,864
Proceeds from Long-Term Debt	0	92,000	0	92,000
Transfers In	29,365	124,500	0	153,865
Transfers Out	<u>(116,627)</u>	<u>0</u>	<u>(9,000)</u>	<u>(125,627)</u>
Total Other Financing Sources/(Uses)	<u>(87,262)</u>	<u>330,364</u>	<u>(9,000)</u>	<u>234,102</u>
Net Change in Fund Balances	(20,758)	49,001	17,794	46,037
Fund Balances - July 1, 2015	<u>670,411</u>	<u>475,949</u>	<u>335,462</u>	<u>1,481,822</u>
Fund Balances - June 30, 2016	<u>\$ 649,653</u>	<u>\$ 524,950</u>	<u>\$ 353,256</u>	<u>\$ 1,527,859</u>

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TOWN OF SHELburnE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016

	Recreation Related Funds	ACT 60 Reappraisal Fund	Open Land Trust Fund	Record Preservation Fund	Other Funds	Total
ASSETS						
Investments	\$ 141,657	\$ 0	\$ 0	\$ 0	\$ 0	\$ 141,657
Due from Other Funds	0	155,830	261,155	114,511	48,951	580,447
Total Assets	<u>\$ 141,657</u>	<u>\$ 155,830</u>	<u>\$ 261,155</u>	<u>\$ 114,511</u>	<u>\$ 48,951</u>	<u>\$ 722,104</u>
LIABILITIES						
Accounts Payable	\$ 5,139	\$ 0	\$ 0	\$ 0	\$ 450	\$ 5,589
Due to Other Funds	66,862	0	0	0	0	66,862
Total Liabilities	<u>72,001</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>450</u>	<u>72,451</u>
FUND BALANCES						
Restricted	69,656	0	0	114,511	37,625	221,792
Committed	0	0	261,155	0	10,876	272,031
Assigned	0	155,830	0	0	0	155,830
Total Fund Balances	<u>69,656</u>	<u>155,830</u>	<u>261,155</u>	<u>114,511</u>	<u>48,501</u>	<u>649,653</u>
Total Liabilities and Fund Balances	<u>\$ 141,657</u>	<u>\$ 155,830</u>	<u>\$ 261,155</u>	<u>\$ 114,511</u>	<u>\$ 48,951</u>	<u>\$ 722,104</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, 2016

	Recreation Related Funds	ACT 60 Reappraisal Fund	Open Land Trust Fund	Record Preservation Fund	Other Funds	Total
Revenues:						
Intergovernmental	\$ 0	\$ 27,988	\$ 0	\$ 0	\$ 0	\$ 27,988
Investment Income	1,169	0	0	0	0	1,169
Fees and licenses	0	0	0	26,090	0	26,090
Charge for services	21,088	0	0	0	0	21,088
Contributions	34,468	0	0	0	25,197	59,665
Total Revenues	56,725	27,988	0	26,090	25,197	136,000
Expenditures:						
General Government	0	5,000	0	0	0	5,000
Recreation and Parks	46,629	0	0	0	7,468	54,097
Capital Outlay:						
Recreation and Parks	0	0	0	0	10,399	10,399
Total Expenditures	46,629	5,000	0	0	17,867	69,496
Excess of Revenues Over Expenditures	10,096	22,988	0	26,090	7,330	66,504
Other Financing Sources/(Uses):						
Transfers In	765	0	25,000	0	3,600	29,365
Transfers Out	(81,678)	0	0	(34,949)	0	(116,627)
Total Other Financing Sources/(Uses)	(80,913)	0	25,000	(34,949)	3,600	(87,262)
Net Change in Fund Balances	(70,817)	22,988	25,000	(8,859)	10,930	(20,758)
Fund Balances - July 1, 2015	140,473	132,842	236,155	123,370	37,571	670,411
Fund Balances - June 30, 2016	\$ 69,656	\$ 155,830	\$ 261,155	\$ 114,511	\$ 48,501	\$ 649,653

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TOWN OF SHELburnE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2016

	Bay Park Fund	Pinehaven Stormwater Fund	Library Building Fund	Highway Equipment Fund	Highway Salt/Sand Shed Fund	Police Fund	Fire Truck Fund	Total
<u>ASSETS</u>								
Due from Other Funds	\$ 44,022	\$ 3,375	\$ 38,381	\$ 268,969	\$ 23,128	\$ 81,465	\$ 65,610	\$ 524,950
Total Assets	\$ 44,022	\$ 3,375	\$ 38,381	\$ 268,969	\$ 23,128	\$ 81,465	\$ 65,610	\$ 524,950
<u>LIABILITIES</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>FUND BALANCES</u>								
Restricted	0	3,375	38,381	268,969	0	26,839	0	337,564
Committed	44,022	0	0	0	0	54,626	0	98,648
Assigned	0	0	0	0	23,128	0	65,610	88,738
Total Fund Balances	44,022	3,375	38,381	268,969	23,128	81,465	65,610	524,950
Total Liabilities and Fund Balances	\$ 44,022	\$ 3,375	\$ 38,381	\$ 268,969	\$ 23,128	\$ 81,465	\$ 65,610	\$ 524,950

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, 2016

	Bay Park Fund	Pinehaven Stormwater Fund	Library Building Fund	Highway Equipment Fund	Highway Salt,Sand Shed Fund	Police Fund	Fire Truck Fund	Total
Revenues:								
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 600	\$ 0	\$ 600
Fees and Licenses	0	0	12,919	0	0	0	0	12,919
Other	0	2,155	0	5,150	0	0	0	7,305
Total Revenues	0	2,155	12,919	5,150	0	600	0	20,824
Expenditures:								
Public Safety	0	0	0	0	0	1,308	0	1,308
Highway and Public Works	0	0	0	126	0	0	0	126
Library	0	0	11,298	0	0	0	0	11,298
Capital Outlay:								
Highways and Public Works	0	6,625	0	43,157	0	0	0	49,782
Public Safety	0	0	0	0	0	72,846	0	72,846
Debt Service - Principal	0	0	0	164,000	0	0	0	164,000
Debt Service - Interest	0	0	0	2,827	0	0	0	2,827
Total Expenditures	0	6,625	11,298	210,110	0	74,154	0	302,187
Excess/(Deficiency) of Revenue Over Expenditures	0	(4,470)	1,621	(204,960)	0	(73,554)	0	(281,363)
Other Financing Sources:								
Loan Proceeds	0	0	0	92,000	0	0	0	92,000
Proceeds from Sale of Equipment	0	0	0	46,754	0	1,500	65,610	113,864
Transfers In	8,500	0	0	81,000	0	35,000	0	124,500
Total Other Financing Sources	8,500	0	0	219,754	0	36,500	65,610	330,364
Excess/(Deficiency) of Revenues and Other Financing Sources/(Uses) Over Expenditures	8,500	(4,470)	1,621	14,794	0	(37,054)	65,610	49,001
Fund Balance - July 1, 2015	35,522	7,845	36,760	254,175	23,128	118,519	0	475,949
Fund Balance - June 30, 2016	\$ 44,022	\$ 3,375	\$ 38,381	\$ 268,969	\$ 23,128	\$ 81,465	\$ 65,610	\$ 524,950

TOWN OF SHELBURNE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR PERMANENT FUNDS
 JUNE 30, 2016

	Pierson Library Fund	Cemetery Fund	Lillian Davis Memorial Fund	Total
<u>ASSETS</u>				
Cash	\$ 28,652	\$ 0	\$ 0	\$ 28,652
Investments	0	160,013	107,988	268,001
Due from Other Funds	0	65,077	30,967	96,044
Total Assets	\$ 28,652	\$ 225,090	\$ 138,955	\$ 392,697
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to Other Funds	\$ 0	\$ 0	\$ 39,441	\$ 39,441
Total Liabilities	0	0	39,441	39,441
Fund Balances:				
Restricted	28,652	225,090	99,514	353,256
Total Fund Balances	28,652	225,090	99,514	353,256
Total Liabilities and Fund Balances	\$ 28,652	\$ 225,090	\$ 138,955	\$ 392,697

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TOWN OF SHELBURNE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON-MAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Pierson Library Fund	Cemetery Fund	Lillian Davis Memorial Fund	Total
Revenues:				
Contributions and Grants	\$ 8,318	\$ 0	\$ 0	\$ 8,318
Fees and Licenses	0	9,450	0	9,450
Investment Income (Loss)	51	(6,677)	16,417	9,791
Total Revenues	<u>8,369</u>	<u>2,773</u>	<u>16,417</u>	<u>27,559</u>
Expenditures:				
Library	765	0	0	765
Total Expenditures	<u>765</u>	<u>0</u>	<u>0</u>	<u>765</u>
Excess of Revenues Over Expenditures	<u>7,604</u>	<u>2,773</u>	<u>16,417</u>	<u>26,794</u>
Other Financing Sources/(Uses):				
Transfers Out	0	(9,000)	0	(9,000)
Total Other Financing Sources/(Uses)	<u>0</u>	<u>(9,000)</u>	<u>0</u>	<u>(9,000)</u>
Net Change in Fund Balances	7,604	(6,227)	16,417	17,794
Fund Balances - July 1, 2015	<u>21,048</u>	<u>231,317</u>	<u>83,097</u>	<u>335,462</u>
Fund Balances - June 30, 2016	<u>\$ 28,652</u>	<u>\$ 225,090</u>	<u>\$ 99,514</u>	<u>\$ 353,256</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, 2016

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Water Sales	\$ 894,026	\$ 923,442	\$ 29,416
Cut-Ins	7,500	21,000	13,500
Interest Income	2,000	4,662	2,662
Hydrant Maintenance Fees	6,300	6,700	400
Turn On/Off and Final Bill Charges	4,400	4,325	(75)
Tank Space Rent	27,301	27,301	0
Interest and Penalties	11,000	9,344	(1,656)
Transfer from General Fund	2,000	2,000	0
Transfer from Sewer Fund	19,236	19,230	(6)
Charges for Materials, Services and Miscellaneous	1,000	6,001	5,001
Total Revenues	974,763	1,024,005	49,242
Expenses and Transfers:			
Accounting and Auditing	2,334	2,334	0
Building Maintenance	1,000	1,034	(34)
Computer Services	2,000	2,266	(266)
Contractors and Equipment Rental	65,000	148,617	(83,617)
Debt Service	115,960	115,960	0
Employee Insurance - Dental, Disability and Life	5,386	5,413	(27)
Employee Insurance - Health	71,606	62,985	8,621
Employee Retirement	9,649	10,042	(393)
Employee Salaries - Overtime	18,190	18,623	(433)
Employee Salaries - Regular	167,402	175,734	(8,332)
Employee Social Security	14,137	14,500	(363)
Engineering	6,000	11,877	(5,877)
Equipment and Large Tools	2,000	349	1,651
Hydrant Installation and Maintenance	5,000	988	4,012
Insurance -Property/Casualty/Workers Comp.	12,600	12,602	(2)
Legal Services	5,000	6,710	(1,710)
Materials	5,000	10,921	(5,921)
Meter Purchases and Replacement	6,500	12,258	(5,758)
Mileage	100	0	100
Miscellaneous	3,000	8,348	(5,348)
Office Supplies	1,700	1,979	(279)
Postage	2,800	2,325	475
Pump Station	4,000	2,609	1,391
Small Tools	1,000	1,134	(134)
State Water Quality Fee	8,360	8,121	239
Tank Maintenance	0	4,753	(4,753)
Telephones/Pagers	3,900	3,326	574
Training	2,000	870	1,130
Uniforms	2,200	2,397	(197)
Valve Replacement/Maintenance	5,000	1,556	3,444
Vehicle Gas and Oil	6,000	4,095	1,905
Vehicle Repair and Maintenance	3,500	2,513	987
Water Purchases	330,722	343,736	(13,014)
Transfer to General Fund/(Administrative Services)	44,217	44,217	0
Transfer to Capital Improvement Fund	41,500	0	41,500
Total Expenses and Transfers	974,763	1,045,192	(70,429)
Net Income/(Loss)	\$ 0	(21,187)	\$ (21,187)
Adjustments to Reconcile to GAAP Basis Statements:			
Depreciation Expense		(107,179)	
Principal Payments		85,000	
Capital Fund Activity not in the Operating Budget		53,186	
GASB 68 Pension Adjustment		7,680	
Accrued Debt Interest Expense		(1,779)	
Change in Net Position - Exhibit G		\$ 15,721	

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TOWN OF SHELBURNE, VERMONT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (NON GAAP BUDGETARY BASIS)
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues and Transfers:			
User Fees	\$ 1,719,796	\$ 1,710,377	\$ (9,419)
Outside Septage	51,000	57,815	6,815
Interest and Penalties	25,000	21,647	(3,353)
Other	700	4,178	3,478
Transfer from General Fund (Stormwater Admin.)	5,000	5,000	0
Transfer from Sewer Expansion Fund	50,000	50,000	0
Total Revenues and Transfers	1,851,496	1,849,017	(2,479)
Expenses and Transfers:			
Wages - Regular	264,858	272,998	(8,140)
Wages - Overtime	26,451	28,674	(2,223)
Social Security	21,986	23,334	(1,348)
Health and Dental Insurance	87,119	63,538	23,581
Employee Retirement	15,777	13,240	2,537
Other Employee Benefits	6,702	8,009	(1,307)
Chemicals	38,800	33,981	4,819
Collection System Capital Improvements	25,000	48,505	(23,505)
Collection System Maintenance	40,000	24,796	15,204
Debt Service	615,359	599,840	15,519
Electricity	176,450	167,831	8,619
Heating Fuel	24,200	16,970	7,230
Lab Testing and Equipment	21,500	22,694	(1,194)
Miscellaneous Expense	3,500	2,987	513
Office Expense	6,500	4,815	1,685
Permits	4,000	3,300	700
Plant Maintenance	165,600	100,186	65,414
Plant Capital Improvements	0	65,689	(65,689)
Professional Services (Legal, Accounting, Engineering)	31,900	19,676	12,224
Insurance, Property, Liability and Workers Compensation	35,637	34,637	1,000
Safety Equipment	1,000	3,244	(2,244)
SCADA System Maintenance	3,500	525	2,975
Sludge Disposal	90,000	85,466	4,534
Training/Travel	5,500	1,978	3,522
Transfer to Capital Improvement Fund	50,000	50,000	0
Transfer to General Fund (Administrative Services)	44,217	44,217	0
Transfer to Water Fund (Meter Reading Services)	19,230	19,230	0
Truck Expense	14,000	14,429	(429)
Utilities (Phone, Telemetry, Water)	12,710	10,890	1,820
Total Expenses and Transfers	1,851,496	1,785,679	65,817
Net Income/(Loss)	\$ <u>0</u>	63,338	\$ <u>63,338</u>
Adjustments to Reconcile to GAAP Basis Statements:			
Transfer from Sewer Capacity Fund		(50,000)	
Transfer to Capital Improvement Fund		50,000	
SRF Loan Balance Adjustment		206,860	
Capacity Fund Interest Income		2,220	
Capital Fund Engineering Expense		(1,745)	
Depreciation Expense		(423,115)	
Debt Principal		586,188	
Debt Accrued Interest		(8,523)	
Capital Projects		89,694	
Capacity Fund Connection Fees		136,598	
GASB 68 Pension Adjustment		(17,443)	
Change in Net Position - Exhibit G		\$ <u>634,072</u>	

See Disclaimer in Accompanying Independent Auditor's Report.

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Fred Duplessis, CPA
Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Wendy C. Gilman, CPA
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, 2016, 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 14, 2017.

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 be 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 2016-1 and 2016-2 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 in the accompanying Schedule of Deficiencies in Internal Control as Items 2016-3 and 2016-4 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".

However, we have noted certain other matters that we reported to the management of the Town of Shelburne, Vermont in a separate letter dated February 14, 2017.

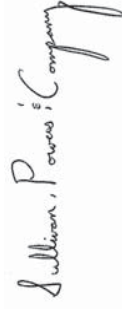
Town of Shelburne, Vermont's Responses to the Deficiencies in Internal Control

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 14, 2017
Montpelier, Vermont
VT Lic. #92-000180



TOWN OF SHELBURNE, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2016

Deficiencies in Internal Control:

Material Weaknesses:

2016-1 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 Finance Director reconciles the Town's primary checking account and initiates some ACH transactions. The monthly bank statements and work papers reconciled by the Finance Director are provided to the Treasurer and kept on file in the Treasurer's office. We will recommend that the Treasurer review the reconciliation and indicate as such on each monthly statement.

The Treasurer reconciles the other smaller checking accounts and CD's. These reconciliations could be reviewed and acknowledged by the Town Manager, Asst. Treasurer or Finance Director. We will develop a process for accomplishing this.

TOWN OF SHELBURNE, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2016

2016-2 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. There is no documentation authorizing the transfers.

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, account and 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.

Management Response:

Currently, the Treasurer, Assistant Treasurer and Finance Director are authorized to enter and release (for processing by the bank) electronic transactions. Each has their own username/password login that is not shared with or used by anyone else. Under the Town's current banking software, electronic transactions cannot be both entered and released by the same user. In other words, two users are needed to complete an electronic transaction. Our current practice, which has been in place since last year is to have both the person who enters the transaction and the person who releases it indicate which portion of the transaction they performed (i.e. enter or release) and initial the hard copy of the bank software showing the transaction. The hard copy with this information detailing the transaction is filed in the Town Clerk's office.

TOWN OF SHELburnE, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2016

There have been occurrences when two people are not available to enter and release an electronic transaction. In these cases, a fourth username/password and token is used to enter and release the transaction. The person doing this provides a hard copy documenting the transaction to the Treasurer or Asst. treasurer, which will be acknowledged. This documentation is kept in the Town Clerk's office.

Warrant reports for all payroll and payable batches are reviewed and signed by the Treasurer or Asst. Treasurer and a Selectboard member. Documentation of ACH payments are included on these Warrant Reports.

Significant Deficiencies:

2016-3 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 not reconciled with the general ledger.

Cause:

Unknown.

Effect:

The Town has inadvertently made its assets susceptible to misappropriation.

Recommendation:

We recommend that at least quarterly, the cash collected and revenues recorded in the Rec Track program be reconciled with the general ledger. This review should be documented.

Management Response:

All cash and check payments the Recreation Department receives are turned over to the Town Clerk's office, entered into the NEMRC Cash Receipts Module by account code (e.g. Soccer, Ski program, baseball etc.), and post automatically to the corresponding general ledger account. Each receipt processed in NEMRC is classified as checks or cash. Periodically, we will run payment reports in the NEMRC module by program broken down by checks and cash. This information will be reconciled with the RecTrac reports that show the payment history for the same period.

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TOWN OF SHELburnE, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2016

2016-4 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.

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.

Management Response:

Previously, journal entries prepared by the Finance Director were filed in the monthly folders in the Network Administrator/Financial Asst. office. Copies of non-routine entries were kept by the Finance Director in a binder. The Network Administrator/Financial Asst. has since retired. Effective immediately, all journal entries with backup prepared by the Finance Director will be kept in a binder and reviewed by and initialed by the Town Manager, Town Treasurer or Asst. Treasurer.

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TOWN OF SHELBURNE
STATEMENT OF DELINQUENT TAXES : FY 2015-16 *

For the year ended June 30, 2016, property taxes were assessed and accounted for as follows:
Number of taxable parcels: 2,889

	<u>Town **</u>	<u>Homestead School</u>	<u>Non-Residential School</u>	<u>Total</u>
Adjusted Grand List after Grievance (Jul-2015)	15,128,384	8,719,145	6,385,575	
x Tax Rate	\$ 0.3610	\$ 1.4916	\$ 1.5577	
	-----	-----	-----	
	\$5,461,346	\$13,005,477	\$9,946,811	\$28,413,634

** Includes local agreement tax rate

Recognition of FY 2015-16 Property Tax Revenue

Property Taxes Billed in FY 2015-16	\$28,413,634
Deferred Revenue: Property Taxes	27,779
Less: State School Property Tax Adjustments	(2,061,074)
Adjustments/Abatements/Appeals	(165,720)
Less: Act 60 Admin. Allowance retained by town	(46,745)
Less: Education Taxes Paid to State	(4,476,583)
Less: Education Taxes Paid to School District	(16,251,897)

Town Property Tax revenue for FY 2015-16	\$5,439,395

Delinquent Tax Accounts:

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>Increase/(Decrease)</u>
Total Delinquent Taxes	\$ 246,087	\$ 181,519	\$ (64,568)

Delinquent Tax Status at 30-Jun-16

<u>Tax Year</u>	<u># of Parcels</u>		<u>Principal</u>		<u>Interest</u>		<u>Penalty</u>		<u>Total</u>
2015-16	64	\$	94,635	\$	7,847	\$	4,940	\$	107,422
2014-15	11		20,407		4,243		727		25,377
2013-14	7		12,264		5,698		623		18,585
2012-13	7		14,192		9,376		780	\$	24,348
2011-12	4		1,420		2,565		266	\$	4,251
2010-11	3		285		1,113		138	\$	1,536
			-----		-----		-----		-----
Totals		\$	48,568	\$	22,994	\$	2,534	\$	181,519

**** 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	CSSU OFFICES	383-1234
PLANNING.....	264-5033		
GENERAL INQUIRIES	985-5110	TOWN OFFICE FAX	985-9550

MEETINGS

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

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

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

Water Commission – 1st Monday of the month, 5:00 P.M., Town Center.

Pierson Library Bd. of Trustees – 3rd Thursday of the month, 7:00 P.M., Pierson Library.

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

Shelburne School Board – 3rd Tuesday of the month, 7:00 P.M., CVU High School, Rm. 172.

CVU High School Board – 3rd Tuesday of the month, 7:00 P.M., CVU High School, Rm. 160.

CSSU Board – 3rd Tuesday of the month, 5:00 P.M., CVU High School, Rm. 160.

CVSD School Board - 1st Tuesday of the month, 6pm - 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 Clearly note the recipient's name when sending fax or email.

ALSO: Rep. Kate Webb
katewebbvt@gmail.com
Phone 985-2789

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

The Legislative web site at www.leg.state.vt.us has up to date information on what is taking place in the legislature.

**TOWN OF SHELBURNE
PO BOX 88
SHELBURNE, VERMONT
05482**

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