

Town of Shelburne, Vermont



231st Annual Town Report Fiscal Year 2018

Town Meeting: March 4, 2019
Australian Ballot Voting: March 5, 2019

DEDICATION



In November 2017, voters approved a \$6.5 million bond issue to construct a new library, renovate the historic Town Hall and do site improvements in the Town Center area. Following this vote, a group of volunteers undertook an effort to raise private funds and donations from the community to reduce the amount of the loan needed for the project. This group organized and ran successful fundraisers through “Giving Tuesday” and “Vermont Gives”, and maintained up to date postings on Facebook and the Library and Town websites. The Committee provided updates of their progress in the Shelburne News throughout their fundraising efforts. A generous challenge was offered by an anonymous donor to match donations received up to \$500,000. From this campaign, 426 donors gave gifts ranging from \$2 to \$100,000 towards the project, allowing the challenge match to be met, which resulted in private donations and grants totaling \$1,000,000. From this amount, \$600,000 will be used to reduce the loan amount needed for the project and \$400,000 will be applied to items initially removed from the project due to budget constraints.

Members of the fundraising committee include: Amy Berger, Debby Bergh, Cate Cross, Meagan Downey, Andrew Everett, Roz Graham, Ellen Mathews, Ann Smallwood, Cathy Townsend, and Alice Winn. Staff members Kevin Unrath and AJ Humphrey also provided support to the committee.

In recognition of this significant and successful fundraising effort, we dedicate this Town report to the volunteers involved and all the donors who contributed towards the \$1,000,000 raised for this project.

**THE HEART OF SHELBURNE
“THE PARADE”**

In seventeen eighty four
A sailor moved to town.
“An unbroken wilderness”,
“Swamp and frog pond year around”.

True pioneer and settler
With future vision he planned.
He gave our town “THE PARADE”,
Where together we now stand.

Here militia once gathered,
School children on this green played.
Multi- purpose gatherings,
Our common ground still today.

Our veteran’s memorial
Farmers market, our scouts too,
Gift from a man with a dream,
Captain Harrington, we thank you.

Written by
Rick Bessette
Shelburne Poet Laureate
2019

“The Parade”, was gifted by Captain Benjamin Harrington
In April, 1807. Information was gathered by Mr. Truman
Webster (1910-1994), a native of Shelburne. His work published in a
Volume titled “Shelburne, Pieces of History” published 1994



Shelburne 250th Anniversary on the Parade.

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GENERAL INFORMATION

Town phone numbers inside back cover
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NOTE: SCHOOL REPORTS:

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

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

Please Note: The CVSD School Report includes information that is no longer included in this annual Town Report.

NOTE: All financial statements in this report cover the Fiscal Year from July 1 through June 30. FY 2017-2018 (FY 2018) covers the period from July 1, 2017, to June 30, 2018. 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 termTerm Expires 2019
Diana Vachon, Town ClerkTerm Expires 2021
Robert Lake, Constable - 2 year termTerm Expires 2020

SELECTBOARD

Jaimesen Heins, Vice Chair - 2 year term.....Term Expires 2019
Josh Dein - 3 year termTerm Expires 2019
Jerry Storey, Chair - 2 year termTerm Expires 2020
Colleen Parker - 3 year termTerm Expires 2020
Mary Kehoe - 3 year termTerm Expires 2021

CHAMPLAIN VALLEY SCHOOL DISTRICT DIRECTORS

Russell CaffryTerm Expires 2019
David Connery, ChairTerm Expires 2020
Barbara MardenTerm Expires 2021

JUSTICES OF THE PEACE

Nancy E. Baker
Cate Cross
William Deming
Mike Donohue
Peter Gadue
Laura Gannon-Murakami
Mary Kehoe
Joan Lenes
Jennifer Leopold
Thomas Little
Becky Moore
Randolph Rowland
George Schiavone
Lee Suskin
David Webster

REPRESENTATIVES - CHITTENDEN DISTRICT # 5
2 Year Term

Kate Webb, 5-1Term Expires 2020
Jessica Brumsted, 5-2Term Expires 2020

CHAMPLAIN WATER DISTRICT

Peter GadueTerm Expires 2021

**TOWN OFFICIALS
APPOINTED BY THE SELECTBOARD**

Town Manager	Lee Krohn
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.....	Lee Krohn
Fence Viewer	Steve Gronlund
Harbormaster	Dan Couture
Tree Warden	David Hall
Treasurer	Colleen T. Haag
Poet Laureate	Rick Bessette

PLANNING COMMISSION - 3 Year Term

Jason Grignon, Chair	Term Expires 2019
Susannah Kerest.....	Term Expires 2019
Dick Elkins	Term Expires 2019
Kate Lalley.....	Term Expires 2020
Stephen Selin	Term Expires 2021
Andrew Everett	Term Expires 2021
Asim Zia	Term Expires 2021
Open, student	Term Expires 2019

DEVELOPMENT REVIEW BOARD - 3 Year Term

Lauren Giannullo	Term Expires 2019
Jeff Pauza, Chair	Term Expires 2019
Jeff Hodgson	Term Expires 2019
Norm Blais, Alternate	Term Expires 2019
Jeff McBride, Alternate	Term Expires 2019
Mark Sammut, Vice Chair	Term Expires 2020
Ian McCray	Term Expires 2020
John Day	Term Expires 2020
David Hillman.....	Term Expires 2021
Open, Alternate	Term Expires 2020

RECREATION COMMITTEE - 3 Year Term

Peggy Coutu, Chair	Term Expires 2019
Susan McLellan	Term Expires 2019
LynnAnn Prom.....	Term Expires 2019
Ann Clark.....	Term Expires 2020
Marvin Thomas	Term Expires 2020
Kelli Magnier	Term Expires 2020
Kathie Pudvar	Term Expires 2021
Bruce Whitbeck	Term Expires 2021
Renee Davitt	Term Expires 2021

WATER COMMISSION - 3 Year Term

Peter Gadue	Term Expires 2019
John Day	Term Expires 2019
Michael Regan	Term Expires 2019
John Schold, Chair	Term Expires 2020
Steve Smith	Term Expires 2021

PIERSON LIBRARY TRUSTEES - 3 Year Term

Jane McKnight Ribolini	Term Expires 2019
Lisa Merrill	Term Expires 2019
Barbara Comeau	Term Expires 2019
Laureen Mathon	Term Expires 2020
John Boscia	Term Expires 2020
Ruth Hagerman, Chair	Term Expires 2021
Cathy Townsend	Term Expires 2021
Luke Sweeney, student	Term Expires 2019
Open, student	Term Expires 2019

CEMETERY COMMISSION - 3 Year Term

Jennifer Martin Brown	Term Expires 2019
Stuart Morrow, Chair	Term Expires 2019
Deborah Belcher	Term Expires 2019
Rene Gagnon	Term Expires 2020
Ron Gagnon	Term Expires 2021

HISTORIC PRESERVATION AND REVIEW COMMISSION - 3 Year Term

Ann Milovsoroff	Term Expires 2019
Eileen Warner	Term Expires 2019
Fritz Horton, Chair	Term Expires 2020
David Webster	Term Expires 2020
Tom Koerner	Term Expires 2020
Dorothea Penar, Vice Chair	Term Expires 2021
Marc Vincent	Term Expires 2021

TREE ADVISORY COMMITTEE - 3 Year Term

Tod Warner	Term Expires 2019
Hope Johnson	Term Expires 2019
Ann Milovsoroff	Term Expires 2020
Jan Gannon	Term Expires 2020
Gail Henderson-King, Chair	Term Expires 2021
David Hall	Term Expires 2021
Vacant	Term Expires 2021

STORM WATER ADVISORY COMMITTEE

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

NATURAL RESOURCES AND CONSERVATION COMMITTEE - 3 Year Term

Peggy Day	Term Expires 2019
Jon Cocina	Term Expires 2019
Kyle Bergeron	Term Expires 2019
Peg Rosenau	Term Expires 2019
Fred Morgan.....	Term Expires 2019
Sean MacFaden	Term Expires 2020
Susan Moegenburg.....	Term Expires 2020
Gail Albert, Chair	Term Expires 2021
Don Rendall, Vice Chair.....	Term Expires 2021
Hannah Frasure, student.....	Term Expires 2019

BIKE AND PEDESTRIAN PATHS COMMITTEE - 3 Year Term

Steve Antinozzi.....	Term Expires 2019
Joplin James	Term Expires 2019
Kate Lalley	Term Expires 2019
Jeff Zweber	Term Expires 2019
Wendy Saville, Co-Chair.....	Term Expires 2020
Caroline Weaver	Term Expires 2021
Kevin Boehmcke, Chair.....	Term Expires 2021
Hazel Civalier- student	Term Expires 2019

SOCIAL SERVICE COMMITTEE - 1 Year Term

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

ETHICS COMMITTEE - 1 Year Term

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

VETERANS COMMITTEE - 2 Year Term

Paul Goodrich	Term Expires 2019
Al Dunbar	Term Expires 2019
Arthur Kunin.....	Term Expires 2019
Eric Hanley	Term Expires 2020
Colleen Haag.....	Term Expires 2020
Sam Feitelberg, Chair	Term Expires 2020
Carroll "Bud" Ockert	Term Expires 2020
James Donaldson,	Term Expires 2020
Pete Gadue	Term Expires 2020

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION - 2 Year Term

John Zicconi.....Term Expires 2020
George Schiavone, AlternateTerm Expires 2020

CHITTENDEN COUNTY TRANSPORTATION AUTHORITY - 3 Year Term

Denis BartonTerm Expires 2020

CHITTENDEN SOLID WASTE MANAGEMENT DISTRICT - 2 Year Term

Tim LoucksTerm Expires 2019
Lee Krohn, AlternateTerm Expires 2019

FRIENDS OF SHELBURNE VILLAGE DOG PARK COMMITTEE - 3 Year Term

Bob Owens, Chair.....Term Expires 2019
Kay Boyce.....Term Expires 2019
Kristin PriorTerm Expires 2019
Lissy Wolf.....Term Expires 2020
Mary West.....Term Expires 2020
Roz GrahamTerm Expires 2021
Lisa Williams.....Term Expires 2021

TOWN ADMINISTRATION

Town ManagerLee Krohn
Director of Administration (resigned Oct. 2018).....Ann Janda
Chief of PoliceAaron Noble
Planning DirectorDean Pierce
AssessorTed Nelson
Highway Superintendent.....Paul Goodrich
Water SuperintendentRick Lewis
Water Quality Superintendent.....Chris Robinson
Parks and Recreation DirectorBetsy Cieplicki
Maintenance Director.....Darwin Norris
Library DirectorKevin Unrath
Chief of Fire Department.....Jerry Ouimet
Chief of Rescue.....Jacob Leopold
Zoning AdministratorLee Krohn
DRB Coordinator/Assistant Zoning Enforcement Officer.....Ravi Venkataraman
Network & Web Page Administrator.....Betty Marcher
Finance Director.....Peter Frankenburg
Tax CollectorLee Krohn
Assistant Town TreasurerSue Moraska

TOWN CLERK'S APPOINTMENTS

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

SCHOOL OFFICIALS

Alison CelmerCommunity School K-4 Principal
Scott Sivo.....Community School 5-8 Principal
Adam Bunting.....CVUHS Principal
Elaine PinckneyCVSD 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	Education	State		Local	Total	Total
	Grand List	Grand List	Town Rate	Educ. Rate	Agrmt. Rate **	Tax Rate	Taxes Billed
2010-11 (Homestead tax rate)	14,230,844	14,240,508	0.3196	1.2920	0.0007	1.6123	23,453,000
2010-11 (Non residential tax rate)			0.3196	1.3791	0.0007	1.6994	
2011-12 (Homestead tax rate)	14,345,890	14,335,981	0.3290	1.2905	0.0006	1.6201	23,748,000
2011-12 (Non residential tax rate)			0.3290	1.3821	0.0006	1.7117	
2012-13(Homestead tax rate)	14,509,208	14,525,578	0.3374	1.3402	0.0007	1.6783	24,683,404
2012-13 (Non residential tax rate)			0.3374	1.3982	0.0007	1.7363	
2013-14(Homestead tax rate)	14,613,419	14,627,166	0.3470	1.3814	0.0007	1.7291	25,617,104
2013-14 (Non residential tax rate)			0.3470	1.4371	0.0007	1.7848	

	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Town Grand List (at 01-July)	14,699,970	15,128,384	15,058,306	15,192,592	15,330,240
Percent Change from prior yr.	0.6%	2.9%	0.2%	0.9%	0.9%
Education Grand List	14,674,289	15,112,601	15,036,990	15,171,201	15,301,753
Common Level of Appraisal	99.70%	98.54%	96.11%	96.00%	95.83%
Town Tax Rate	0.3571	0.3602	0.3724	0.3879	0.4197
Local Agreement Tax Rate *	0.0008	0.0008	0.0007	0.0006	0.0006
Homestead School tax Rate **	1.4506	1.4916	1.5385	1.4748	1.5246
Non-Residential School tax Rate **	1.5196	1.5577	1.5971	1.5990	1.6488
Total Homestead Tax Rate	\$ 1.8085	\$ 1.8526	\$ 1.9116	\$ 1.8633	\$ 1.9449
Total Non-residential Tax Rate	\$ 1.8775	\$ 1.9187	\$ 1.9702	\$ 1.9875	\$ 2.0691
Total Town Taxes billed (as of July)	\$ 5,248,731	\$ 5,448,591	\$ 5,606,446	\$ 5,892,246	\$ 6,438,043
Total Local Agrmt. Taxes billed (July)	11,488	11,849	10,435	8,519	9,204
Total School Taxes billed (as of July)	<u>21,696,956</u>	<u>22,964,137</u>	<u>23,492,909</u>	<u>23,164,851</u>	<u>24,168,145</u>
Total Taxes billed (as of July)	\$ 26,957,175	\$ 28,424,577	\$ 29,109,790	\$ 29,065,616	\$ 30,615,392

* 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 2019-20

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 2019. 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 2018 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.

<u>Estimated Property Tax Rates:</u>	<u>Homestead Property (1)</u>	<u>Non-Residential Property (1)</u>
Town Tax Rate (2)	\$0.4381	\$0.4381
Education Tax Rate (3)	\$1.5200	\$1.6620
Local Agreement Rate (4)	<u>\$0.0006</u>	<u>\$0.0006</u>
Total School + Town	\$1.9587	\$2.1007
Articles Voted Separately, if Approved :		
Town Article II. (Selectboard Salaries)	\$0.0000	\$0.0000
Town Article VI. (Open Space Fund)	\$0.0023	\$0.0023
Town Article VIII. (Land Purchase/Sales Agrmt.)	\$0.0016	\$0.0016
	-----	-----
Sub-Total, Separate Articles	\$0.0039	\$0.0039
Total Estimated Tax Rate:	<u>\$1.9626</u>	<u>\$2.1046</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 2019 town grand list as of July 2019. The estimated tax rate shown here assumes a grand list of \$15,495,000.
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 by Town vote in 2007 to exempt a portion of the appraised value of property owned by qualified disabled veterans from paying property taxes.



Town of Shelburne, Vermont

CHARTERED 1763

WARNING – ANNUAL TOWN MEETING

The legal voters of the Town of Shelburne are hereby notified and warned to meet at the Shelburne Community School on Monday, March 4, 2019 at 7:30 P.M. to hear about and act upon any of the following items not involving voting by Australian Ballot; and to hold a public hearing on items to be voted by Australian Ballot. The Meeting will then be adjourned and reconvened in the Shelburne Town Offices on Tuesday, March 5, 2019 to vote for Town Officers and to transact any business involving voting by Australian Ballot from the hours of 7:00 A.M. to 7:00 P.M.

- Article 1: To hear and act on the report of the Town Officers and the Auditor's Report for Fiscal Year 2018 (July 1, 2017 through June 30, 2018).
- Article 2: Will the voters determine the compensation to be paid to the Selectboard for Fiscal Year 2020 (July 1, 2019 through June 30, 2020) in the amount of \$0?
- Article 3: To transact any other business proper to come before Town Meeting.

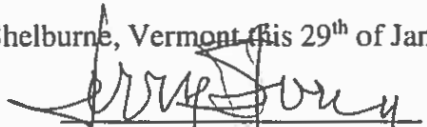
BALLOT QUESTIONS – to be voted by Australian Ballot

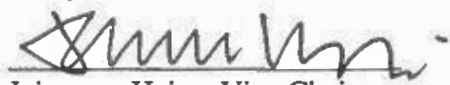
- Article 4: To elect all Town Officers as required by law.
- Article 5: Shall the Town adopt the Selectboard's proposed budget of \$9,548,668, of which \$6,788,734 is to be raised by taxes?
- Article 6: Shall the Town raise by taxes \$35,000 for the purpose of obtaining options and/or acquiring land or rights in land to preserve natural resources and open space; any unspent portion of that amount to be put into the Open Space Fund?
- Article 7: Shall the Town establish a reserve fund to be called the Fire Equipment Reserve Fund to be used for purchasing new or replacement fire department equipment and/or vehicles, in accordance with 24 V.S.A. § 2804?
- Article 8: Shall the voters of the Town of Shelburne appropriate \$25,000, subject to receipt of grants-in-aid, coupled with a \$25,000 contribution from the Town Ambulance Fund for the same purpose, to (1) enter into a Purchase and Sale Agreement for a portion of Lot 6 of the Rice Lumber property on the southwest corner of the intersection of Shelburne Road and Longmeadow Drive, and (2) determine the suitability of the site for a future fire and rescue station, with the work being undertaken jointly with Road to Hanna, Inc. d/b/a Healthy Living Market & Café which currently holds an option to purchase the property and intends to use a portion of the property for its own facility?

NOTE: The total of up to \$50,000 is a maximum dollar share of the first \$100,000 in joint costs (with the other \$50,000 to be paid by Road to Hanna, Inc. d/b/a Healthy Living Market & Café) over the next twelve months to analyze, subdivide, and

otherwise permit development of the property as steps in determining its suitability for both Healthy Living and a fire and rescue station. Should the site be determined to be suitable, this activity contemplates a Town vote at next year's Annual Town Meeting to consider purchasing the lot at a cost not to exceed \$650,000 and pay additional site related costs, subject to terms and conditions of a Letter of Intent between the Town and Healthy Living, which has been made available for public review.

Dated at Shelburne, Vermont this 29th of January, 2019 by the Shelburne Selectboard


Jerry Storey, Chair


Jaimesen Heins, Vice Chair

Mary Kehoe


Colleen Parker


Josh Dein

Filed this 30 day of January, 2019 in the office of the Shelburne Town Clerk


Diana Vachon, Town Clerk

ONLINE
COPY

TOWN OF SHELBURNE
GENERAL FUND FY 2019-20 PROPOSED BUDGET
JULY 1, 2019 TO JUNE 30, 2020
REVENUE & EXPENDITURE
SUMMARY

	FY 2018 2017-18 BUDGET	FY 2017 2017-18 ACTUAL	FY 2019 2018-19 BUDGET	FY 2020 2019-20 BUDGET	FY 2020 INCR (DECR)	% CHG.
REVENUE CATEGORIES						
1	Taxes, Penalties & Interest	\$5,975,246	\$5,887,675	\$6,529,192	\$6,885,134	\$355,942 5.5%
2	Town Clerk's Office	144,580	99,809	167,190	156,720	(\$10,470) -6.3%
3	Highways & Public Works	270,300	352,243	157,100	221,260	\$64,160 40.8%
4	Police & Emergency Dispatch	468,500	704,758	442,200	545,200	\$103,000 23.3%
5	Water & Sewer Admin.	90,212	90,212	92,918	95,705	\$2,788 3.0%
6	Cemetery	6,200	6,330	6,200	5,400	(\$800) -12.9%
7	Planning & Zoning	92,300	191,779	101,325	80,500	(\$20,825) -20.6%
8	Recreation	185,807	186,119	156,111	164,380	\$8,269 5.3%
9	Library	0	4,295	0	0	\$0
10	Investment Interest	1,000	455	500	500	\$0 0.0%
11	Rescue	259,919	273,169	509,207	677,051	\$167,844 33.0%
12	Building Use/Lease Income	144,564	149,852	145,850	150,427	\$4,577 3.1%
13	Transfer from Funds / Misc.	491,424	478,231	478,296	566,392	\$88,095 18.4%
14	TOTAL REVENUES	\$8,130,052	\$8,424,927	\$8,786,089	\$9,548,668	\$762,580 8.7%
EXPENDITURE CATEGORIES						
15	Selectboard/VLCT/Town Rpts.	\$27,030	\$28,028	\$27,793	\$21,593	(\$6,200) -22.3%
16	Legal	60,000	255,689	60,000	50,000	(\$10,000) -16.7%
17	Town Manager's Office	231,988	229,645	277,316	263,990	(\$13,327) -4.8%
18	Administrative Services	96,225	88,984	112,510	118,010	\$5,500 4.9%
19	Elections	2,500	6,714	16,000	6,800	(\$9,200) -57.5%
20	Finance & Insurance	568,269	593,213	535,888	545,516	\$9,628 1.8%
21	Town Clerk's Office	238,437	210,432	275,573	268,758	(\$6,815) -2.5%
22	Planning & Zoning	299,422	260,804	321,339	286,248	(\$35,091) -10.9%
23	Assessing/Reappraisal	85,925	78,350	80,786	84,212	\$3,426 4.2%
24	Buildings & Grounds	334,169	325,979	352,160	357,351	\$5,192 1.5%
25	Public Works/Stormwater	117,128	76,826	141,128	206,288	\$65,161 46.2%
26	Police	1,628,680	1,800,670	1,698,054	1,879,309	\$181,255 10.7%
27	Fire Dept.	381,701	210,600	416,305	552,442	\$136,137 32.7%
28	Public Safety/Dispatch	652,013	701,249	700,427	731,580	\$31,153 4.4%
29	Highway	1,351,778	1,381,946	1,243,773	1,372,710	\$128,937 10.4%
30	Health/Social Services	41,389	37,246	41,389	38,777	(\$2,613) -6.3%
31	Rescue	259,919	290,624	509,207	677,051	\$167,844 33.0%
32	Cemetery	51,086	62,460	52,538	53,450	\$912 1.7%
33	Recreation	334,377	323,972	328,084	349,936	\$21,851 6.7%
34	Harbormaster	50,100	53,040	51,000	50,100	(\$900) -1.8%
35	Library	401,092	403,894	411,573	441,450	\$29,877 7.3%
36	Debt Service	572,624	525,288	803,419	873,772	\$70,353 8.8%
37	Inter-Governmental Transfers	194,000	191,655	198,632	203,598	\$4,966 2.5%
38	Employee Misc. Benefits	102,200	83,886	84,195	85,730	\$1,535 1.8%
39	Selectbrd Discr./Other Projects	18,000	6,583	17,000	30,000	\$13,000 76.5%
40	Open Space Fund	30,000	30,000	30,000	0	(\$30,000) -100.0%
41	TOTAL EXPENDITURES	\$8,130,052	\$8,257,779	\$8,786,089	\$9,548,668	\$762,580 8.7%
42	Revenue - Expenditures	0	167,148	0	0	0
43	Grand List	15,192,600	15,058,306	15,339,323	15,494,816	155,493 1.0%
44	Tax Rate	\$0.3879	\$0.3879	\$0.4197	\$0.4381	\$0.0184 4.38%
	Tax rate Change From Prior Yr.		\$0.0155	\$0.032	\$0.018	
	Tax rate % Change From Prior Yr.		4.3%	8.2%	4.38%	

LINE #	REVENUE CATEGORIES	FY 2018 2017-18 BUDGET	FY 2017 2017-18 ACTUAL	FY 2019 2018-19 BUDGET	FY 2020 2019-20 BUDGET	FY 2020 INCR (DECR)	% CHG.	Notes
TAXES								
1	Property Taxes	5,892,246	5,822,821	\$6,433,792	\$6,788,734	\$354,942	5.5%	
2	Late Homestead Filing Penalty	13,000	15,254	13,000	14,000	1,000	7.7%	
3	Delinquent tax Penalty Charges	40,000	40,118	42,400	42,400	0	0.0%	
4	Delinquent tax Interest Charges	30,000	9,482	40,000	40,000	0	0.0%	
5 SUB-TOTAL TAXES		\$5,975,246	\$5,887,675	\$6,529,192	\$6,885,134	\$355,942	5.5%	
6 TOWN CLERK'S OFFICE								
7	Liquor Licenses	2,865	2,980	2,865	2,980	115	4.0%	
8	Animal Licenses	6,000	6,024	6,000	6,000	0	0.0%	
9	Animal License Transfer to Dog Park	(800)	0	(800)	(840)	(40)	5.0%	
10	Marriage/Civil Union Licenses	540	480	550	550	0	0.0%	
11	Deed Recordings	50,000	31,465	50,000	50,000	0	0.0%	
12	Misc. Income	300	1,343	300	500	200	66.7%	
13	Green Mtn Passports	175	182	175	180	5	2.9%	
14	Vault Time Fee	1,300	746	800	750	(50)	-6.3%	
15	Copier Use	7,000	6,537	7,000	6,500	(500)	-7.1%	
16	Vital Statistics Copies	4,000	4,790	4,000	4,800	800	20.0%	
17	Passport Fees	12,000	18,420	15,000	18,500	3,500	23.3%	
18	Motor Vehicle Registrations	200	297	300	300	0	0.0%	
19	LandRecords Preservation System			60,000	40,000	(20,000)	-33.3%	
20	Trsf. from Records Preservation Funr	61,000	26,544	21,000	26,500	5,500	26.2%	Note 1
21 SUB-TOTAL TOWN CLERK'S OFFICE		144,580	99,809	167,190	156,720	(10,470)	-6.3%	
22 HIGHWAYS/ PUBLIC WORKS								
23	Hwy State Aid	145,000	144,707	145,000	145,000	0	0.0%	
24	Hwy Permits	2,100	2,260	2,100	2,100	0	0.0%	
25	Road Cut Permits	8,000	7,500	10,000	10,000	0	0.0%	
26	State Paving/Road Constr. Grant		78,832			0		
27	Brook Lane		6,484			0		
28	Bik/Ped Path Grant	115,200	111,831		64,160	64,160		Note 2
29	Construction Reimbursements		628			0		
30 SUB-TOTAL HIGHWAYS		270,300	352,243	157,100	221,260	64,160	40.8%	
POLICE & EMERGENCY DISPATCH								
31	Judicial Fees	60,000	43,821	60,000	40,000	(20,000)	-33.3%	
32	Special Duty Reimbursement	17,000	52,204	17,000	17,000	0	0.0%	Note 3
33	Special Duty Enforcement Grants		212,078					Note 3
34	CVSD School Resource Officer Pmt				84,000	84,000		Note 4
35	Equipment Grants	22,500	8,708	10,000	15,300	5,300	53.0%	
36	Other Fees	300	3,590	300	300	0	0.0%	
37	Animal Enforcement	500	7	500	500	0	0.0%	
38	Insurance Reports	2,200	1,913	2,200	2,200	0	0.0%	
39	Fingerprinting	8,000	13,775	8,000	12,000	4,000	50.0%	
40	Misc. Donations		18,832					
41	Burn Permits		1,698	1,000	1,600	600	60.0%	
42	Dispatch Contracts	257,000	257,495	257,000	280,000	23,000	8.9%	Note 5
43	State E911 Call Center	90,000	83,158	76,200	81,300	5,100	6.7%	Note 6
44	Alarm Permits	11,000	7,480	10,000	11,000	1,000	10.0%	
45 SUB-TOTAL POLICE/DISPATCH		468,500	704,758	442,200	545,200	103,000	23.3%	
WATER & SEWER ADMINISTRATION								
46	Sewer Dept. Admin.	45,106	45,106	46,459	47,853	1,394	3.0%	
47	Water Dept. Admin.	45,106	45,106	46,459	47,853	1,394	3.0%	
48 SUB-TOTAL WATER & SEWER ADMIN.		90,212	90,212	92,918	95,705	2,788	3.0%	Note 7

LINE #	REVENUE CATEGORIES	FY 2018 2017-18 BUDGET	FY 2017 2017-18 ACTUAL	FY 2019 2018-19 BUDGET	FY 2020 2019-20 BUDGET	FY 2020 INCR (DECR)	% CHG.	Notes
1 CEMETERY								
2	Cemetery Fund Transfer & Interest							
3	Cemetery Other	1,400	1,750	1,400	1,400	0	0.0%	
4	Interment Fee	4,800	4,580	4,800	4,000	(800)	-16.7%	
5 SUB-TOTAL CEMETERY		6,200	6,330	6,200	5,400	(800)	-12.9%	
6 PLANNING/ZONING:								
7	Building Permits & Cert of Occup.	51,000	136,943	52,500	55,000	2,500	4.8%	
8	Site Plan/Subdiv/Cond'l Use Fees	15,000	25,995	17,500	18,500	1,000	5.7%	
9	Sign Permits	750	730	750	750	0	0.0%	
10	Town Regs/Plan/Public Wk spec.	50	11	75	250	175	233.3%	
11	Zoning Fees / Fines	500	0	0	0	0		
12	Planning/Zoning Other		28,100	500		(500)		
13	Grant Revenues	25,000		30,000	6,000	(24,000)	-80.0%	
14 SUB-TOTAL		92,300	191,779	101,325	80,500	(20,825)	-20.6%	
15 PLANNING/ZONING								
16 PARKS AND RECREATION								
17	Beach Stickers	16,075	15,351	16,075	16,525	450	2.8%	
18	Recreation Programs	34,807	43,000	29,085	35,880	6,795	23.4%	
19	Adult Leagues	1,500	1,461	1,410	1,410	0	0.0%	
20	Little League	14,840	21,598	14,790	19,460	4,670	31.6%	
21	Babe Ruth	4,600	3,670	4,140	4,290	150	3.6%	
22	Softball	3,550	3,010	2,926	3,000	74	2.5%	
23	Swimming Lessons	850	60	850	750	(100)	-11.8%	
24	Dog Obedience	4,080		2,500		(2,500)	-100.0%	
25	Martial Arts	1,280	1,705	960	1,600	640	66.7%	
26	Youth Basketball	3,600	3,153	3,475	3,475	0	0.0%	
27	Soccer	14,050	13,588	12,305	13,430	1,125	9.1%	
28	Summer Soccer Camp	14,250	14,975	14,250	13,500	(750)	-5.3%	
29	Ski Program	8,060	9,020	8,560	9,000	440	5.1%	
30	Concerts/Special Events	14,100	14,185	12,185	12,300	115	0.9%	
31	Lacrosse	10,225	7,494	10,300	10,650	350	3.4%	
32	Donations	500	635	500	500	0	0.0%	
33	Recreation Facility/Field Use Fees	9,300	12,423	9,500	10,500	1,000	10.5%	
34	Transfer From baseball Funds	15,540	3,407	12,300	8,110	(4,190)	-34.1%	
35	VANTIV EFT Fees		2,375					
36	Transfer from Bay Park&Other Funds		430					
37	Transfer From Davis Park Fund	14,600	14,581					
38 SUB-TOTAL PARKS & RECREATION		185,807	186,119	156,111	164,380	8,269	5.3%	
LIBRARY								
39	Copier Fees		1,655					
40	Grant Revenues							
41	Library gifts/donations		204					
42	Materials Reimbursements		1,358					
43	Misc. income		1,077					
44								
45 SUB-TOTAL LIBRARY		0	4,295	0	0	0		

LINE #	REVENUE CATEGORIES	FY 2018 2017-18 BUDGET	FY 2017 2017-18 ACTUAL	FY 2019 2018-19 BUDGET	FY 2020 2019-20 BUDGET	FY 2020 INCR (DECR)	% CHG.	Notes
1	FINANCIAL MANAGEMENT							
2	Investment Interest	1,000	455	500	500	0	0.0%	
3	Applied Fund Balance	0		0	0	0		
4	SUB-TOTAL	-----	-----	-----	-----	-----	-----	
5	FINANCIAL MANAGEMENT	1,000	455	500	500	0	0.0%	
6	RESCUE							
7	Transfer From Ambulance Fund	259,919	267,092	507,207	457,786	(49,421)	-9.7%	Note 8
8	Rescue Misc. Grants		2,800					
9	Radio Upgrade/replacement				217,265	217,265		
10	First Aid/ CPR Class Fees&misc.		558					
11	Misc. Income		2,720	2,000	2,000	0		
12	SUB-TOTAL RESCUE	259,919	273,169	509,207	677,051	167,844	33.0%	
13	MISCELLANEOUS							
14	Miscellaneous	3,500	54,510	3,500	3,500	0	0.0%	
15	Fire Dept. Grants/Donations/Misc.	171,413	12,000	171,413	280,820	109,407	63.8%	
16	Insurance Claims		165			0		
17	Pymt. in Lieu of Taxes	6,000	6,545	6,300	6,300	0	0.0%	
18	State Current Use Payment	120,000	124,267	122,000	122,000	0	0.0%	
19	Mooring Fees	50,100	53,040	51,000	50,100	(900)	-1.8%	
20	Town Ctr./ Tn Hall Facilities Use	15,000	9,738	5,000	9,000	4,000	80.0%	
21	Act 60/68 Administration	46,000	47,245	49,000	49,000	0	0.0%	
22	Retiree Health/Dental Premiums			1,848	1,848	0	0.0%	
23	Pierson Bldg. Lease	28,564	27,736	28,850	29,427	577	2.0%	
24	CSSU Village Ctr. Lease	64,000	71,000	71,000	71,000	0	0.0%	
25	CSSU Bldg. Maint. Allocation	37,000	41,379	41,000	41,000	0	0.0%	
26	Cellular Tower Fees	43,117	45,161	22,100		(22,100)	-100.0%	Note 9
27	Loan Proceeds		90,000					
28	Transfer Fr. Rec. Impact Fees Acct.	6,000	0	7,000	7,000	0	0.0%	
29	Beaver Creek Special Assessment	45,294	45,297	44,135	45,824	1,689	3.8%	Note 10
30	MISCELLANEOUS	635,988	628,083	624,146	716,818	92,672	14.8%	
31								
32	Total Non-Tax Revenue	\$2,237,806	\$2,602,106	\$2,352,297	\$2,759,934	\$407,638	17.3%	
33								
34	GRAND TOTAL	\$8,130,052	\$8,424,927	\$8,786,089	\$9,548,668	762,580	8.7%	
35	Grand List		15,192,600	15,335,166	15,494,816	159,650	1.0%	
36	Tax Rate		\$ 0.3879	\$0.4197	\$0.4381	\$ 0.0184	4.384%	
37	Tax Rate Change From Prior Yr.		\$ 0.0155	\$0.032	\$0.0184			

EXPENDITURE CATEGORIES		FY 2018	FY 2017	FY 2019	FY 2020	FY 2020	%	Notes
ITEM		2017-18	2017-18	2018-19	2019-20	INCR	%	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG.	
SELECTBOARD								
1	Selectboard Salaries	6,300	6,254	6,300	0	(6,300)	-100.0%	Note 11
2	FICA	482	478	482	0	(482)	-100.0%	
3	Expenses	8,500	8,284	8,000	8,000	0	0.0%	
4	VLCT Dues	9,248	9,124	9,711	9,593	(118)	-1.2%	
5	Town Reports	2,500	3,888	3,300	4,000	700	21.2%	
6 SUB-TOTAL SELECTBOARD		27,030	28,028	27,793	21,593	(6,200)	-22.3%	
7	Legal Expense	60,000	255,689	60,000	50,000	(10,000)	-16.7%	
SUB-TOTAL LEGAL EXPENSE		60,000	255,689	60,000	50,000	(10,000)	-16.7%	
8 MANAGER'S OFFICE								
9	Salaries	168,650	166,729	203,887	188,554	(15,333)	-7.5%	
10	Benefits	52,537	51,431	62,629	61,391	(1,238)	-2.0%	
11	Manager's Expenses	7,300	7,969	7,300	6,000	(1,300)	-17.8%	
12	Vehicle Expense	2,500	2,692	2,500	3,744	1,244	49.8%	
13	Emergency Management	1,000	823	1,000	2,000	1,000	100.0%	
14	Staff Parity Adjustments				2,300	2,300		
15 SUB-TOTAL MANAGER'S OFFICE		231,988	229,645	277,316	263,990	(13,327)	-4.8%	
16 ADMINISTRATIVE SERVICES								
17	Technical Assistance	10,000	7,132	15,000	12,500	(2,500)	-16.7%	
18	Training	7,000	3,677	7,000	7,000	0	0.0%	
19	Office Equipment & Repairs	5,000	11,839	2,000	2,000	0	0.0%	
20	Postage	19,000	11,165	21,000	19,000	(2,000)	-9.5%	
21	Copier Expenses	7,300	8,514	8,000	9,000	1,000	12.5%	
22	Office Supplies	7,000	8,666	8,500	9,000	500	5.9%	
23	Computer Software	14,110	12,071	14,110	14,110	0	0.0%	
24	Computer Hardware	8,075	1,157	10,000	18,000	8,000	80.0%	Note 12
25	Computer Tech. Assistance	12,000	17,638	19,000	19,000	0	0.0%	
26	Data Line	1,740	1,738	2,000	2,400	400	20.0%	
27	Telephone Exp. (Tn. Ctr & Library)	5,000	5,386	5,900	6,000	100	1.7%	
28 SUB-TOTAL ADMINISTRATIVE SVCS.		96,225	88,984	112,510	118,010	5,500	4.9%	
29 ELECTIONS								
30	Election Salaries	1,000	2,648	7,800	2,800	(5,000)	-64.1%	
31	Election Expense	1,000	3,905	7,200	3,000	(4,200)	-58.3%	
32	BCA Expenses	500	161	1,000	1,000	0	0.0%	
33 SUB-TOTAL ELECTIONS		2,500	6,714	16,000	6,800	(9,200)	-57.5%	
34 FINANCE & INSURANCE								
35	Salaries	181,054	169,238	147,449	151,934	4,486	3.0%	
36	Benefits	65,365	70,893	48,440	50,581	2,142	4.4%	
37	Property/Liability Insurance	300,000	299,543	312,000	312,000	0	0.0%	
38	Insurance Claims: Deductible	5,000	0	5,000	5,000	0	0.0%	
39	Unemployment Insurance	2,000	5,056	6,000	6,000	0	0.0%	
40	Annual Audit	14,850	48,483	17,000	20,000	3,000	17.6%	
41 SUB-TOTAL FINANCE & INSURANCE		568,269	593,213	535,888	545,516	9,628	1.8%	

EXPENDITURE CATEGORIES		FY 2018	FY 2017	FY 2019	FY 2020	FY 2020	%	Notes
ITEM		2017-18	2017-18	2018-19	2019-20	INCR	%	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG.	
1 TOWN CLERK/TREASURER								
2	Town Clerk Office Salaries	126,219	138,715	129,981	135,457	5,476	4.2%	
3	Town Treasurer Salary			6,435	6,435	0	0.0%	
4	Town Clerk Office Benefits	38,918	35,058	42,865	44,274	1,408	3.3%	
5	Town Treasurer Benefits			492	492	0	0.0%	
6	Expenses	2,000	2,660	3,000	3,000	0	0.0%	
7	Office Expense	9,800	6,870	11,300	12,000	700	6.2%	
8	ACS Recording Software&Supplies	21,000	24,596	21,000	26,500	5,500	26.2%	
9	Records Automation/Preservation	40,000	1,948	60,000	40,000	(20,000)	-33.3%	Note 1
10	Computer Software/Hardware	500	586	500	600	100	20.0%	
11 SUB-TOTAL TOWN CLERK/TREAS.		238,437	210,432	275,573	268,758	(6,815)	-2.5%	
PLANNING & ZONING								
12	Salaries	170,919	172,751	174,344	178,606	4,262	2.4%	
13	Benefits	61,702	67,322	71,228	73,042	1,814	2.5%	
14	Planning Expense	6,500	6,996	7,000	7,000	0	0.0%	
15	Conferences and Training	900	961	500	500	0	0.0%	
16	Special Projects		3,150			0		
17	Grant Funded Projects	39,500	2,843	42,667	10,000	(32,667)	-76.6%	
18	Planning Projects w/o Grants	7,500	0	14,000	10,000	(4,000)	-28.6%	
19	Planning Assistance	5,600	5,982	5,600	6,000	400	7.1%	
20	GIS & Permit Software	6,800	800	6,000	1,100	(4,900)	-81.7%	
21 SUB-TOTAL PLANNING		299,422	260,804	321,339	286,248	(35,091)	-10.9%	
22 AND ZONING		299,422	260,804	321,339	286,248	(35,091)	-10.9%	
23 ASSESSING								
24	Salaries	38,785	38,784	39,560	40,352	791	2.0%	
25	Benefits	15,304	11,205	17,372	18,489	1,117	6.4%	
26	Admin Asst.	28,336	23,767	20,353	21,370	1,018	5.0%	
27	Expenses	3,500	4,595	3,500	4,000	500	14.3%	
28								
29 SUB-TOTAL ASSESSING		85,925	78,350	80,786	84,212	3,426	4.2%	
BUILDINGS & GROUNDS								
30	Salaries	101,855	103,238	109,045	114,415	5,370	4.9%	
31	Benefits	51,014	46,094	53,615	55,437	1,821	3.4%	
32	Town Center Operating expense	50,000	51,343	52,000	53,000	1,000	1.9%	
33	Town Center Bldg. Maintenance	15,000	140	15,000	15,000	0	0.0%	
34	Town Hall Operating expense	2,000	1,044	2,000	2,000	0	0.0%	
35	Town Hall Bldg. Maintenance	5,000	300	5,000	5,000	0	0.0%	
36	Town Hall & Library Heating Fuel	7,000	8,032	8,000	8,000	0	0.0%	
37	Town Center Heating Fuel	22,000	17,299	22,000	21,000	(1,000)	-4.5%	
38	Town Center Utilities	52,300	49,015	55,000	55,000	0	0.0%	
39	Pierson Building Maintenance	7,000	3,598	14,000	12,000	(2,000)	-14.3%	
40	Transfer to HW Equip. Fund	1,000	1,000	500	500	0	0.0%	
41	Recreation Fields Maintenance	10,000	4,045	8,000	6,000	(2,000)	-25.0%	
42	Bike/Ped Trails				10,000	10,000		
43	Capital Projects	10,000	40,833	8,000		(8,000)	-100.0%	
SUB-TOTAL		334,169	325,979	352,160	357,351	5,192	1.5%	
44	BUILDINGS & GROUNDS	334,169	325,979	352,160	357,351	5,192	1.5%	

EXPENDITURE CATEGORIES		FY 2018	FY 2017	FY 2019	FY 2020	FY 2020	%	Notes
ITEM		2017-18	2017-18	2018-19	2019-20	INCR	%	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG.	
1 STORMWATER								
2	Salaries	10,000	10,000	15,000	32,000	17,000	113.3%	Note 13
3	Benefits	1,328	0	1,328	4,288	2,961	223.0%	
4	Legal/Professional Services	5,000		9,000	5,000	(4,000)	-44.4%	
5	Engineering/Planning	10,000	0	15,000	20,000	5,000	33.3%	
6	Stormwater Partnerships	8,600	7,500	8,600	10,000	1,400	16.3%	
7	Stormwater Permit Fees	14,000	17,959	14,000	16,000	2,000	14.3%	
8	Stormwater Maint. (So. Burl Contract	55,000	41,260	55,000	67,000	12,000	21.8%	
9	Matching Grant Funds			10,000	10,000	0	0.0%	
10	Misc.	1,000	107	1,000	1,000	0	0.0%	
11	Munroe Brook Flow Monitoring	12,200	0	12,200	9,500	(2,700)	-22.1%	
12	Training & Travel				500	500		
13	Stormwater Maintenance (Hwy Dept)				8,000	8,000		
14	Transfer to Wastewater Fund				7,000	7,000		
15	System Maintenance Materials				8,000	8,000		
16	Outside Contractors				4,000	4,000		
17	System Mapping				4,000	4,000		
18	SUB-TOTAL	-----	-----	-----	-----	-----	-----	
19	STORMWATER	117,128	76,826	141,128	206,288	65,161	46.2%	Note 13
20 HARBORMASTER								
21	Salary	5,318	5,318	5,424	5,532	108	2.0%	
22	FICA	407	407	415	423	8	2.0%	
23	Mooring Inspections/Maint.	11,100	11,695	14,600	14,900	300	2.1%	
24	Seasonal Dock&Buoy Install/Remove	6,600	5,725	5,600	6,000	400	7.1%	
25	Equipment	5,500	987	1,500	4,500	3,000	200.0%	
26	Admin exp.	300	120	300	300	0	0.0%	
27	Transfer to Bay Park Fund	20,876	28,788	23,161	18,444	(4,717)	-20.4%	
28	SUB-TOTAL	-----	-----	-----	-----	-----	-----	
29	HARBORMASTER	50,100	53,040	51,000	50,100	(900)	-1.8%	
POLICE								
30	Salaries	873,259	820,121	910,953	973,067	62,114	6.8%	
31	Overtime & Doubletime	119,080	150,529	108,175	139,573	31,398	29.0%	
32	Special Duty details		38,149			0		Note 3
33	Special Duty Enforcement Grants	17,000	231,482	17,000	17,000	0	0.0%	Note 3
34	Benefits	379,010	355,561	392,362	437,980	45,618	11.6%	
35	Employee Assistance Program			4,000	5,000	1,000	25.0%	
36	Community Outreach Program			6,560	17,300	10,740	163.7%	
37	Office Expense	10,500	10,883	11,000	11,000	0	0.0%	
38	Telephones	10,000	7,044	11,500	11,000	(500)	-4.3%	
39	Lifeline System	22,500	20,611	22,500	22,500	0	0.0%	
40	Radio Expense	10,700	3,922	10,700	10,200	(500)	-4.7%	
41	Travel/Conferences	2,500	276	5,000	5,000	0	0.0%	
42	Police Photos	6,000	0	6,000	9,000	3,000	50.0%	
43	Police Training	10,000	3,332	13,600	15,000	1,400	10.3%	
44	Gasoline	32,500	29,158	32,500	35,000	2,500	7.7%	
45	Tires	5,100	4,320	7,200	7,200	0	0.0%	
46	Vehicle Maint.	18,000	6,983	25,000	30,000	5,000	20.0%	
47	General Equipment	5,000	3,841	5,000	5,000	0	0.0%	
48	Firearms & Ammunition			2,000	3,500	1,500	75.0%	
49	Finger Print Equip. Expense	3,831	4,055	4,100	4,100	0	0.0%	
50	Uniform Purchase	8,000	12,749	11,000	11,000	0	0.0%	
51	Uniform Cleaning	3,500	2,001	3,500	3,500	0	0.0%	
52	Building expense	2,000	2,024	2,500	2,500	0	0.0%	
53	Computer Maint	19,000	17,612	20,000	25,700	5,700	28.5%	
54	Matching Funds for Grants	1,000	0	1,000	1,000	0	0.0%	
55	Capital Improvements	18,000	25,088	15,000	15,000	0	0.0%	
56	Transfer to Cruiser Fund	35,000	35,000	32,000	45,000	13,000	40.6%	
57	Animal Enforcement	3,100	1,720	3,100	3,100	0	0.0%	
58	C.U.S.I	14,100	14,208	14,805	14,090	(715)	-4.8%	
59	SUB-TOTAL POLICE	1,628,680	1,800,670	1,698,054	1,879,309	181,255	10.7%	

EXPENDITURE CATEGORIES		FY 2018	FY 2017	FY 2019	FY 2020	FY 2020	%	Notes
ITEM		2017-18	2017-18	2018-19	2019-20	INCR	%	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)	CHG.	
1 FIRE DEPARTMENT								
2	Salaries	47,000	49,194	61,500	51,000	(10,500)	-17.1%	
3	Station Coverage Stipend				0	0		
4	FICA	3,596	3,497	4,705	3,902	(803)	-17.1%	
5	Volunteer Retention Fund			1,500		(1,500)		
6	Office Supplies/Phones	6,445	9,696	7,040	8,090	1,050	14.9%	
7	Utilities, Heating Fuel & service	5,000	4,127	5,000	11,000	6,000	120.0%	
8	Fire Prev. & Training	7,000	2,901	7,000	7,000	0	0.0%	
9	Radio Maintenance	4,000	3,563	3,900	5,200	1,300	33.3%	
10	Fire Prot. Clothing	21,900	25,718	21,300	22,750	1,450	6.8%	
11	Uniforms				4,500	4,500		
12	Gas & Oil	5,000	2,635	5,000	5,000	0	0.0%	
13	Firefighting Supplies	5,500	5,102	8,000	8,000	0	0.0%	
14	Equipment Maint.	24,600	20,365	27,800	27,200	(600)	-2.2%	
15	Building Maint.	8,000	12,418	9,000	12,000	3,000	33.3%	
16	Fire Equipment	24,025	17,678	21,425	20,500	(925)	-4.3%	
17	Grant Projects	180,435	14,900	180,435	295,600	115,165	63.8%	Note 14
18	Rescue Boat	5,700	622	6,700	6,700	0	0.0%	
19	Capital Improvements	20,000	27,452	30,000	50,000	20,000	66.7%	Note 15
20	Periodicals & Memberships	2,000	934	2,000	2,000	0	0.0%	
21	Membership events/incentives	7,500	5,853	10,000	8,000	(2,000)	-20.0%	
22	Physicals/ PF Testing	4,000	290	4,000	4,000	0	0.0%	
	Fire & Marine Apparatus		3,654					
23 SUB-TOTAL FIRE DEPARTMENT		381,701	210,600	416,305	552,442	136,137	32.7%	
24 PUBLIC SAFETY & DISPATCH								
25	Dispatch Salaries	407,576	431,543	425,926	438,245	12,319	2.9%	
26	Overtime	50,764	85,373	61,313	63,088	1,775	2.9%	
27	Benefits	145,073	152,215	156,589	166,148	9,559	6.1%	
28	Training	3,000	468	3,000	2,500	(500)	-16.7%	
29	Uniforms	2,000	889	3,500	3,500	0	0.0%	
30	Uniform Cleaning	100	0	100	100	0	0.0%	
31	Capital Improvements	12,500	9,254	20,000	20,000	0	0.0%	
32	Dispatch Radio Equipment	15,000	13,843	12,000	14,000	2,000	16.7%	
33	Technology Mgmt. Fee			4,000	8,000	4,000	100.0%	
34	Pritchard Mt. Tower Lease			3,000	3,000	0	0.0%	
35	Computer Use	16,000	7,665	11,000	13,000	2,000	18.2%	
36 SUB-TOTAL PUBLIC								
37 SAFETY & DISPATCH		652,013	701,249	700,427	731,580	31,153	4.4%	
HIGHWAY								
38	Salaries	280,152	278,252	285,098	295,920	10,821	3.8%	
39	Overtime	29,570	30,331	29,715	30,988	1,273	4.3%	
40	Benefits	124,721	118,029	139,059	143,702	4,643	3.3%	
41	Inter-Dept. Assistance	1,835	2,427	2,000	2,000	0	0.0%	
42	Road Maintenance	40,000	34,844	40,000	45,000	5,000	12.5%	
43	Tree Removal	5,100	6,425	8,000	6,000	(2,000)	-25.0%	
44	Drainage System Maintenance	15,000	15,206	15,000	15,000	0	0.0%	
45	Capital Projects	45,000	13,300	40,000	40,000	0	0.0%	
46	Brook Lane Stormwater Grant Project		14,653					
47	Retreatment (Paving)	335,000	411,954	300,000	325,000	25,000	8.3%	
48	Sidewalk Maintenance	2,000	0	10,000	10,000	0	0.0%	
49	Traffic Safety Improvements	12,000	7,971	20,000	10,000	(10,000)		
50	Route 7 Sidewalk Tn Ctr to Shel Mus	128,000	131,619			0		
51	Line Striping and crosswalks	4,500	5,528	10,000	10,000	0	0.0%	
52	Engineering Svcs.	3,000	487	3,000	3,000	0	0.0%	
53	Street Signs	5,000	3,311	5,000	5,000	0	0.0%	
54	Winter Sand	5,000	5,528	5,000	5,000	0	0.0%	
55	Salt	95,000	105,997	100,000	115,000	15,000	15.0%	

EXPENDITURE CATEGORIES		FY 2018	FY 2017	FY 2019	FY 2020	FY 2020	%	Notes
ITEM		2017-18	2017-18	2018-19	2019-20	INCR	CHG.	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)		
HIGHWAY CONTINUED								
1	Garage Heating Fuel	7,300	6,217	7,300	7,300	0	0.0%	
2	Garage Utilities	14,000	12,220	14,000	14,000	0	0.0%	
3	Uniforms	4,600	4,388	4,600	4,600	0	0.0%	
4	Gas & Diesel	25,000	26,620	26,000	27,000	1,000	3.8%	
5	Equip. Repair & Maint	50,000	46,169	55,000	55,000	0	0.0%	
6	Transfer To Equip. Repl. Fund	80,000	80,000	85,000	95,000	10,000	11.8%	
7	Garage Expense & Supplies	5,000	9,948	5,000	8,000	3,000	60.0%	
8	Building Maintenance	5,000	282	5,000	5,000	0	0.0%	
9	Street Light Installation/upgrade	20,000	0	20,000	5,000	(15,000)	-75.0%	
10	Street & Caution Lights	10,000	10,243	10,000	10,000	0	0.0%	
11	Irish Hill to Thompson Rd Bike/Ped Path				80,200	80,200		Note 2
12 SUB-TOTAL HIGHWAY		1,351,778	1,381,946	1,243,773	1,372,710	128,937	10.4%	
13 HEALTH & SOCIAL SERVICES								
14	Salary - Health Officer	875		875	1,000	125	14.3%	
15	FICA	64		64	77	12	19.0%	
16	United Way/Social Service Agencies	38,000	35,246	38,000	35,000	(3,000)	-7.9%	
17	Transfer to Shelburne Community Fu	2,000	2,000	2,000	2,000	0	0.0%	
18	Health Officer Expense	450	0	450	700	250	55.6%	
19 SUB-TOTAL HEALTH & SOCIAL SERVICES		41,389	37,246	41,389	38,777	(2,613)	-6.3%	
21 RESCUE								
22	Volunteer Compensation	16,500	17,285	16,500	16,500	0	0.0%	
23	Volunteer Incentive Compensation	30,000	29,474	28,000	32,200	4,200	15.0%	
24	Paid Full/Part-Time compensation	80,000	112,495	90,000	128,892	38,892	43.2%	
25	Overtime	849	3,829	3,000	3,355	355	11.8%	
26	Benefits	29,370	23,527	23,307	31,703	8,396	36.0%	
27	Medical Supplies	24,000	15,453	23,500	23,500	0	0.0%	
28	Defibrulators				55,000	55,000		
29	Uniforms/Jump Suits	1,700	1,365	1,500	2,000	500	33.3%	
30	Operational Expense	18,000	23,695	20,000	100,000	80,000	400.0%	
31	Ambulance Transport Billing service	19,000	26,627	17,000	20,500	3,500	20.6%	Note 8
32	Oxygen	5,000	4,716	3,600	3,600	0	0.0%	
33	Training	2,200	5,767	4,400	4,400	0	0.0%	
34	Office Expense	2,000	1,962	2,000	2,000	0	0.0%	
35	Office Equip.	500	11	500	400	(100)	-20.0%	
36	Communications	4,000	4,123	3,000	228,700	225,700	7523.3%	Note 8
37	Vehicle Expense	12,000	9,681	9,500	9,500	0	0.0%	
38	Building Heating Fuel	2,300	2,002	2,500	2,500	0	0.0%	
39	Building Utilities	6,400	5,307	6,000	6,000	0	0.0%	
40	Building Maintenance	5,500	3,304	4,500	6,000	1,500	33.3%	
41	Immunizations	100	0	150	150	0	0.0%	
42	Public Education	500	0	250	150	(100)	-40.0%	
43	Ambulance Replacement			250,000		(250,000)		
44 SUB-TOTAL RESCUE		259,919	290,624	509,207	677,051	167,844	33.0%	
CEMETERIES								
45	Salaries	30,301	32,132	30,906	31,568	661	2.1%	
46	Interments	4,000	4,400	4,800	4,000	(800)		
47	Benefits	2,685	2,794	2,732	2,782	51	1.9%	
48	Supplies & Tools	1,000	627	800	600	(200)	-25.0%	
49	Committee Expenses	100	45	100	100	0	0.0%	
50	Gas Expense	1,000	952	800	1,000	200	25.0%	
51	Equip. Maint.	800	322	600	800	200	33.3%	
52	Equip. Purchases	500	364	500	500	0	0.0%	
53	Capital Projects	5,000	2,541	5,000	6,000	1,000	20.0%	
54	Transfer to Tractor Fund	1,600	1,600	1,600	1,600	0	0.0%	
55	Outside Services	3,000	15,716	3,500	3,500	0	0.0%	
56	Cremation Garden	1,100	966	1,200	1,000	(200)	-16.7%	
57 SUB-TOTAL CEMETERIES		51,086	62,460	52,538	53,450	912	1.7%	

EXPENDITURE CATEGORIES		FY 2018	FY 2017	FY 2019	FY 2020	FY 2020	%	Notes
ITEM		2017-18	2017-18	2018-19	2019-20	INCR	CHG.	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)		
PARKS & RECREATION								
1	Admin Salaries	95,182	95,436	102,844	106,634	3,790	3.7%	
2	Beach Salaries	18,755	20,761	19,939	25,830	5,891	29.5%	
3	Benefits	43,458	49,376	47,113	51,078	3,964	8.4%	
4	Admin. Expenses	8,409	7,811	6,447	6,175	(272)	-4.2%	
5	Online Registration Transaction Cost:	530	2,632	860	850	(10)	-1.2%	
6	Public Information	7,413	7,044	7,413	7,625	212	2.9%	
7	Beach Maintenance	5,200	3,340	4,200	3,700	(500)	-11.9%	
8	Beach Equipment	1,875	1,517	2,225	1,260	(965)	-43.4%	
9	Beach Admin. & Utilities	2,395	1,996	2,205	2,379	174	7.9%	
10	Adult Sports Leagues	100	0	100	100	0	0.0%	
11	Dog Obedience	2,500	30	2,050	0	(2,050)	-100.0%	
12	Swim Lesson Supplies	50	0	50	50	0	0.0%	
13	Youth Basketball	3,210	1,915	3,182	3,182	0	0.0%	
14	Little League Baseball	27,980	26,390	24,690	25,170	480	1.9%	
15	Babe Ruth Baseball	4,175	1,105	5,050	4,275	(775)	-15.3%	
16	Softball	4,233	2,220	2,926	2,966	40	1.4%	
17	Summer Soccer Camp	12,575	13,502	13,250	12,600	(650)	-4.9%	
18	Youth Soccer	10,465	9,937	9,850	9,745	(105)	-1.1%	
19	Recreation Programs	30,457	29,375	24,750	30,570	5,820	23.5%	
20	Special Events/Concerts/Firewrks	12,000	11,307	10,750	12,725	1,975	18.4%	
21	Ski Program	7,650	8,303	8,150	8,525	375	4.6%	
22	Davis Park	17,910	19,311	4,000	7,000	3,000	75.0%	
23	Park Maintenance	7,525	3,032	15,900	11,900	(4,000)	-25.2%	
24	Beach House Replacement Design				5,000	5,000		Note 16
25	Martial Arts	1,120	1,260	840	1,400	560	66.7%	
26	Lacrosse Programs	9,210	6,372	9,300	9,197	(103)	-1.1%	
27		-----	-----	-----	-----	-----	-----	
28	SUB-TOTAL PARKS & RECREATION	334,377	323,972	328,084	349,936	21,851	6.7%	
LIBRARY								
29	Salaries	216,364	230,781	222,026	240,130	18,104	8.2%	
30	Benefits	84,778	85,841	102,347	106,986	4,640	4.5%	
31	Supplies	5,700	2,629	5,900	4,900	(1,000)	-16.9%	
32	Books,Tapes,Periodicals,AV Mat'ls.	45,000	39,679	30,000	40,000	10,000	-88.9%	
33	Rent and Temp Relocation Expense			30,000	3,333	(26,667)	33.3%	
34	Building Maint. Expense	13,500	13,718	5,000	15,000	10,000	200.0%	
35	Library Utilities	17,300	20,649	5,000	19,500	14,500	290.0%	
36	Equipment Maint & Repair	2,150	1,084	2,200	1,000	(1,200)	-54.5%	
37	Administrative Expense	2,000	1,497	2,100	500	(1,600)	-76.2%	
38	Computer/Technology Expense	8,800	4,026	4,000	6,000	2,000	50.0%	
39	Programs	5,000	3,855	2,500	4,000	1,500	60.0%	
40	Public Information	500	136	500	100	(400)	-80.0%	
41	SUB-TOTAL LIBRARY	401,092	403,894	411,573	441,450	29,877	7.26%	Note 17
42 DEBT PAYMENTS								
43	Fire Truck (2010)	44,339	43,707	43,394	41,560	(1,833)	-4.2%	
44	Quint Ladder Truck 2017	20,000	21,817	90,689	89,487	(1,203)	-1.3%	
45	Library/Town Hall 2017			165,000	259,049	94,049	57.0%	
46	Rec. Path 2008 Bond; 2012 issue	28,515	28,515	28,010	27,438	(572)	-2.0%	
47	Town Center Project	216,740	216,740	219,019	205,395	(13,624)	-6.2%	
48	Recreation Fields Project	98,009	98,009	95,052	92,059	(2,994)	-3.1%	
49	Rec. Path 2008 Bond; 2008 issue	25,306	25,306	24,526	23,209	(1,316)	-5.4%	
50	Rec. Path 2008 Bond; 2010 issue	27,581	28,006	27,108	27,166	59	0.2%	
51	Beach Sea Wall 2009 Bond	16,316	16,390	15,962	15,585	(376)	-2.4%	
52	FY 2017 Capital Projects	50,525	1,501	50,525	47,000	(3,525)	-7.0%	
53	Beaver Creek 2009 Bond	45,294	45,298	44,135	45,824	1,689	3.8%	
54	SUB-TOTAL	-----	-----	-----	-----	-----	-----	
55	DEBT PAYMENTS	572,624	525,288	803,419	873,772	70,353	8.8%	

EXPENDITURE CATEGORIES		FY 2018	FY 2017	FY 2019	FY 2020	FY 2020	%	Notes
ITEM		2017-18	2017-18	2018-19	2019-20	INCR	CHG.	
		BUDGET	ACTUAL	BUDGET	BUDGET	(DECR)		
INTER-GOVERNMENTAL TRANSFERS								
1	County Tax	75,305	72,959	73,098	73,000	(98)	-0.1%	
2	Grtr. Burl. Ind. Devel. Corp (GBIC)	1,200	1,200	1,200	1,200	0	0.0%	
3	Chitt Cty Regional Planning(CCRPC)	18,756	18,756	19,319	19,898	580	3.0%	
4	Chitt. Cty. Transport Auth. (CCTA)	98,739	98,740	105,016	109,500	4,484	4.3%	
5	SUB-TOTAL INTER-	-----	-----	-----	-----	-----	-----	
6	GOVERNMENTAL TRANSF.	194,000	191,655	198,632	203,598	4,966	2.5%	
BENEFITS (Included in each Dept.)								
7	Retirement	158,835	156,286	162,055	196,671	34,617	21.4%	
8	Social Security	240,015	18,885	248,547	284,499	35,951	14.5%	
9	HRA & Flex Spending Admin.	21,500	8,570	21,500	21,500	0	0.0%	
10	Health Insurance Reimbursements	79,000	71,568	60,995	62,530	1,535	2.5%	Note 18
11	Health Insurance Premium	627,662		684,449	731,200	46,751	6.8%	Note 18
12	Long Term Disability & Life Ins.	23,580		21,564	22,399	835	3.9%	
13	Dental Insurance	49,251		50,009	49,731	(278)	-0.6%	
14	Employee Assistance Program	700	684	700	700	0	0.0%	
15	Retiree Dental Insurance		1,728	1,848	1,848	0	0.0%	
16	Employee Events/Recognition				1,000	1,000		
17	Immunizations	1,000	0	1,000		(1,000)	-100.0%	
18	Wage Parity Adjustments		1,336					
19	SUB-TOTAL BENEFITS	1,201,543	259,056	1,252,668	1,372,079	119,411	9.5%	
MISCELLANEOUS								
20	Selectbrd. Discretionary Expenses	5,000	1,464	5,000	3,000	(2,000)	-40.0%	
21	Beaver Creek 2016 assmt refund							
22	Town Committees Support	1,500	0	1,500	1,500	0	0.0%	
23	Town Community Events	1,500	1,596	1,500	1,500	0	0.0%	
24	Tree Conservation	10,000	3,522	9,000	9,000	0	0.0%	
25	Town Bldg. Energy Efficiency Impr.				5,000	5,000		
26	Town Bldg. Capital Improvements				10,000	10,000		
27	SUB-TOTAL MISC.	18,000	6,583	17,000	30,000	13,000	76.5%	
28 OPEN SPACE FUND								
29	Transfer to Open Space Fund	30,000	30,000	30,000		(30,000)	-100.0%	Note 19
30	SUB-TOTAL	-----	-----	-----	-----	-----	-----	
31	COMMUNITY IMPROVEMENT	30,000	30,000	30,000	0	(30,000)	-100.0%	
32	GRAND TOTAL EXPENDIT.	\$8,130,052	\$8,257,779	\$8,786,089	\$9,548,668	\$762,580	8.7%	

NOTES

1. A Municipal records reserve fund has been established, funded by recording fees charged in the Town Clerk's office. This fund will be used to support an automation project to store and index land records and other Town documents electronically.
2. The Town has received a grant to fund construction of a sidewalk and bridge from the Falls Rd/Irish Hill Rd. Bridge east to Thompson Road. The Grant will fund 80% of this project, which will take place over several years.
3. Police "Special Duty" details include enforcement details funded by State/Federal grants as well as traffic control at construction sites and public events. These are fully paid for by grant funds or by the organizations requesting the services.
4. The Shelburne Police Department has hired an officer with the primary responsibility to act as a School Resource officer at CVU High School and other District schools. The Champlain Valley School District will pay for the cost of this position.
5. Shelburne Dispatch Center provides dispatching services for Shelburne Police, Fire, Rescue and 33 other fire/rescue/police agencies in Chittenden, Addison and Grand Isle Counties. Fees charged to outside agencies for this service are included in this line item.
6. 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 this responsibility.
7. 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.
8. All of Shelburne Rescue's capital and operating expenses are funded by revenues received from transport billings, subscriptions and donations. The Department has also applied for a grant to replace its radio equipment, which will be upgraded to current technology.
9. Revenues paid by cellular phone companies with equipment located on the Town's water storage tank have been shared between the Town and Water Dept. The Water Dept. share will increase to compensate for the costs of maintaining the water tank, which are paid for in the Water Dept. budget.
10. 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.
11. Selectboard Salaries will be determined by separate floor vote at town meeting on March 4th.
12. Computer hardware expense includes desktop computer replacements and upgrades to the network server backup system.
13. Currently, the Wastewater Supt. also coordinates the Town's stormwater work. A Stormwater utility is planned to be established in the near future to undertake the numerous projects required by federal and state regulations The Monroe Brook flow restoration plan was completed in FY 2015-16. An implementation plan for stormwater mitigation measures will be developed as part of the Town's overall storm water management plan. The Town has contracted with the South Burlington Wastewater Dept. to assist in this process.
14. The Department has applied for a grant with Shelburne Rescue to replace its radio equipment, which will be upgraded to current technology
15. Capital improvements planned include putting funds aside for replacement of a utility truck and other equipment needs
16. The Shelburne Recreation Committee is working on plans to replace the existing Beach House at the Town beach. Work will include continuing to develop a conceptual design for this project..
17. The new Library is expected to be occupied early in the 2019-20 Fiscal Year. Initial building, utility and operating costs are based on best estimates at this time.
18. Town reimburses ½ of the deductible through a Health Reimbursement Account. Health insurance premiums are budgeted by department. The Town pays between 80% and 90% of the Platinum health plan premium.
19. The amount allocated to the Open Space Fund will be voted by Ballot on March 5th.

WARNING
CHAMPLAIN VALLEY SCHOOL DISTRICT ANNUAL MEETING
MARCH 4, 2019 AND MARCH 5, 2019

The legal voters of the Champlain Valley School District, are hereby notified and warned to meet at the Champlain Valley Union High School Room 160 in the Town of Hinesburg at five o'clock in the evening (5:00p.m.) on March 4, 2019, to transact any of the following business not involving voting by Australian ballot, and to conduct an informational hearing with respect to Articles of business to be considered by Australian ballot on March 5, 2019.

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

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

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

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

ARTICLE V: To establish the date of the Champlain Valley School District Annual Meeting of Monday, March 2, 2020 at 5pm at CVU High School and recessed and opened back up at Australian ballot voting on Town Meeting Day.

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

BALLOT QUESTIONS

The legal voters of the Champlain Valley School District, are hereby notified and warned to meet at their respective polling places on Tuesday, March 5, 2019, at seven o'clock in the forenoon (7:00a.m.), at which time the polls will open, and seven o'clock in the afternoon (7:00p.m.), at which time the polls will close, to vote by Australian ballot on the following articles of business:

ARTICLE VII: Shall the voters of the Champlain Valley School District approve the expenditure by the Board of School Directors of the sum of Seventy-Eight Million, Nine Hundred One Thousand, One Hundred Seventy Dollars (\$78,901,170) which is the amount the Board of School Directors has determined to be necessary for the ensuing fiscal year commencing July 1, 2019? It is estimated that the proposed budget, if approved, will result in education spending of Sixteen Thousand Seventy-One Dollars (\$16,071) per equalized pupil. This projected spending per equalized pupil is 2.0% higher than spending for the current year.

ARTICLE VIII: Shall the voters of the Champlain Valley School District authorize the Board of School Directors to allocate its current fund balance, without effect upon the District tax levy, as follows: assign, Five Hundred Thousand Dollars (\$500,000) of the school district's current fund balance as revenue for the 2019-2020 operating budget, assign up to One Million Dollars (\$1,000,000) of the school district's current fund balance to the District's Construction Fund for facilities repairs and maintenance projects, and assign the remaining balance, One Million,

Eight Hundred Twenty-Nine Thousand, Six Hundred Ninety-Eight Dollars (\$1,829,698) as revenue for future budgets?

ARTICLE IX: Shall the voters of the Champlain Valley School District authorize the Board of Directors to borrow money by issuance of notes not in excess of Four Hundred Eighty-Five Thousand Dollars (\$485,000) for the purpose of purchasing five (5) school buses?

POLLING PLACES

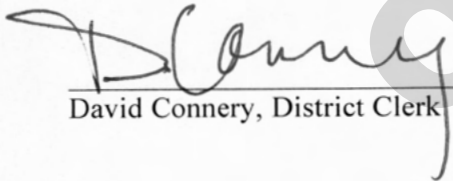
Charlotte	Charlotte Central School – Multi Purpose Room
Hinesburg	Hinesburg Town Hall – Upstairs
Shelburne	Shelburne Town Center – Gymnasium
Williston	Williston Armory
St. George	St. George Town Hall/ Red Schoolhouse

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


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

Adopted and approved at a duly noticed, called and held meeting of the Board of School Directors of the Champlain Valley School District on January 22, 2019. Received for record and recorded in the records of the Champlain Valley School District on January 23, 2019.

ATTEST:



David Connery, District Clerk

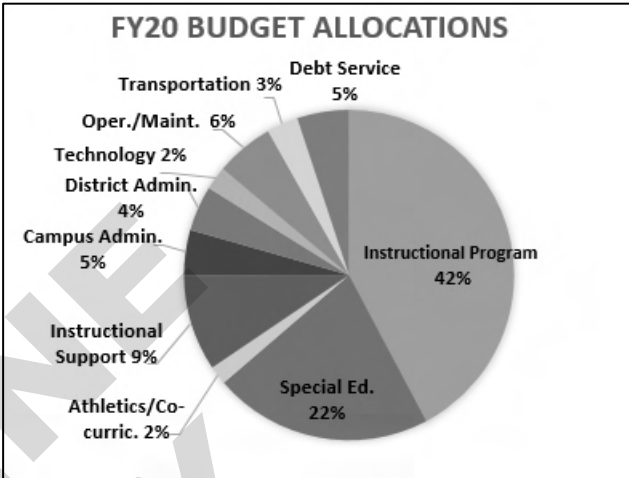


Lynne Jaunich, Chairperson

CVSD PROPOSED BUDGET INFORMATION

FY19 Budget	\$76,838,041
FY20 Budget	\$78,901,170
Percent Increase	2.7%

Expense Changes FY19 to FY20	
FY19 Budget	\$76,838,041
FY19 to FY20 Increases/Decreases	
Salary and Benefits (Regular Ed)	\$1,341,684
Special Education	\$573,772
Tuition Costs	(\$211,597)
Educational supplies, books, fees, etc.	\$216,737
Operations and Maintenance	\$142,095
Technology	\$28,122
Transportation	\$216,650
Food Service Subsidy	\$86,666
Consolidation Savings	(\$331,000)
CHANGE (2.7%)	\$2,063,129
FY20	\$78,901,170



CVSD Board Budget Goals
<ul style="list-style-type: none"> • Support implementation of Mission and Vision • Meet or Exceed Education Quality Standards • Implement key initiatives • Implement and continue to improve the budget process, including the focus on community input • ...at a cost the community will support

The proposed budget is increasing by 2.7% this year. Spending covers the increase of goods and services, such as energy costs and contractually obligated salary. These increases are partially offset by reductions made possible by the district consolidation implemented on July 1, 2017.

BUDGET IMPLICATIONS

Homestead Tax Rate

The forecasted state-wide homestead yield is \$10,666 which, based on the state's formula, produces a pre-CLA equalized homestead tax rate of \$1.51 (per \$100 of property value) for the CVSD towns. Adjusting for our 6¢ consolidation incentive, our equalized tax rate becomes \$1.45. Actual tax rates are adjusted further in each town for a statewide Common Level of Appraisal (CLA).

Equalized Tax Rate

FY '19	FY '20	FY '20, After 6¢ Consolidation Incentive is Applied
\$1.46	\$1.51	\$1.45 = Adjusted Equalized Tax Rate

CLA and Actual Homestead Tax Rate with CLA Applied

Adjusted Equalized Tax Rate = \$1.45	Common Level of Appraisal or CLA, issued 12/2018	Est. Actual Homestead Rate w/CLA Applied	Chg. From Previous Year
Charlotte	97.7%	\$1.48	-0.3%
Hinesburg	99.8%	\$1.45	0.1%
Shelburne	95.1%	\$1.52	-0.2%
St. George	93.1%	\$1.55	1.2%
Williston	94.7%	\$1.53	2.4%

Cost Per Equalized Pupil

FY '19 Cost per Equalized Pupil	FY '20 Cost per Equalized Pupil	Percent Change
\$15,749	\$16,071	2.0%

Property Tax Relief

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



Dear Families and Community Members,

Research and common sense tells us that schools succeed when educators, parents, and communities collaborate. Of course, there is much more to the success equation. In the Champlain Valley School District, we are proud of the work we are doing around the six elements of successful schools most recently articulated by the National School Boards Association.

- We focus on the total child. Our goal is to help all students become effective and empowered learners. We support their academic and social-emotional learning so that they will develop the skills and habits to succeed in our ever-changing world.
- We are committed to equity and access. We set high standards for learning and we make sure that all students have the individual and collective resources and supports to reach them. Please read Jeff Evans' and Meagan Roy's executive summaries in the CVSD School Report for specific ways in which we do this.
- We value family and community engagement. We believe that every family wants the best for its children and we encourage and support collaboration through parent/teacher conferences, strong parent/school organizations (FAPAC, PTO, PiE, etc.), and meaningful structures and opportunities for input.
- We distribute leadership in meaningful and important ways. There are many opportunities in CVSD schools to take on leadership roles regardless of official title. Our joint commitment - teachers and administrators - is to work together to do everything it takes to make our schools better.
- We have a strong teaching force and staff. Our principals, teachers, school counselors, specialists, and coordinators are well educated and well prepared, and they are committed to continuous learning.
- We value relationships. We care about each other, our students and their families. We place a high priority on ensuring a climate of safety, mutual trust, and respect. Each of our schools works with their parent groups to ensure that our schools are welcoming.



Of course, any one of these essential elements alone does not guarantee success. It is the interaction between the elements – the sum total – that makes the difference. We are proud of the work we've done to coordinate this work and to ensure a cohesive and coherent learning environment. Still, we are continually looking for ways to improve. Our students deserve no less.

With gratitude and appreciation,
Elaine F. Pinckney
Superintendent of Schools

CVSD Board of Educators Annual Report



I am honored to share highlights of Champlain Valley School District's first eighteen months as the largest consolidated district in the state. The CVSD School Report contains a wealth of information and provides a glimpse into the incredible work of the entire CVSD community. Please be sure to take a look. Since consolidation, our Board has focused on ensuring that the CVSD mission drives our work and that equity and autonomy guide our decision making.

The CVSD mission is to develop citizens who learn actively and collaboratively, think creatively and critically, live responsibly and respectfully, contribute positively to their community and pursue excellence. As a consolidated district, all of our common learning expectations and proficiency based graduation requirements have been aligned with this mission. The Board, through its Indicator Committee, has worked with the District's administration to answer the question "How do we know we are accomplishing our mission?" Utilizing our Continuous Improvement Plan, we now have indicators in four major categories (Proficiency, Personalization, Multi-Tiered Systems of Support and Social-Emotional Learning) that will help us monitor progress towards fulfillment of our mission.

While we have one mission for a consolidated CVSD, we recognize the autonomy that each school brings to meet that mission. What does equity and autonomy look like in a district with 3950 students in six schools in five towns? The Board spent considerable time at our retreat determining what "equity" means in CVSD. We adopted the VSBA/VSA working definition of "equity":

Educational equity means that each student receives the resources and educational opportunities they need to learn and thrive.

- Equity means that a student's success is not predicted nor predetermined by characteristics such as race, ethnicity, religion, family economics, class, geography, disability, language, gender, sexual orientation, gender identity or initial proficiencies.
- Equity means that every school provides high quality curriculum, programs, teachers and administrators, extracurricular activities and support services.
- Equity goes beyond formal equality where all students are treated the same. Achieving equity may require an unequal distribution of resources and services.
- Equity involves disrupting inequitable practices, acknowledging biases, employing practices that reflect the reality that all students will learn, and creating inclusive multicultural school environments for adults and children.

Although we are one district, we value the talents and differences that make each school unique. We strive to preserve the autonomy of each school which helps drive innovation and student success. The balance of equity/autonomy is a conversation we often have as we develop and revise our policies and budget.

Consolidation has also allowed the Board to change its budgeting and facilities management practice. Because our enrollment is projected to remain steady, we are now using a five year strategic model, based on economic indicators, as a target for our budgets. In addition, with the

completion of the Williston and Shelburne building project, a five year capital improvement plan has been developed to address current and anticipated future needs of our six buildings. This capital improvement plan will allow us to more accurately plan and budget for those necessary improvements.

External factors have also had an impact on our new district. Just after the publication of last year's annual report, the CVSD Board responded to the Parkland School shootings and the thwarted plot in Fair Haven, Vermont by passing a resolution on gun related violence. In addition to expanding the safety and security measures at each school, we have contracted for a school resource officer to be provided by the Shelburne Police Department.

While there have been challenges associated with merging districts we have met them by utilizing the strengths we possess. CVSD is looked upon as a model for consolidation for good reason. Our focus is on what is best for all students with the belief in the learning ability of every child.

Finally, I'd like to recognize Kevin Mara's retirement from the CVSD School Board. Kevin has been a member and chair of the Williston School Board, the CSSU Board, the consolidation study committee, and the facilities committee before joining the CVSD Board. His comprehensive knowledge and quiet fortitude will be missed.

Respectfully Submitted,
Lynne Jaunich
Chair, CVSD School Board



ABSTRACT OF TOWN MEETING

March 5 & March 6, 2018

Town Moderator Tom Little called the 230th Town Meeting to order on Monday, March 5, 2018 at 7:30 p.m. at the Shelburne Community School Gymnasium.

Moderator Little introduced the Boy Scout Troop #602 members Drew Buley, Vincent Cataloni, Matthew Connor, John Curley, Anders Erickson, Garrett Gruending, Brenden Hawko, Senior Patrol Leader Matthew Ireland, Fisher Irwin, Will Kalock, Dan Knight, Alden Looft, Tom Lyons, Gerrit Pottmeyer, Andrew Slauterbeck and Carson Webster. They presented the colors and led the Pledge of Allegiance to the U.S. flag.

Dave Connery played the National Anthem on the flute as the residents sang along.

Rick Bessette was recently re-appointed by the Selectboard for a second term as Shelburne's Poet Laureate. He said he is truly honored. He then read his poem, "To a Friend, (for Chief Jim Warden)" on behalf of the Town of Shelburne to Jim Warden, Shelburne's recently retired Chief of Police.

TO A FRIEND (for Chief Jim Warden)

There are many things about you
That folks came to trust and know.

Your love of this community,
Our grateful hearts, we bestow.

You always had a funny tale
To bring laughter to our day.
You could settle those in distress
In a firm yet calming way.

For thirty years you gave beyond
The call to serve and protect.
From people to dogs you were there
To resolve abuse and neglect.

With wisdom and understanding,
Controlling situations,
With a compassion in your heart
To avoid confrontations.

We wish you all the very best
On lives journey as you go.
You will forever be a friend,
And one we are proud to know.

Written by Shelburne Poet Laureate, Rick Bessette - 2018

The Annual Town Report is dedicated to Jim Warden, retired Chief of Police. The Report also recognizes two town employees Paul Goodrich, Highway Superintendent, and Cullen Bullard of the Shelburne Fire Department, for their 50 years of service to the Town.

Moderator Little introduced Town Clerk Diana Vachon, Selectboard members Chair Gary von Stange, Vice Chair Jerry Storey, Colleen Parker, and Jaime Heins (Josh Dein was unable to attend). Moderator Little also introduced Town Manager Joe Colangelo, Director of Finance Peter Frankenberg, Fire Chief Jerry Ouimet, Assistant Fire Chief John Goodrich, Constable Bob Lake, and Finance Assistants Bettyjean Bogue and Candy Bessette. Thank you to the Shelburne Community School custodians Bart Mattson, Bob Miller, and Maintenance Supervisor Chris Giard. Our VCAM crew tonight is Emilio Fornatora (director), Athena Kafantaris, and Ned McEleney. Thank you to Mike Ralston and Chelsea Palin from Cucina Antica for the wonderful dinner. House members here tonight are Jessica Brumsted and Kate Webb. Senate members Mike Sirotkin and Chris Pearson joined us for dinner, as did our State Treasurer, Beth Pearce.

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

The Moderator established that Robert's Rules of Order apply and also the protocols for debate and the procedures for raising questions and points of order. Hearing no objection, each speaker will be limited to two minutes of speaking, and no speaker will be permitted to speak twice until all others had a chance to speak a first time. Moderator Little announced that speakers should wait for Cullen Bullard or Kyle Bessette 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. The green paper will signify aye and the salmon paper will signify nay. He appointed Matt Vachon and Joanne Bessette as tellers.

By motion and second, these procedures were approved by unanimous voice vote.

There is only a Town meeting tonight since the Town no longer has a stand-alone school district. Dave Connery will give a short presentation on the CVSD's proposed budget and will come under other business.

The Moderator then went through each of the warned Articles, from the Town Meeting Warning on page 11 of the Report. Are there any questions on the reports in Annual Reports? Hearing none, the following Articles were taken up with the corresponding action (or, for the Articles reserved for voting by Australian ballot, no action).

ARTICLE I - Voted to hear and act on the report of Town officers and the Auditor's report for the budgetary period July 1, 2016 through June 30, 2017 [Fiscal Year 2017]. Page 342-34 in the Town Report. All in favor in adopt Article I as written. Passed unanimously by green card vote.

ARTICLE II – Salaries for the Selectboard – Current salaries: Chair \$1500 and other members \$1200. The amount has been the same for many years. Moderator Little entertained a motion to approve Article II. George Schiavone moved that the salaries remain the same. We have a second. Open for debate; none. All those in favor hold up your green card. Ayes have it. Passed unanimously by green card vote. Adopted Article II.

ARTICLE III - transact any other business; we will take this up after the presentations

ARTICLE IV - Election of Town Officers as per the ballot. Moderator Little read the open offices up for election. The only contested race is for the remaining one year of a two year Selectboard term. The candidates are Chris Boyd and Jaime Heins. Questions and debate are not allowed on this article.

ARTICLE V – Budget – Selectboard Chair Gary von Stange came to the podium and thanked the crowd for their attendance. Chair von Stange commented he is only Chair for a few more hours. The Chair introduced the Selectboard: Vice Chair Jerry Storey, Colleen Parker, and Jaime Heins. Josh Dein could not be here tonight. The Chair thanked the Selectboard members for their service. The Chair thanked all the Town Staff, volunteers, and residents here tonight. A special thanks to Joe Colangelo, Peter Frankenberg, and Ann Janda. They have made significant improvements on look of the budget and significant improvements around town. The Chair also congratulated Joe Colangelo on the birth of his son, Chester. The Chair praised Peter Frankenberg's unparalleled work ethic, work product, and manner of interaction - simply spectacular.

Tonight, we are discussing the General Fund budget. The Water and Sewer budgets are looked at in June. Thank you to the Shelburne Water Commission Chair John Schold, Vice Chair Mike Abrams, Mike Regan, Pete Gadue, and the Chair's son-in-law, Steve Smith. They have solved many problems. They were involved in Spear street water line installation, and Dorset Street storage tank working with South Burlington. They saved the Town \$100,000's of dollars.

This week the Selectboard received the audit report. Powers and Sullivan are the independent auditors. The Town once again received an unqualified ("clean") opinion. The Town fund balance increased and the sewer fund is healthy. Finances are in excellent shape. We need to increase our Grand List, which is necessary to fund the increase in cost of services. Shelburne has grown on the average 1.5%. This is projected to grow only one half of one percent. It is an inverse relationship between CLA and property tax. CLA is used to

equalize the education and school taxes. And is currently at 96%. The last Town full appraisal was done about 10 years ago.

Voters do not vote on the tax rate. Voters vote on expenditures. We are running a 24 hour/365 day a year police department, which is the largest cost item. The Highway department is the second highest cost. Maintenance is so important to keep road in good shape and keep down cost of fixes. A few highlights from our Police department: handled the ricin incident, Harbor Place murder suspect, and a 15 year-old boy allegedly threated Champlain Valley Union High School. There was excellent communication and work between Shelburne and Hinesburg Police. The Chair acknowledges the hard work and professionalism of Police both past and present. Highway Superintendent Paul Goodrich has served 50 years. Shelburne has the best roads in Chittenden County. Linda Goodrich is the head of our volunteer Shelburne Rescue, which provides excellent service. The Fire Department proposed an innovative way to finance paying firefighters to be at the firehouse during the day starting in fiscal year 2019. The Selectboard unanimously voted to approve this proposal. To illustrate the importance of this, a few months ago there was a fire in the village. The house was saved and credit was given to John Goodrich who was present at the Town Offices leading a fire drill for staff. With the staff's recommendation, the Selectboard determined that the additional \$14,500 and included in this year's budget was money well spent.

For the stormwater upgrade, the Selectboard wants to change how it will be paid for. Instead of using property taxes Shelburne would create a Stormwater utility. This could cut the cost in half.

Gary then turned to the Budget, Article V: Shall the Town adopt the Selectboard's proposed budget of \$8,749,207 of which \$6,397,010 is to be raised by taxes? Gary walked the Meeting through a series of detailed slides describing the elements of the proposed budget, showing comparisons to the current year's budget.

He then recognized and thanked former Selectboard member John Kerr. John's service to Selectboard, his analytical skills, and working with the Police Benevolent negotiations with the Union are greatly appreciated. License social workers are embedded in police force to assist with mental health issues. Thank you to the Social Services Committee for their work on this. It is a pilot study and we will see how it works.

Gary then reflected on his service on the Selectboard., and thanked those who helped him in that capacity, and who helped the Town: Joe Colangelo, Town Manager; Ann Janda, Director of Administration; Peter Frankenberg, Director of Finance; Ted Nelson, Assessor; Dean Pierce, Head of Planning and Zoning; our Clerk's office; the entire Finance Department, the Fire and Rescue Departments; the Ethics Pro Tempore Committee members: Ritchie Berger, Mike Regan, Roger Pries, Kathy Brooks, David Connery, Bruce Lisman; Tom Little; Tom and Jane Zenaty. Thank you to our Water, Sewer, Recreation, and Library Departments. Thanks to the residents who chose to participate in a positive way. Thank you to Rick Bessette, our poet laureate. Thank you to all the Town's volunteers. It is our volunteers who are the back bone of our community.

Gary then thanked his wife, Nora von Stange, for her patience and understanding as he was spending 40-80 hours a week serving the Town in the last four years. The Chair thanks the Town for the opportunity to serve.

Gary then asked Are there any questions or comments about Article V from the floor? Doug Robbie asked about budgeting and spending controls, and whether paying for the stormwater facility would be less costly using taxes versus a different assessment structure. The Selectboard Chair noted that the independent Auditor report said that Shelburne has excellent controls when it comes to budgeting and spending. And the utility would divide up the cost among users and not just tax payers. The tax- exempt properties would contribute in a stormwater utility.

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 Open Land Fund current balance is \$171,154. We have a strong open space committee and have preserved significant amounts of land. Lois Lynch asked what is being done about compliance with stipulations for property conditions as a

saved resource. Land Trust programs that require access for the public are in place. Some do not require public access and that depends on the condition and/or fragility of the land.

ARTICLE VII - Shall the Town of Shelburne enter into an agreement for the formation of a union municipal district to be known as the Chittenden County Public Safety Authority, for the purpose of providing regional emergency dispatch?

Town Manager Joe Colangelo gave a short summary, saying that it's important for Shelburne to be at the table and to be a member of the governing body. We need a yes vote to get there. There are many outstanding questions, such as are we spending the right amount of money? We currently provide dispatching service to 32 other communities; will they be able to be a part of new regional dispatch? Do we pay a penalty if the contracts are breeched? There is no penalty clause. We are a regional dispatch contract method. The new one is to see about a shared governance regional dispatch.

This Article will be voted on by Australian ballot tomorrow.

This completed the Selectboard presentation on the Australian ballot Articles.

Jerry Storey, Selectboard Vice Chair, then addressed the Meeting, noting that In addition to the long list that Gary thanked, it is time to thank Gary for nine years of service and his notable contributions to the Town. In light of his love of baseball and softball, Jerry will propose to the Selectboard that it approve a donation to the Lenny Bissonnette Scholarship Fund, which provides scholarship awards to deserving young baseball players with financial need. Currently the fund is at \$800. "Thank you, Gary."

Colleen Parker, MD, then rose to thank Gary for his nine years on the Selectboard and countless years and hours in other ways giving to Shelburne through volunteering and service. His passion and belief in service to the Town have been shown in how well Shelburne has been run. He sold kids toys on Front Porch Forum and then donated the money to the Food Shelf. He has been an amazing leader on the Selectboard. He ran every meeting following protocol, used Robert's Rules of Order, and still interjected humor to put kids at ease when they spoke into the microphone in front of room full adults, break into song. And he's not afraid of fight. He's honorable, principled, with limitless energy, and unparalleled passion and love for Shelburne. "Thank you, Gary." There was a loud round of applause in response to these remarks.

Joe Colangelo then a few updates on the pending stormwater project. This will be the most significant item of concern in the next year. He then gave a short update on the Pierson Library construction project: construction should start this summer. Kevin Unrath, the Library Director, was present to answer questions; no questions were asked.

Back to ARTICLE III, Other Town Business.

Moderator Little invited David Connery, Chair of the Champlain Valley School District (CVSD) to give a presentation on the CVSD budget proposal. David gave a budget presentation with detailed slides for the CVSD assessment, enrollment, budget for the new consolidation district. The district is the largest in the state in terms of the number of students; it includes Charlotte, Hinesburg, St. George, and Shelburne, with 900 employees and a total budget of \$72 million. For comparison, the Town of Shelburne has 50 employees and its budget total is \$8 million.

Chair Connery showed the mission statement for CVSD, which in summary is to help kids become great citizens and contributors to society. The budget board was made up of 12 school board directors and more contributors from each town. From Shelburne, the "budget buddies" were Cate Cross and Barbra Marden. Barbara is on the ballot for a three-year term for CVSD Director. Two great days to remember in 2017 are the Champlain Valley Union High School (CVU) graduation day and Shelburne Community School (SCS) graduation day. In English, Shelburne and CVU ranked "exceeds expectations." Also in Math except for one blip, where there was a misalignment of curriculum with testing content. Science assessments were great except for a little blip and again due to misalignment of curriculum. Enrollment is in the mid 700's from Shelburne.

The Governor gave a speech at the beginning of the legislative session this year, asking that school spending growth be no more than 2.3% and equalizing spending at 2.5%, and urging districts to manage costs and meet educational standards.

The FY 2019 budget forum at CVU was broken out by town and received a lot of input from parents on offerings and spending. Goals from state need to be worked into budget due to state mandates and expected increases in special education and proficiency based learning plans. We've had new lighting installed at SCS and new support beams and renovations. The total budget for all five towns and 3,500 plus students is \$76 million. Some factors save \$214,000 through the consolidation, such as some salary reorganization, some technology reorganization an expense that will save money in the future. With two bond costs coming on, debt service is 1.1 percent.

Chair Connery talked about how tax rate is calculated with new revenue and education funding bill. The Legislature has not calculated a new yield number. High schoolers cost more to educate than kindergarteners. He reviewed Articles VIII, XI, X, XI on the CVSD ballot. So now the debt bond is spread out over the district which is good for Shelburne, but the day will come other towns need renovations, and we will share the cost. He talked about the HVAC system in the Community School C wing that needs to be fixed, but was not part of the bond. We were able to have a positive balance after the renovations and some money was passed to Charlotte for boiler and to Hinesburg for a roof. We hope they will pass tomorrow.

Douglas Robbie asked about equalized percentage and to clarify that a high school students cost more to education. The answer is, yes.

Chair Connery acknowledged fellow board members Russ Caffry is in crowd to answer questions. Joan Lenes is here and leaving the CVSD board and thanked her for all of her many years of service.

That concluded the school presentation. Moderator Little thanked Dave Connery for his presentation and CVSD Board leadership.

Moderator Little asked if there was any other business to come before the meeting. Seeing no one rising to be recognized, he gave a special thanks to Diana Vachon Town Clerk for her hundreds of organizational hours, and her assistants and election officials who will be at the polling place tomorrow. At 9:43 PM Moderator Little entertained a motion to recess until tomorrow at 7am. Sit was so moved and seconded. The ayes had the vote. The Meeting will stand in recess until 3/6/18 at 7:00am when the polls open for Australian balloting on the Town Meeting and CVSD Articles. Thank you.

Respectfully submitted: Diana Vachon Town Clerk

TOWN ORDINANCES ADOPTED OR AMENDED IN 2018

Conflict of Interest Ordinance: A new Conflict of Interest Ordinance was adopted, seeking to simplify, streamline, and make more clear the expectations involved, and setting forth an understanding that educational opportunities would be created to help those covered by this Ordinance to understand their responsibilities.

Motor Vehicle Ordinance: The Motor Vehicle Ordinance was amended to reduce the speed limit on Falls Road as part of a strategy seeking to enhance safety.

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

SELECTBOARD REPORT

Dear Fellow Resident,

Annual Town Meeting records and celebrates our self-governance. It accounts for Town activities over the past year and proposes a Budget for those expected in the new year. It chooses Town leadership.

In the following pages you will read of the 2018 accomplishments and challenges of Town Departments, Committees, Boards, and Commissions. The detail and extent of these individual reports provide you special insight into the variety of Town services and obligations. The sum of them describe the business of the Town, day-to-day management of which is the job of the Town Manager and the policy direction of which is the responsibility of the Selectboard.

Mary Kehoe, Jaime Heins, and Jerry Storey were (re)elected to join Colleen Parker and Josh Dein on the Selectboard at Annual Town Meeting last year. Together, at the start of our service we agreed on three principal goals: to restore trust and confidence in elected leadership; to involve residents more directly in policy direction, respecting differing views and opinions; and, to update key Town policies, bringing these into compliance and infusing them with a forward-looking tendency.

We believe significant gains in community trust and confidence were evident over the past year. The Selectboard is its own best example of mutual respect and a productive, collegial working relationship. Our efforts to truly engage the community in policy questions and to directly encourage your views and opinions are now routine.

Last year, we approved revisions of the Town Personnel Policy and Ethics Ordinance, and, initiated an Appointments to Town Committees, Boards, and Commissions policy. The Planning Commission produced a new Town Comprehensive Plan which was submitted to the Selectboard for review and approval earlier this year.

In 2019 we will continue consideration and possible adoption of a Stormwater Municipal Utility intended to more equitably distribute costs of Town stormwater management and to prepare for the considerable capital and staff investment mitigation will require in the near term. Another priority for us this year will be to explore alternative sources of revenue to relieve the intensifying pressure on Town property taxes.

We appointed a new Town Manager, Lee Krohn, upon a lengthy search process ably conducted by a volunteer committee formed for that purpose. Lee had served as Interim Town Manager for six months last year, during which time the Town benefitted markedly from his considerable knowledge of municipal operations, strong interpersonal skills, and vision. He succeeds Joe Colangelo, who became Town Manager of Hanover, MA and whose tenure in Shelburne was greatly appreciated. We wish Joe every success in his new position.

Little of the accomplishments of the Town in the past year would be possible without the extraordinary energy and commitment of the 100+ volunteers who serve on Town Committees, Boards and Commissions. It is to these friends and neighbors and, equally and especially, to Town staff, that Shelburne's progress and quality of life is most responsible. We thank all of you.

Annual Town Meeting is also a renewal. With a collaborative Selectboard membership, skilled in a variety of disciplines and committed to partnering with all stakeholders to establish and help drive the Town's priorities; a new Town Manager in place; and, the prospect of a New Library and Town Center - itself a symbol of faith in a Shelburne future characterized by equal access to knowledge and unbounded personal growth - the Selectboard is well prepared and eager to meet your expectations of our leadership and service in 2019.

We thank our colleagues - Colleen Parker, Mary Kehoe, and Josh Dein - for their spirit and dedication. We are all honored to serve you and Shelburne.

Respectfully,

Jerry Storey, Chair
Jaime Heins, Vice Chair

TOWN MANAGER'S REPORT

2018 was a year of transition for the Town. We bid farewell to Town Manager Joe Colangelo, and welcomed Lee Krohn, first as Interim Manager for much of the year, and eventually as Town Manager under the terms of a three-year contract. We also bid farewell to Lieutenant Allen Fortin after many years of service, Director of Administration Ann Janda, and DRB Coordinator Kaitlin Mitchell, and welcomed Ravi Venkataraman to Town staff. Thanks to Linda Goodrich for her years of service as Rescue Chief, and to Jacob Leopold for taking over those major duties as Chief. 2018 was also a year of accomplishment; just a few key initiatives over the course of the year included:

A long running negotiation with the City of South Burlington was brought to a successful conclusion, with an agreement for reserve water capacity from the City's water tank on Spear Street in a very cost-effective manner for the Town.

An agreement with AFSCME, the Union representing Water, Wastewater, and Maintenance staff, was negotiated in a very collaborative process.

We began a project with other Chittenden County municipalities to embed community outreach counselors in our Police Departments to help defuse or de-escalate incidents with persons exhibiting highly challenging behaviors. By all accounts, this has been a tremendous success, and the program is slated to continue and perhaps even expand in 2019.

Our Police Department has seen other significant change as well. Upon appointment as Police Chief, Aaron Noble began to strengthen his command staff. Those Officers taking on more responsibilities and receiving corollary promotions include Lieutenant Mike Thomas, Sergeant Josh Flore, Sergeant Bruce Beuerlein, and Corporal Jon Marcoux. Dramatic and long overdue improvements were also made to the Department's physical space at our Town Offices, offering much more pleasant and appropriate working conditions, and also resulting in improved morale.

A new Conflict of Interest Ordinance was adopted; the Personnel Policy was updated; we came to agreement with the School District to provide a School Resource Officer at CVU; the new Library/Town Center project was launched, with significant progress made by the end of the year; considerable work was done replacing old wastewater collection pipes along Harbor Road and Falls Roads; and legal challenges continued in the court system (CLF appeal – wastewater treatment facilities), and Vermont Rail (now handled *pro bono* by legal counsel). Considerable work was also done toward implementation of a Stormwater Utility, an effort that will continue through 2019.

There is much more to do in 2019 and beyond. Thank you all for your support and for the newfound collaborative spirit that's been our foundation over this past year. I think we have regained our balance as a community. We can accomplish much when we're all rowing in the same direction together!

Lee A. Krohn, AICP
Town Manager

TOWN CLERK REPORT



The Vermont Town Clerk's 2018 Dragonboat "Freedom And Unity"

Our office filed the following vital statistics in 2018:

41 births 126 deaths 19 Burials 54 marriages

Our office also processed the following:

440 Passports 665 Passport photos
99 Motor vehicle registrations 574 Notary services
91 Green Mountain Passports 268 Overweight Permits
758 Cat and Dog Licenses

We recorded 5055 pages in warranty, quit claims and mortgage deeds, liens and other miscellaneous recordings in FY 2018 (July 1, 2017 to June 30, 2018).

We ran two elections in this fiscal year.

Shelburne Voter Turnout

Graphic Credit: Shelburne News

	<u>Library</u>	<u>Town</u>
	<u>Bond '17</u>	<u>Mtg '18</u>
Total Registered Voters	6139	6186
Absentee Ballots Cast	725	617
Voting Day Ballots Cast	<u>906</u>	<u>1483</u>
Total Ballots Cast	1631	2100
Percentage Voting	27%	34%

Source: Shelburne Town Clerk Diana Vachon

Inventory of the Town owned sewer & water infrastructure and easements was put on hold this year. This multi-year project is in conjunction with Shelburne Sewer & Water Dept. as well as Chittenden County Regional Planning Office. We look forward to resuming this project in FY 2019.

One of my passions in life is helping others. I was thrilled to co-caption a dragon boat of Town Clerks (plus a few family members and friends) this summer with Jessica Alexander Town Clerk in Jericho. We raised \$3,000. The Lake Champlain Dragon Boat Festival fund raised over \$159,000 and \$55,000 was given to UVM Integrated Therapies, which covers one year of their expenses. That means new services can be added to the program. We had so much fun paddling, laughing, and registering people to vote. Thank you to Bettyjean Bogue in our talented Finance Department for helping me to represent Shelburne!

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

~ Respectfully submitted, Diana K. Vachon, Town Clerk

ASSESSOR'S REPORT Shelburne Appraised Values – Fiscal year 2018

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

- A. Annual maintenance. We inspected changes and sent notices to 187 property owners in town. An additional 1,011 notices went out as part of the effort to reconcile the parcel maps to the Grand List descriptions. A majority of these values changed very slightly from last year. We also updated the parcel numbering system last year.
- 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 and charts below is a summary of key indicators by year.

Year	CLA	COD
2007 Pre – Reappraisal	78.31%	13.93
2008 Post - Reappraisal	99.26%	7.36
2009	97.86%	7.09
2010	97.89%	7.02
2011	97.60%	8.07
2012	98.70%	7.86
2013	100.20%	7.65
2014	99.70%	7.48
2015	98.54%	7.99
2016	96.11%	8.15
2017	95.67%	8.79
2018	95.83%	8.98
2019	95.07%	10.08

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.



We would like to thank the property owners and Town staff for their cooperation. We appreciate the understanding and cooperation of the vast majority of property owners contacted this past year. Special thanks to BettyJean Bogue who has been doing a great job and is now working into her second year with Peter Frankenburg in Finance and the Assessing office.

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

Respectfully Submitted, Ted Nelson

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

Planning Commission: When most people think of the Planning Commission, they think of the volunteers who meet regularly and tirelessly to create local land use policies (embodied in documents like the Comprehensive Plan) and regulations (e.g., Zoning and Subdivision bylaws). And in 2018, that is very much what Shelburne’s Planning Commission was busy doing. As many know, the Planning Commission spent part of almost every meeting during the year discussing the updating of Shelburne’s Comprehensive Plan. The end result—after four organized input sessions in August and dozens of other meetings with Town committees, residents, and representatives of groups like the Shelburne Business and Professional Association—is a visually striking 100-page document presented to the public at a hearing on November 15. Following the hearing, Planning Commissioners voted to forward the document to the Selectboard. The Selectboard must hold at least two hearings of its own before approving the document. By the time this report is published and read in the days before Town Meeting, it is possible Shelburne will have a new Comprehensive Plan. If not, work will be continuing until a new Plan is adopted. For the latest details, please consult the Town’s web site. Zoning proposals advanced by the Planning Commission to the Selectboard in 2018 included amendments allowing expansion of certain “nonconforming” structures in the Rural District, an amendment expanding the list of structures allowed in the Lakeshore overlay setback, and an amendment reducing land area requirement for certain single family residences in Rural District while at the same time expanding PUD requirements. The Planning Commission has also been continuing its work on Form Based Zoning (FBZ) but has not yet formalized a proposal. In November, three members of the Commission and two members of staff solicited suggestions for improving FBZ as part of a session at the 2018 Vermont Development Conference. In early 2019, when work on the new Comprehensive Plan is complete, Commissioners are expected to develop a new work plan that will prioritize zoning and other activities. Last but not least, the Commission that ended the year was not the same as began it. Membership changes during 2018 included the departure of Perry Gagliardi and Graham Byers. Stephen Selin was appointed to replace Perry. A complete list of current Planning Commission members is included in the front of the Town Report.

Development Review Board: Shelburne’s Development Review Board (DRB) is responsible for all primary development review functions, including Site Plan, Conditional Use, and Subdivision review. The DRB meets on the first and third Wednesday of each month. In 2018, the board held 21 meetings. In addition, the DRB held two special meetings in order to visit project sites. Current and alternate members are listed in the front of the Town Report. As shown in the table at right, the DRB reviewed a number of Subdivision, Site Plan, and Conditional Use applications. In addition, the board also conducted a partial and staged review, a review of a vegetative cutting permit application, and a review for a request for access. Notably, the DRB reviewed and approved the rebuilding of Pierson Library, renovations to the Town Hall, significant alterations to the Kwiniaska Golf Course and Golf Club, a four-lot subdivision off Irish Hill Road set to be developed into duplexes, and a four-lot subdivision off Spear Street. The board also reviewed and approved the Final Plan of the second Form-Based Zoning Application. This application involved the merging to two lots in order to create a two-story building with commercial uses on the first floor and six apartments on the second floor. The DRB will begin the 2019 calendar year with not only new projects but also projects that began the review process in 2018 and earlier. The board will continue to review the request

Development Review Board Activity, 2018	
Type of Review	Number of Applications
Site Plan /Design Reviews	
Site Plan Review	14
Design Review	22
Subdivision/PRD/PUD Reviews	
Sketch Plan	8
Preliminary Plan	6
Final Plan	6
Boundary Line Adjustments	4
Re-Approvals/Minor Amendments	3
Withdrawals	0
Form Based Zoning Reviews	
Site Plan	1
Conditional Use	1
Sketch	0
Preliminary	0
Final	1
Conditional Use Review	
Approvals	21
Denials	0
Withdrawals	0
Variance Reviews	
Approvals	0
Denials	0
Withdrawals	0
Appeals	
Approvals	0
Denials	0

for a 91-unit residential PUD next to the Kwiniaska Golf Club—the project better known as “the Kwiniaska PUD” or “Fairway at Spear”. In addition, the DRB will continue to review requests for a nine-lot residential PUD off Irish Hill Road, significant changes to the Shelburne Green Artisan Village, among other proposals. Since its founding in 2007, the DRB has followed the requirements of Vermont’s Municipal and Administrative Procedures Act (MAPA) as well as locally prepared Rules of Procedure. In December of 2015, the Selectboard adopted On the Record Review (OTR). That decision required local hearings to be conducted more formally. The decision also affected how appeals of DRB actions are reviewed in the Environmental Division of Superior Court. In 2018, the DRB did not hear any original appeals but did hear one matter “on remand” (for an appeal from 2017). One of the board’s 2018 decisions has been appealed to court.

Building Permits and Certificates of Occupancy: Issuing permits for all land development in Shelburne and Certificates of Occupancy falls under staff’s purview. In 2018, staff issued 176 building permits. As shown in the

following table, staff issued 12 zoning permits for single family dwellings and one zoning permit for new multi-family units. In addition, staff issued 11 Certificates of Occupancy (COs) for residential units—all but one for single family dwellings. The final table at right provides a detailed breakdown of Certificates of Occupancy issued in 2018, as well as in previous years. In 2018, staff issued four less COs than in 2017. Staff issued significantly less COs for two-family and multi-family units in 2018 than in 2017, but gave two more COs for single-family units than in 2017.

Building Permits, 2012-2018							
	2012	2013	2014	2015	2016	2017	2018
Single Family House Permits	13	23	19	15	17	7	12
Multi Family House Permits	3	8	2	1	3	5	1
Total all Residential and Non Residential Building Permits	154	208	181	146	139	137	176
Residential Units Receiving Certificates of Occupancy, 2012-2018							
	2012	2013	2014	2015	2016	2017	2018
Single Family Units	15	17	32	10	15	6	8
Duplex Units	2	6	4	6	6	4	1
Non Duplex Condo Units	14	0	0	0	0	0	0
Accessory Apartments	0	0	1	0	1	0	0
Multi-Family Apartments	0	0	74	0	4	7	2
Total # Units Receiving CO	31	23	111	16	26	15	11
Replaced/ Renovated Units*	2	5	5	2	6	0	0
Affordable Units*	2	0	78	0	2	0	0

* Also included in unit type categories and totals

Planning and Zoning Office: The Planning and Zoning Department helps administer local regulations and provides support to several public bodies. These bodies include the Planning Commission, Historic Preservation and Design Review Commission, Bike and Pedestrian Paths Committee, Natural Resources and Conservation Committee, and Development Review Board. The Department also supports the Selectboard and the Town Manager (who, under the Town Charter, is Shelburne’s chief zoning enforcement official). Planning and Zoning Department staff consists of Dean Pierce (Director of Planning and Zoning), Ravi Venkataraman (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. (Ravi replaced Kaitlin Mitchell in June of 2018, after Kaitlin relocated to begin graduate school.) Planning and Zoning 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, Library, and Post Office, as well as on the Town’s web site. Individuals with an interest in serving on the DRB (as a member or alternate member) or the Planning Commission are encouraged to express their interest by contacting the Town Manager.

Respectfully Submitted, Jason Grignon, Chair, Planning Commission; Jeff Pauza, Chair, Development Review Board; Dean Pierce, AICP, Director of Planning and Zoning; and Ravi Venkataraman, DRB Coordinator.

SHELBURNE POLICE DEPARTMENT AND COMMUNICATIONS CENTER

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

Police Department: The department continues to provide professional, courteous service to our community. The department has taken steps to adapt to the ever-changing needs of our community, examining strategies and best practices, and in collaboration with various Federal, State and Local agencies.

All of our Police Officers have completed state-mandated training in addressing and assisting individuals experiencing a mental health crisis. The department has seen an increase in people in need of social and/or mental health services, and continues to develop strategies to provide efficient and timely services.

The Community Outreach Team has proven to be an exceptional resource for members of our community. Prior to formation of this team, police officers were spending a disproportionate amount of time with individuals in need of services for which they were ill-equipped to provide. While police were able to identify those in need, they had neither the time nor the resources to adequately address the underlying issues. The deployment of the Community Outreach Team, working hand in hand with law enforcement, has facilitated access to appropriate social services, including mental health support, to those in our community who are in need. Their proactive approach has provided a more efficient and appropriate delivery of services.

With the decriminalization of small amounts of marijuana and the state’s opioid epidemic, we continue to see an increase in drug-related incidents. Our department has worked with a variety of agencies to address this problem on multiple fronts. Officers have been able to access specialized training in the area of drug trafficking and investigations and we continue to work with our local, state, and federal law enforcement partners. Shelburne Police Officers continue to work closely with Shelburne Rescue in a first response capacity to drug-related medical calls. Our officers carry and have been trained in the use of Narcan. To combat those driving under the influence of drugs, our officers have advanced roadside impairment detection training and we have a Drug Recognition Expert (DRE) on staff. The extensive DRE training was entirely state or grant funded with no cost to Shelburne residents.

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

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

The Shelburne Police Department has been recognized both Statewide and Nationally for its traffic safety efforts.

The Shelburne Police Department is a full-service police department accessible to the public 24 hours a day, year-round. For 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.

Officer Kyle Brooks has successfully completed the Vermont Police Academy as well as the department’s Field Training Program. Kyle has proven a valued and committed member of our policing team. The department also welcomes the addition of Officer Sabrina Boutin, who is currently completing her training.

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

The center is the primary Public Safety Answering Point (PSAP) for 9-1-1 calls 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 in 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 be 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.

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

Respectfully submitted,
Chief Aaron Noble

SHELBURNE FIRE DEPARTMENT

The Shelburne Volunteer Fire Department responded to 262 calls in 2018 which was down slightly from 281 calls in 2017. The majority of our responses are to motor vehicle accidents, CO alarms, and automatic fire alarms. The departments Fire Boat responded to 12 calls on the lake this year, which has been the average for the past few years, working closely with the Coast Guard and VSP. The majority of calls are for overdue boaters and boaters in distress. We also provide assistance in covering events on the lake such as Burlington’s 4th of July fireworks.

The Shelburne Fire Department is still a volunteer department, providing service to the Town of Shelburne 24/7, 365 days a year, and it would not exist without the commitment and numerous hours of training by its current roster of 33 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. Currently, 21 of our 32 members are trained at a level of FF1 or higher.

Our fire prevention program continues to be one of our biggest commitments to the community. In 2018,

firefighters volunteered over 275 hours in 12 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. We also coordinate the “Mock DWI Crash” program at CVU annually, introducing Juniors and Seniors to the inherent risks of a driver under the influence.

At our annual Fire/Rescue banquet, Firefighters Honored Chief Jerry Ouimet with Fire Officer of the Year for his work and dedication to the department and town of Shelburne. The Officers recognized Josh Estey for his commitment and service to the department and the town of Shelburne by selecting him as Firefighter of the Year, and Cullen Bullard was awarded a plaque recognizing him for his 50 years of service to the Shelburne Volunteer Fire Department. Another of our members, Lauryn Ouimet, was recognized by the Vermont State Fire Fighters Association receiving the Vermont State Youth Fire Fighter of the Year award.

The Shelburne Firefighters Association continues to offer to the residents of Shelburne the green reflective address signs. These signs are visible day or night and are very 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 while striving to maintain our “Volunteer” status. The Officer’s and firefighters of the Shelburne Volunteer Fire Department continue to stand ready to respond to any and all of your calls for assistance.

Respectfully submitted,
Jerry Ouimet-Chief, Shelburne Volunteer Fire Department

Current Officers of the Shelburne Fire Department;
Jerry Ouimet – Chief
John Goodrich – Deputy Chief
Andrew Dickerson – Captain
Dwight Mazur – 1st Lieutenant
Devin Major – 2nd Lieutenant
Lee Krohn – Secretary
Tom Tompkins – Treasurer



SHELBURNE RESCUE

Shelburne Rescue closed out 2018 with more than 1100 emergency calls, with all signs suggesting increases to that number to continue in 2019. Shelburne Rescue is now in its 30th year of operation, providing emergency medical services to the town of Shelburne and mutual aid to Shelburne Volunteer Fire Department, Charlotte Fire and Rescue, the towns of Ferrisburgh, Hinesburg, Huntington, Monkton, and the cities of South Burlington and Burlington.

Fiscally, Shelburne Rescue continues to be supported through insurance billings, the annual subscription, generous donations from the community, and community grants. All of which allow us to present no direct tax-burden to the residents of Shelburne. Major upgrades for Shelburne Rescue this year include a new ambulance and power-stretcher, with upgrades to our current ambulance for increased patient and provider safety. Multiple building upgrades to keep the living space suitable for 24/7 response from the station are also planned.

Throughout its 30 years of operations Shelburne Rescue has been able to provide emergency coverage to Shelburne and its surrounding communities due to the incredible efforts of its volunteers. The volunteers of Shelburne Rescue provide hundreds of thousands of dollars of municipal service at no cost to residents. In a time of considerable financial constraints and the apparent waning of volunteerism as an American value, their efforts stand out that much more. Our volunteers are incredibly proud of this fact and the individual acts of thoughtfulness by Shelburne residents recognizing Rescue's efforts are greatly appreciated. These acts of recognition by the residents of Shelburne range from food dropped off to the station to annual donations (too numerous to mention individually). Through those kindnesses extended to our squad the residents too are a part of our service, and for those many gifts Shelburne Rescue extends a hearty thanks.

Our roster has again decreased in number this year. Financial and time constraints, changing work schedules, and changing life priorities in the lives of our neighbors and our volunteers contribute to the decline of our roster. Shelburne Rescue and its volunteers though stalwart are not immune. Like our partner agency Shelburne Volunteer Fire, we welcome all community members who are interested in volunteering. Whether you find satisfaction as a provider, an emergency vehicle operator, or as an administrator there is a place for residents of Shelburne and the surrounding communities in our station and among our ranks.

In closing, the current, elected officers (Jacob Leopold, Chief; Devin Major, Assistant Chief; Wendi Turner, Treasurer; Jenna Lindemann, Training Officer; and Anna Brooks, Secretary) extend our ever-growing thanks to our fellow town departments and their staff who serve with us; Shelburne Fire, Police, Highway, and Dispatch.

Very respectfully,
Jacob Leopold, Chief

SHELBURNE PUBLIC WORKS DEPARTMENT



Highway: Shelburne Highway continues to provide services year-round to the town with myself, and four full-time employees; Lee Coleman, Victor Raymond, John Rowley and Rick Bushey. Rick serves as the Highway Department's full-time mechanic providing maintenance services for all Town owned vehicles and assisting other Departments as needed.

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

Projects during 2018 included; installing some storm drains on Juniper Ridge and 400 feet of storm drain pipe on Hedgerow Drive. Also, miscellaneous road culverts were changed around town, as well as miscellaneous shoulder work and ditching around Town.

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

Respectfully submitted,
Paul Goodrich, Highway Superintendent

Water: The Town of Shelburne's water is supplied by the Champlain Water District (CWD) in South Burlington. CWD treats the water from Lake Champlain and pumps it via transmission mains to member towns. CWD is governed by a board of commissioners comprised of one elected member from each town. Shelburne is fortunate to belong to CWD, which has received numerous awards for the highest quality water in the nation.

Shelburne owns and operates its own distribution system, storage tanks and pump stations around town. We also maintain our own meters and billing system.

A board of commissioners governs the Shelburne Water Department. John Schold (chairman), Michael Regan, Steve Smith, John Day 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 an aging system and respond to the challenges associated with maintaining approximately 66 miles of infrastructure. We also maintain 2400 water meters, 700 main line valves and 380 fire hydrants. This past year we were able to complete 4000' feet of 12" water main on Spear Street which feeds a very large part of the town. We also came to an agreement with South Burlington to purchase water allocation from their Dorset Street tank to service the Spear street service area.

In fiscal year 2018 we purchased 172,197,000 gallons of water from CWD at a rate of \$2.10 per thousand gallons. Shelburne's retail rate was \$6.49 per thousand gallons.

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

Respectfully Submitted
Rick Lewis, Water Superintendent

Wastewater: The Wastewater Department operates two advanced wastewater treatment facilities utilizing Sequential Batch Reactor (SBR) technology. Wastewater Treatment facility (WWTF) #1 is a VT Grade 3 facility located on Crown Rd and is designed for 440,000 gallon per day flow. WWTF#2 is a VT Grade 4 facility located on the corner of Harbor Rd and Turtle Lane and is designed for 660,000 gallons per day flow. The department also maintains nineteen pump stations, approximately 35 miles of sewer lines and 800+ manholes.

Sampling, testing and recording is performed at each facility every day of the year. Wastewater personnel responded to 53 alarms/calls after normal working hours this year. Wastewater treated 233 Million gallons of wastewater. The total operating budget was \$1,901,970. Shelburne's retail rate was \$13.15 per thousand gallons.

The department also took in 1,317,380 gallons of septage from private haulers that pump out rural septic tanks from Shelburne and surrounding communities.

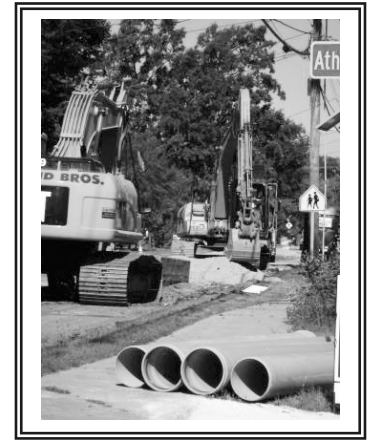
Construction began on various collection system projects as part of the \$3 million bond that was authorized by the voters in 2016. S.D Ireland began construction in May 2018. The following collection system projects were completed (in order) by the printing of this report:

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

The Wastewater Department wishes to thank all the residents for their understanding during this very busy and disruptive construction season. A special thank you goes to the businesses and homeowners adjacent to the construction sites. The upgrades to the system are expected to serve the community for at least fifty (50) years.

Shelburne's two treatment facilities were last upgraded in 2002. The equipment in the facilities are reaching the end of their life expectancy and an upgrade in the near future is likely. Due to the huge expense of an upgrade and with associated costs. A copy of the study can be found on the Town's website.

Upgrade both existing facilities	\$35,700,000
Consolidate to WWTF#1 location	\$26,600,000
Consolidate to WWTF#2 location	\$27,400,000
Pump all flow to South Burlington's facility	\$22,800,000



Personnel:

<u>Position</u>	<u>Name</u>	<u>License</u>	<u>Years of Service</u>
Water Quality Superintendent	Chris Robinson	Grade 5	20
Chief Operator WWTF#2	Steve Williams	Grade 5	13
Chief Operator WWTF#1	Walt Arsenault	Grade 5	12
Chief Mechanic	Chris Huestis	Grade 2	12
Wastewater Operator	Jeff Pillsbury	Grade 5	4

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. The Town is required to annually inspect and submit a report of required maintenance and completed maintenance.

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, A flow restoration plan was completed in 2016 for the Munroe Brook watershed. The plan identifies and prioritizes flow reduction projects within the watershed. These flow reduction projects are expected to be in the range of \$5 million and will be shared by the Town and permittees. The Town has fifteen years to complete all the projects and the first project is expected to be completed in 2020.

In 2016 the Town entered into an inter-municipal agreement with the South Burlington Stormwater Services Department to assist in meeting these requirements. The Town has a budget of \$55,000 this year for these services with a total annual budget of \$117,000. It is estimated that approximately \$400,000 is needed per year to meet near future requirements. To address these upcoming costs and requirements the Town formed a Stormwater Advisory Committee (SwAC) in July 2017 to work with Town Staff to develop a stormwater utility. SwAC members include; Marty Illick (Chair), Chris Davis (Vice-Chair), John DuBrul, Dick Elkins, Susan Moegenburg, Mike Schramm, Chip Stulen. The utility will be funded through a fee system. The Committee and Staff continue to work diligently towards the goal of having an ordinance in place by October 2019.

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

Respectfully submitted,
Chris Robinson
Water Quality Superintendent

PIERSON LIBRARY TRUSTEES ANNUAL REPORT

2018 was a year of positive change for the library. The new library project has spurred on many changes in continuing operations, including a new **temporary space**, new **outreach efforts**, and a renewed focus on **fundraising**.

PIERSON LIBRARY BY THE NUMBERS:

- Over 105,000 items checked out
- Open 47.5 hours per week
- Approximately 4,000 library card holders
- Approximately 62,000 annual visits

New Temporary Space: Library trustees searched far and wide all over Shelburne for a suitable location to lease. With the assistance of Doug Nedde, they finally secured a lease at the Shelburne Field House for the duration of the building project. The space at the Field House—two former classrooms and a day spa—met many of the needs for continued operations, including: separate, accessible space for adults and children; high ceilings that accommodate tall book shelves; a separate area for computers and magazines; adequate parking; and walking distance to the Community School. Although the space is only 1/3 as big as the former library, business has remained brisk with usage at 80-90%. Many thanks to the Field House for their generous lease terms, to the Clerk's and Parks & Rec Offices for helping to schedule events off-site, and to patrons for their understanding as the library strives to keep functioning at a high level as the new building goes up.

Outreach efforts: With little space for programs in the temporary location, staff and volunteers took on the challenge this year to go out into the community and host programs off site. In addition to book clubs, lectures and programs held in the town offices, more than two dozen story times have been held at area preschools along with delivery of thematic children's "book boxes." Several tech help events have been hosted at local senior living facilities as well. The library hopes to continue these popular programs after it moves into its new permanent home.

DID YOU KNOW? Compared to similar sized towns in Vermont, Pierson Library has more circulation, program attendance, hours of service and materials available than average, all with a lower operating budget than average.

Fundraising: This year marked a watershed time for the library in terms of fundraising. Not only did the library raise the better part of \$1,000,000 toward the new building project, but we began in earnest developing long-term fundraising strategies with both the Trustees and Friends. The goal is transforming the great momentum of the last year into sustainable, long-term fundraising to supplement town support far into the future.

Thank You's: The library relies on a dedicated and talented cadre of volunteers who help with several library duties during the hours of operation. Many thanks to these volunteers, to the Friends of Pierson Library for their herculean efforts at fundraising, to Trustees for their continued guidance and outreach, to staff for their can-do attitude despite all the challenges of a move, and to the 400+ residents who contributed to the building fund. We really couldn't keep Shelburne *Learning, Gathering & Celebrating Community* without you!

NOTE: Please see the New Library & Town Center Project Committee report for all the details about the exciting new building currently under construction, set to open this summer.

FRIENDS OF THE PIERSON LIBRARY

Monthly Meetings – Pierson Library Meeting Room, 6:30pm, second Thursday of the month Membership – 159 Members

The Friends of the Pierson Library have had an excellent year. We received a tremendous number of donations of books for our two book sales in October and March, and a great turnout for both. We would like to thank 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 as well. After our final book sale in the old town hall (before renovation), we stopped taking any further book donations until the new library is completed.

Our book sale funds allow us to directly support the library through purchases of new books, museum passes, summer programs, and events. The Friends have also helped variously fund: the Welcome Baby Book Dedications, all of the youth summer reading programs (including ice cream social kick-off event), Board Game Summer Camp, field days, rocket launching at the Teddy Bear Factory, Farm to Ballet visits, ELL learners tote bag and card sign up, and the middle school Minecraft club.

In addition this year, the Friends directed considerable funding towards the New Library/Town Center Fund. To take advantage of matching gifts, the Friends donated \$60,000.00 in two increments to the fund.

We are also planning for the new library, slated to open in summer 2019, with a renewed call for Friends membership and involvement. There are plans for a year-round Friends Book Sale space (named Chapter Two), and better facilities for storing and sorting books for the semi-annual sales in the new library.

We welcome ideas for programs and we always welcome new members. Member donations are tax deductible! We wish to thank everyone who has helped to support us during the past year. We also thank the wonderful library Director and Staff and the Board of Trustees for all of their help and support. We would be happy to talk to anyone who would like to know more about us.



NEW LIBRARY AND TOWN CENTER PROJECT



Why and What? Libraries provide a place for life-long education and exposure to new ideas. As society turns inward using self-selected media, the role of the Library in providing a broad base of information becomes more critical. Today, Shelburne is building a 21st century Library that will offer its residents a true Center of the Community-- one that provides flexible, multi-use spaces, a variety of life-long learning activities, a range of technology, a wide array of books and other resources, and a beautiful and welcoming atmosphere that reflects the spirit of Shelburne. Town Hall is the visual representation of the Town of Shelburne and is used by many residents of the Town for many different activities.

However, the physical structure of the building has been for many years in dire need of attention so that it may continue to offer not only physical space to Town residents, but will continue to stand as a symbol of the Town of Shelburne.

How? After the passage of a \$6.5 municipal bond in November 2017 to support the proposed project of renovating Town Hall, constructing a new Pierson Library, and implementing necessary stormwater upgrades, a local fundraising effort was initiated, with the goal of reducing the size of the bond and providing additional funds for the project. A generous local family donated \$500,000 in matching funds to this effort, and in November 2018 the goal of raising \$1,000,000 was achieved. This outpouring of support for the project from the local community was gratefully received by the many volunteers who worked hard to bring in donations. The average donation was \$100, and over 400 Shelburne residents contributed to this effort, reducing the bond by just over 10%. Thank you!

Who? Project principals include Vermont Integrated Architecture (Middlebury), construction managers Neagley and Chase (South Burlington), Al DiPietro (Clerk of the Works) and a committee composed of Lee Krohn (Town Manager), Jerry Storey (Selectboard Chair), Kevin Unrath (Library Director), Cathy Townsend (Chair of the Construction Committee and Library Trustee), Ruth Hagerman (Chair of the Library Trustees), and Shelburne residents Alice Winn and Ann Smallwood.

When? Principals met throughout Spring 2018 with Town Boards and Committees to finalize site plans and obtain all necessary permits. In July, Neagley and Chase presented the contract (Guaranteed Maximum Price) to the Selectboard and the Library moved to a temporary location for the next year (the Field House). Work on the site began shortly thereafter.

Construction has continued throughout the fall and winter 2018-2019, with a target completion date of late summer 2019. We look forward to welcoming all of Shelburne through our doors for many years to come!

SHELburne PARKS & RECREATION COMMITTEE

This year we continued to offer many community events that are the staple of who we are and what we do. Each event has a different theme or celebration, such as Winterfest, Summer Concerts and Halloween, but the purpose is the same: to create an engaging, fun event to attract families and people of all ages to congregate and enjoy their community resources and make new connections. We are blessed in Shelburne to have beautiful, natural places to congregate, such as Shelburne Beach and Shelburne Farms, but we also have a supportive business community who helps to sponsor or host these events. Our major sponsors in 2018 were: Almartin Volvo, Automaster, Archies Grill, Associates in Orthodontics (Dr.s Librizzi, Blasius, and Librizzi), B & R Electric, Hannford Supermarket, O Bread Bakery, Precourt Investment Co., Rice Lumber, Shelburne Country Store, Shelburne Market, Special Touch Hair Design, and The Scoop.

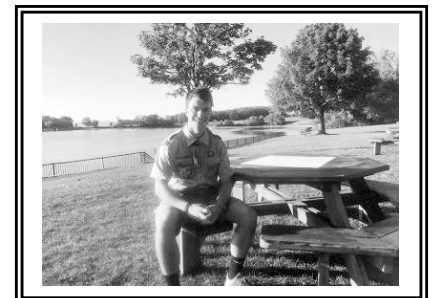
This year we were excited to present the Summer Concert with Fireworks at host, Vermont Teddy Bear, for the first time and look forward to working with them again next year! A special thanks to neighboring Mack Farm, who allowed us to set off the fireworks from their property for safe viewing from Vermont Teddy Bear. This annual summer bucket-list event is always a hit, but the addition of Food Trucks and a bounce house added a new dimension this year!

Shelburne Parks and Recreation offers a variety of programs throughout the year to provide opportunity for team sports, enrichment programs, fitness, and more to kids and adults of all ages. We strive to include programs that will teach new skills, provide opportunities to meet new people and make new friends through a shared interest, and to enhance wellness in the lives of our constituents. Some of the programs we offered included youth soccer programs, martial arts, yoga, fitness classes, dog presentations, summer camps, tennis lessons, adult basketball and volleyball, and more!

Volunteers are the heart of the Recreation Department programs and events. A huge thank you to all of our wonderful youth volunteer coaches, program coordinators, event helpers, and Recreation Committee members. Shelburne has a thriving community because of people like these who are involved at the grass roots level and care about their neighbors. The Recreation Committee is proudly served by: Peggy Coutu, Chair, Marv Thomas, Ann Clark, Renee Davitt, Kelli Magnier, Bruce Whitbeck, Kathie Pudvar, and LynnAnn Prom.

One of the major projects our Committee has been focused on this year was working with Jeff McBride from Birdseye Design and Build to create an initial Beach House Design to begin planning for construction. The design was rolled out to the community this past year and was well received.

We look forward to meeting new neighbors and friends in Shelburne in 2019 and challenge you to try a new program or come to a community event you may not have tried before! We welcome new volunteers as well and if you'd like to get more involved next year, please contact us. Or if you have a special talent or knowledge you'd like to share with the community, we want to hear from you! Let's work together to keep Shelburne Special!



Respectfully submitted,
Peggy Coutu, Chair

SHELBURNE VILLAGE DOG PARK COMMITTEE

This has been a busy year for the Shelburne Village Dog Park Committee, with continued enthusiastic use of our beautiful park by both dog and their humans, as well as some existential challenges.

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

The report to the Select Board, based on a thorough examination of possible sites, determined that there is no suitable location to relocate the existing park. The Committee, with the help of Lee Krohn, the Town Manager, is working to satisfy the requirements that were established when the park was originally opened. As part of this effort we are making plans to remove the shed that is used for gardening equipment. We are also planning on removing benches. The plan is to return the park to a more natural setting to satisfy State requirements.

In the past year we have seen continued use of the park and interest in its status. We have met with the DEC and are continuing to communicate with them as we work to bring the park into compliance.

The SVDP Committee has been engaged in park maintenance, safety education for park visitors, and fundraising activities during the past fiscal year. Our many dedicated volunteers continue to keep the park a safe, secure, well-maintained place for all of our visitors, human and canine. Daily and weekly waste collection was handled by this loyal group of volunteers.

Safety for all park visitors continued to receive attention by the Committee. The Committee is developing procedures for reporting incidents to the police. While we expect all dogs to be social, everyone needs to realize that problems can occur.

Funds to support the maintenance of the park came from Town dog license fees, SVDP donations, and fundraising activities. The Committee staffed a booth at Shelburne Day that resulted in additional donations as well as the dissemination of general information about the park and safety issues.

We conducted successful presentations to the community during the year. A presentation at the March 30 event with Therapy Dogs of Vermont was a well-illustrated and clearly presented explanation of the requirements for certification of both the dog and human parts of a TDV team. Deb Helfrick, Emily Reed and Jason Reed were the presenters. On April 13 Dr. Liam Bisson, from the Shelburne Veterinary Clinic, talked about Ticks, Lyme Disease and Leptospirosis, with a good crowd of Shelburne residents and dog owners. On May 9, Deb Helfrick from Gold Star Dog Training, broke down some language barriers with her lecture, "Woof! Dog Communication in the Human World". Artist Misoo Filan, a Shelburne resident, did a painting of a dog (from a photo, not live), and an audience member won the prize of Misoo doing a drawing of their dog. On October 19, a talk by Dr. Sarah Smets of Ark Veterinary Hospital, was well received with more than 20 people in attendance. Many thanks to Archie's and Pet Food Warehouse for their donated door prizes for the programs. Publicity for the events, both in Shelburne News and on Front Porch Forum plus posters, had been effective.

The success of the Dog Park depends on the countless volunteer hours, and generous donations of visitors from Shelburne, neighboring communities and those from out of state, as well as businesses. The board decided to move from a membership model to a Friend of the Park model. We will not be offering memberships but will continue to accept donations.

Respectfully submitted,
Bob Owens, Chair

SHELBURNE BIKE & PEDESTRIAN PATHS COMMITTEE

As our committee devoted a significant portion of our time helping to write and diagram the Shelburne Town Plan throughout 2018, we reaffirmed our commitment to developing an infrastructure for the Town of Shelburne that represents a model town for the future. One in which vehicular transportation, though a necessity for many, is not the dominant feature within this landscape. No longer are vehicle lane widths determined by the need to facilitate the movement of agricultural materials throughout the area as once was the norm within our community. Instead our future will consist of residents who prefer to loco-mote without the need to be constrained within a vehicle. This can be most easily evidenced by the plethora of bikes and strollers that populate the Farmer's Market on our town green every Saturday. One need only to look at the full bike racks at the Shelburne Community School when the weather is hospitable for children who want to take advantage of the fresh air and exercise that comes from using their own mode of transportation to arrive at their destination. Observing the steady stream of walkers and bikes that find their way into the Shelburne shopping center to pick up their essentials from any of the shops within that area continues to confirm what our friends and neighbors so desperately want to achieve. A way to get from one place to another using their own source of locomotion and limit their carbon footprint upon our precious planet. Observe the extensive use of the sidewalks that line both sides of route 7 from the jug handle at Webster Rd. all the way into Burlington and you will be convinced that alternative modes of transportation, when properly implemented, are what people so desperately want. The only way to accomplish this objective is to continue to push the boundaries of the accepted norms of what once was into what can it become. No longer is Shelburne a farming community but instead a place many families have moved to because of the idyllic life created by those before us and those forward thinking planners striving to continue to improve the infrastructure of our great community.

As the Shelburne Town Plan states: "Future development that is connected, walkable and bikeable, will help Shelburne retain character and sense of place, even as the overall footprint of development expands over time." We cannot stop progress but we can develop it with an eye toward what our community is looking for in a place they call home. Our mission statement reflects our desire to correct oversights that may have occurred when development began in earnest. The ability to connect dead end neighborhoods, feasible walking/biking paths that lead somewhere and creating an environment where people using any non-motorized mode of transportation feel safe and supported in their chosen endeavor is what we hope to achieve.

Our two biggest accomplishments of the year were focused on achieving this exact objective. In late fall of November, 2018 under a gray sky day the official opening of the LaPlatte Bridge crossing welcomed hundreds of visitors to marvel at this engineering feat. Our committee cannot take credit for this accomplishment except for supporting the handful of dedicated volunteers who have worked tirelessly to bring this dream to a reality. From it's inception when a large tree fell across the river almost 6 years ago an idea was born that allowing the crossing of the LaPlatte River within the confines of a naturally protected area should become a reality. After many paths travelled this small group of individuals raised the funds, hired the necessary professionals, acquired the equipment and technical knowledge necessary to install an impressive bridge up to standards far above what will ever be required. The support and admiration of our committee in spurring this project along paled in comparison to the countless hours spent by these hardy volunteers who persevered over seemingly insurmountable odds to create an interconnected network of trails all within town land that now connects a densely populated portion of Shelburne to its main commercial center all within a natural wooded corridor.

The second achievement which the committee can take full credit for was gaining approval for a grant that will build a modern pedestrian bridge across the LaPlatte River at a spot more accessible to everyone. Whereas the suspension bridge at the LaPlatte River crossing is an idyllic way to meander through the woods there is also the need for a more straight forward approach to crossing this formidable river safely for walkers, jogger and cyclists. This is why for three years the committee has submitted an application to the CCRPC for a grant to span the LaPlatte River on Irish Hill Rd. As the saying goes the third time was the charm. Whatever the reasoning behind this year's grant application, our committee was finally given the green light to begin the long construction process to span the river at an extremely treacherous spot on a high speed road.

Our committee, in concert with the Village Safety Group, spent Shelburne Day soliciting feedback from the general populous of attendees of the Shelburne Farmers market to determine what is most important to our residents when it comes to safe, non-vehicular transit throughout our community. This has inspired us to work toward holding more of these types of public forums so we have the best barometer possible regarding where there are improvements needed and ideally those locations where progress has made a positive impact on the lives of our citizens.

Our work is far from over and like most committees will be ongoing for time memorial. Balancing resources and commitments between the ever increasing vehicular use so prevalent throughout our country against the desire of those that live in our rural community to be able to slow life down and enjoy the ride or walk is our utmost challenge and rewarding efforts. We have been fortunate in Shelburne to see the growth of a grass roots effort within one community that has dedicated their time and effort to mitigating the speed of traffic along a specific stretch of our roadways. The Village Pedestrian Safety Group is an integral element of our town demonstrating how any group of citizens can bring their concerns to town government and make their voices a priority. If every neighborhood or area of Shelburne had such vocal advocacy there would be the ability to make significant changes in multiple areas of our community.

The biggest concern our committee faces is the lack of funding to make any truly significant changes. We spend many hours throughout the year in committee meetings discussing the "what if" possibilities should a blank check be dropped into our budget. Unfortunately the reality of the situation is that this will never happen. Every committee in town has wants and needs which must be balanced against the overriding desire of taxpayers in our community who do not want to see their property taxes continue to rise. When grant applications are approved it typically comes with a nominal match component from the town which is not insignificant. But given the option of receiving 80% of a project costs funded by an outside agency this provides our committee and town the best opportunity to achieve our objectives without holding the town and its taxpayers wholly fiscally responsible.

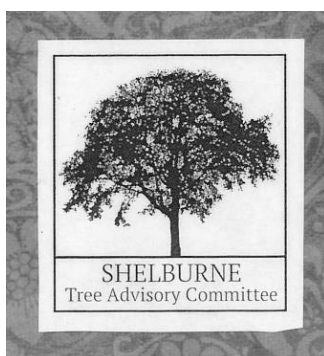
It is encouraging to see the support and enthusiasm from community members who understand the need for and want to improve non-motorized access to shared town paths and sidewalks. I encourage all who have an interest to get involved in what we do either from the perspective of their own piece of Shelburne or to a wider view of the town as a whole. Only through mass mobilization will we be able to make the substantial changes that are necessary to keep us all safe and healthy within this beautiful community of Shelburne which we call home.

Respectfully submitted,

Kevin Boehmcke, Chair

Committee members: Wendy Saville (co-Chair), Joplin James, Kate Lalley, Caroline Weaver, Jeff Zweber, Steve "Rocco" Antinozzi (Emeritus), Hazel Chevalier

TREE ADVISORY COMMITTEE



"I am the Lorax. I speak for the trees. I speak for the trees for the trees have no tongues.

— Dr. Seuss, The Lorax

What a year 2018 was! While we had several noteworthy accomplishments this year, 2018 will be remembered as the year that Emerald Ash Borer was officially detected in Vermont. This will be monumental for the State and the Town of Shelburne and addressing this issue will be our top priority for 2019.

Tree City USA Designation

- At the State Arbor Day meeting on May 4th, the Town of Shelburne was awarded Tree City USA designation! New Tree City USA signs are now located on Shelburne Road entering Shelburne from the north and south.
- This designation must be renewed annually, which the Committee will continue to do.

Shelburne Arbor Day Celebration and Storm Burst May 2018

- Trees were on everyone's minds on the first weekend in May! On the evening of May 4th, a storm burst caused extensive downed trees in areas of Shelburne Village. It was quite devastating.
- On May 5th we held our Annual Shelburne Arbor Day celebration on the Parade Ground. Free Maple tree saplings were given to those who attended and new Board Chairman Jerry and interim Town manager Lee both contributed words of wisdom. The main activity of the day involved the replanting of 5 Korean Maple trees donated to the Town by the Veterans Monument Committee along Falls Road. These trees were originally planted surrounding the War Memorial on the Parade Ground but were not the right tree for this location.
- Because the news media was in town to observe the storm burst damage, they came by our Arbor Day celebration and as a result our Arbor Day activities were featured on the Channel 5 WPTZ news broadcast that day!

Parade Ground Tree Root Invigoration

- You may have noticed large mulched areas around several trees on the Parade Ground this summer. The trees on the Parade Ground endure lots of vehicle and people traffic, especially during the popular Farmers Market. This use results in the soil becoming very compacted surrounding the trees and drastically impacts their growth and survival. With grant funding awarded from the Vermont Urban and Community Forestry Program, tree root invigoration was performed in late April/early May and involved loosening the soil surrounding 6 trees with mulch placed around the areas afterwards.
- This work will continue on the remaining trees on the Parade Ground over the next several years.

Emerald Ash Borer

- The Committee will be focusing on completing a tree inventory of all public spaces and town road rights-of-way in 2019. Specifically, we will be focusing on the Ash trees currently on town property. Our objective is to identify those that we believe merit the cost of inoculation and others that should be taken down preemptively to save additional expense and liability going forward.
- The Committee has already been working on preparing a Shelburne Emerald Ash Borer Management Plan and will present their findings and recommendations to the Select Board this spring.
- Additionally, the Committee feels that it is important to reach out to the residents and business owners of Shelburne with information on the impact of Emerald Ash Borer. The town must also consider the fact that many large Ash trees are on private property and the disease will not only impact the town cosmetically but will also have significant consequences for public property as well.

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 raise public awareness regarding the nature and beauty of Shelburne's trees.

Respectfully submitted,
Gail Henderson-King, Chair



Tod Warner, Jan Gannon, David Hall, Gail Henderson-King, Ann Milovsoroff, and Hope Johnson are presented with a Tree City USA sign.

SHELBURNE CEMETERY COMMISSION

The Shelburne Cemetery Commission stayed very active in FY18-19, with regard to serving both the immediate needs of the community as well as looking ahead to plan how to best serve our community in future years. The Village Cemetery had a total of 18 burials: five conventional and thirteen cremation burials during this fiscal year. A total of ten lots were sold, three cremation lots and seven conventional lots, in the Village Cemetery.

Early in the spring, a devastating microburst storm hit directly in the middle of Shelburne Village and did considerable damage to the Village Cemetery, causing the end of two 200-year old white cedars and damaging multiple fences and headstones. The Commission would like to thank Ernie Goodrich, Gene LeClair and Pat Kingsland for their dedication to the maintenance of the cemeteries, especially after these storms. Cleanup was achieved quickly, and the cemeteries were set to right with their expertise and hard work. As groundskeepers, Ernie and Gene do a wonderful job caring for the grounds for the Village and Spear Street cemeteries, and Pat is responsible for planting and maintaining the Cremation Garden and entrance gardens and provides a lovely vista for those who visit the cemeteries throughout the year.

The Commission also has started to do some planning for alternate, “Green” burials to offer to residents of Shelburne. Open forums were held for residents to attend and ask questions. The Commission planned to hold a presentation chaired by a local Green Burial expert in early FY19-20 to answer questions by residents. The Commission will do more planning work to see if a Green Burial space is a viable option for the future of Shelburne; many residents seem interested but there are no solid numbers regarding interest and may want to have a ballot item someday to ascertain that interest.

In this fiscal year, Rene Gagnon was nominated and approved to fill the space that was left when long-time Commissioner Carole Carlson stepped down a year ago. Rene brings a lot of enthusiasm to the group and has been a welcome addition.

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

SHELBURNE ETHICS COMMITTEE

The Ethics Committee began a busy 2018 by determining that a complaint did not meet the “probable cause” standard set forth in the ordinance, and we ended the year by holding a hearing on a complaint after the committee *did* find “probable cause”.

The bulk of the year was spent revising the Ethics Ordinance. After much dialogue and consultation, the Committee and the Selectboard concluded that the ordinance as originally passed in 2015 was not serving the needs of Shelburne as well as it might. The committee realized in 2017, during a tumultuous and contentious period in town life, that the ordinance was both overly broad and ambitious in scope, and yet not particularly well-suited to resolving the types of issues that seemed to motivate several complaints.

Our revisions to the ordinance were guided by consultation with the Selectboard, the Selectboard liaisons to Committee (Jamie Heins and Mary Kehoe), public meetings, and most importantly, a report completed by the Vermont Legislative Research Service (VLRS), which was commissioned by Michael Ashooh (link below). The challenges of crafting an ethics ordinance for Shelburne had always been clear: the ordinance should focus on the volunteers who serve on the town’s committees, boards and commissions (CBCs), and so it should not be overly burdensome, which might discourage participation in town governance. Yet, it should ensure that members of CBCs are acting in the best interests of the town, and provide recourse for members of the community to determine, when doubts arise, that this is happening.

While towns throughout the country have adopted a variety of styles and approaches to ensuring ethical behavior and oversight, the committee realized that given the unique nature of Shelburne and Vermont’s grassroots,

community driven approach to governance, narrowing the scope of the ordinance to clearly defined conflicts of interest and appearances of conflict of interest would best suit the needs of our community. This conclusion was reached in conjunction with another of the VLRS's main conclusions: that education and prevention of such conflicts is essential to any such ordinance.

The committee recommended, and the SB agreed to, several other additions to the ordinance. As the VLRS report, and the committee's previous experiences make clear, some ability to investigate and mediate complaints is helpful, as lack of communication and understanding are often the cause of perceived ethical lapses. The new ordinance provides for this. Additionally, the committee recommends, and the SB agreed, that a separate document should require all CBC volunteers to commit to behaving in ways that are conducive to public service, cooperation and transparency. While the committee concluded that it is not productive to attempt oversight of such behaviors in an ethics ordinance, such a commitment would educate CBC members regarding public expectations for appropriate behavior and likely obviate the need to intervene in many conflicts. In addition to our work on the ordinance, the committee also prepared new rules of procedure to align with the new ordinance. The new rules clarified how mediation and consultation regarding complaints are to be handled, how hearings are to be conducted and how decisions from the committee are to be deliberated and communicated to the public.

The work of the ethics committee has been valuable and rewarding. We represent a diverse cross-section of Shelburne residents, and we can work collaboratively and productively together, in a spirit of good will. One feels that one has a finger on the pulse of the town – for both its health and its ills - and that we can contribute to making life in Shelburne better for everyone. We think the new ordinance will do this.

<https://www.uvm.edu/~vlrs/PoliticalProcess/Municipal%20Ethics.pdf>

SHELBURNE SOCIAL SERVICES COMMITTEE

The Shelburne Social Services Committee consists of 7 members appointed by the Select Board to staggered 3 year terms. The Committee seeks to identify the social needs of the Shelburne community and address them through grants to local agencies that target those needs. Our goal is to offer a forum for the existing agencies to determine how best to coordinate assistance, and to advise the Select Board of gaps in services. Shelburne, like many towns, contributes to agencies that provide services that are impractical for individual towns to offer.

To be accountable and transparent in response to competing fund requests, the Committee developed tools to facilitate our decision making process. A standard request form is required of all applicants. A rubric was created which identified eight categories of needs that often lead to catastrophic outcomes: nutrition, shelter, health care, clothing, childcare, education, community justice and transportation. We identified agencies that addressed these needs and sorted them into three areas of focus: Shelburne, Regional and State-wide. Highest funding priority is given to agencies that are local, benefit the greatest number of people, and benefit those of fragile socio-economic status. The committee also considers the accountability of the agency; in other words, we want to know how the funds were used to benefit Shelburne residents.

The committee supports efficiency of services by inviting the local agencies to meet together once a year to listen and report to each other, avoid overlap and look for opportunities to collaborate. This meeting was held in October and was attended by the SCS principals Scott Sivo and Alison Celmer, Laural Robbins, the Howard Center school services clinician, representatives from the Shelburne Food Shelf, Police Department and the Shelburne Town Director of Administration, Ann Janda.

In addition to Shelburne based agencies, the committee funded regional and state non-profit agencies that serve Shelburne residents such as The American Red Cross, AgeWell, Visiting Nurse Association and the United Way. Scholarships were awarded to the Shelburne Craft School and, through the SCS Angel fund, summer camp programs at the Shelburne Recreation department.

In the 2017-18 fiscal year, as a one-time only event, the Social Services Committee helped to fund four Community Outreach Specialists who accompany Shelburne Police officers to assist with mental health calls, provide referrals and follow up, releasing police to address more serious criminal behavior.

Other outreach programs sponsored were: Mental Health First Aid training, information on water safety and a program on White Fragility through the Peace and Justice Center. The committee continues to gather information on the childcare crisis in Vermont. Revised regulations by the state, while well intended, have made it more difficult for local registered providers to run a viable business and driven parents to use unregulated providers, resulting in a crisis in available child care.

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

The Commission follows the Town's Design Review Guidelines for the Village/Falls District incorporated into the Town's zoning bylaws in its review of projects located in the Village Historic Overlay District as well as for planning. You may read the free "Guidelines" at <http://www.shelburnevt.org/DocumentCenter/Home/View/2013>. In addition to reviews of small projects like the commemorative bench on Falls Road and a new bus stop shelter on Route 7 north of Falls Road intersection, HPDRC considered plans for the Library and new facility for St. Catherine's Church. The Commission also obtained a grant and hired consultant Brian Knight of Manchester, Vermont, to write a report and apply for the creation of a National Historic District in Shelburne Falls area. By the end of 2018, he had substantially completed the application to be submitted early in 2019 after suitable public review.

In the upcoming year, we anticipate working with the Planning Commission to accommodate "pocket neighborhoods" or "Village compatible" infill developments with incentives supporting preservation of historic buildings and open land in the Village District.

Commission members in 2018 – all of whom agreed to serve in 2019 – in alphabetical order were Fritz Horton, Tom Koerner, Ann Milovsoroff, Dorothea Penar, Marc Vincent, Eileen Warner and David Webster. From time to time, members retire or leave for personal reasons, leaving openings for new members. Late in 2018, we were sad to learn of the passing of Laurie Valentine – a vibrant and gracious former member of our Commission.

Citizens with education and/or experience in historic preservation and/or 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 staff of the Department of Planning & Zoning 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 (SHS) will celebrate our five year anniversary in spring 2019. We have a core of members that have supported the mission of the SHS since our inception. We are truly grateful for our old and new members!

In February 2018, we hosted (with the Pierson Library) the historian Willard Sterne Randall, presenting on the War of 1812 on Lake Champlain. Over 85 people attended his talk and Prof. Randall did a book signing after the presentation. An exhibit of Shelburne militia members who participated in the Battle of Plattsburgh was shown at the Willard lecture.

On a snowy night in late winter, Shelburne resident Prof. Daniel Bean gave a talk on the Orphan Train in Vermont, and his own family's experience. In June, Linda Towle, (now a resident of Colorado) helped us celebrate 70 years of the IGA store's history. Her father was co-owner of the Doenges and Towle IGA located in the brick building at the corner of Shelburne Road and Harbor Road, currently owned by Kevin Clayton (Village Wine and Coffee). Kevin's father bought out the IGA business from Doenges and Towle, and built and operated the IGA store, later renamed the Shelburne Supermarket.

In November 2017, the SHS received a Champlain Valley National Heritage Partnership Collections Grant to buy equipment and produce a scanning protocol for historic documents and photos, and to purchase display boards for our exhibits. The digitized information will be placed on the SHS website for easy access for anyone interested in local history. As part of the grant, SHS plans to have workshop sessions for anyone interested in digitizing their own documents and family collectables.

The SHS Board is also very excited about the renovation of the Town Hall and the plans for the Society to have a permanent office and display space for our collection and exhibits in the lower level of the building. A grand opening of our space will occur in the fall of 2019.

In February, Brian Knight, historian and preservationist, will give a talk on the history of the Shelburne Falls area. Mr. Knight's research has unearthed many interesting details of the history of our Falls District.

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

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

Respectfully submitted by,
Dorothea Penar

VETERANS COMMITTEE

We removed five troubled trees from the monument to allow more light into the site and alleviate the future problem with roots undermining the installed bricks. The trees were successfully transplanted with the aid of the Tree Committee along Falls Road.

The electrical service to the monument and the green was successfully completed. In addition, Green Mountain Power installed a light on top of their pole to light up the flag at night. It was installed as a gift from them.

Paul Goodrich and Jim Donaldson became Co-Leaders of the maintenance committee to cover the needs of the monument from brick installation to grass cutting.

Committee member, Pete Gadue, has been responsible for the flag at the monument that commemorates special events or the flag when needed at half-staff.

We participated in the Halloween Rotary parade with a decorated car. This has been an annual event for several years.

Zach Loiter, an Eagle Boy Scout, completed the platform project that was used on Memorial Day. The committee and community accepted this with joy.

Memorial Day, held on May 28th 2018, was very successful with a sizable crowd and good weather. The speaker was Colonel Henry “Hank” Harder, Vice Commander at the Vermont Air National Guard. His speech was well received. The services have been planned for many years by long-time resident, Colonel Bud Ockert, an Army veteran.

The major project for the fiscal year was to design World War I and World War II stones at the monument site. These names were on plaques at the Town Hall and the old Pierson Library building. This project was overseen by Eric Hanley and members of the committee and is scheduled for installation in the spring of 2019. There will be installation of a granite marker indicating the date the monument was dedicated at the flag pole.

We completed our second summer at the Farmer’s Market. The booth was visited by Shelburne residents and tourists as we were present every Saturday morning from May to October.

We provide coverage at the monument to explain about the history of the monument and the veterans in the Shelburne community.

The Committee is pleased with the positive support of the Shelburne community and visitors who visit the monument.

Respectfully submitted:
Sam Feitelberg, Chairman



NATURAL RESOURCES AND CONSERVATION COMMITTEE

One hundred years from now when Shelburne residents look at our landscape and natural resources they’ll be able to look back on 2018 as a year that made a tremendous contribution to the protection of the Town’s natural heritage, water quality and quality of life. That contribution came from the conservation of two properties by the Shelburne Natural Resource and Conservation Committee (SNRCC) thanks to the Select Board’s and the Shelburne residents’ commitment to the Open Space Fund. The Sterling/Coleman property advances the protection of the Laplatte River by conserving a parcel facing the Overlook off Irish Hill and was made possible with OSF dollars and a bargain sale by the owner, Sterling Construction. It will be fully owned by the Town. The other property, a significant portion of the Ewing Farm on Cheesefactory Road, abutting Bread and Butter Farm, and protecting grasslands, bird habitat and the waters of Shelburne Pond, was conserved by a partnership, facilitated by monies from the Open Space Fund that leveraged larger contributions from the Nature Conservancy, the VT Housing Conservation Board, private funding and a very generous bargain sale by the Ewing family.

In addition to working with willing landowners to conserve properties like these SNRCC’s nine member board (plus 1 student member) had a busy year. We worked with the Development Review Board (DRB) to review parcels proposed for development to recommend how the development can be best accomplished while protecting any valuable natural resources that lie there. That protection is dependent upon the clarity of the vision laid out in the Town Plan and the Zoning and Subdivision regulations the Plan informs; so this year SNRCC held a Retreat

with and worked extensively with the Planning Commission (PC) on the Natural Resources section of the updated Town Plan which, by the time this report is published, should be very close to adoption. Our next step, in 2019, will be to continue that collaboration by helping the PC craft the regulations that will help implement the new Plan.

2018 was a truly satisfying year for SNRCC not only because of the two conservation projects we saw come to fruition. Our work became busier, but richer as we experienced the growth of collaboration and cross-fertilization across the work of many Town departments and Committees. Susan Moegenburg participated as a member of the Stormwater Utility Committee; Sean MacFaden began work with the PC around mapping resources for the new Town Plan with special attention to update our Significant Views Maps. Many of our meetings helped educate us about topics that affect water quality. We had the opportunity to review state plans for a gravel wetland proposed to mitigate erosion on properties abutting Lake Champlain; we heard reports on State plans for Lamprey control on the Laplatte; and we participated in a site walk with state experts regarding reclassification of Class 3 wetlands to Class I wetlands. This reclassification work will protect many areas along the Laplatte estuary and interestingly also will affect the property where our Town wastewater facilities are located.

We also participated in PC discussions regarding new subdivision regulations in the Rural zone and made recommendations to the DRB on many new projects including the reconfiguration of the east side Kwiniaska Golf Course to expand the number of holes to replace those on the west side which will soon become a new neighborhood.

Our membership remained full this year and we were delighted to welcome a new student member, Hannah Frasure, as Kyle Bergeron assumed his role as a full member. We still meet on the second Wednesday of each month at 7 PM at Town Hall and welcome anyone to join our dialogue and offer their comments.

Respectfully submitted,

Gail Albert, Chair; Don Rendall, Co-Chair; Kyle Bergeron, Jon Cocina, Margaret (Peggy) Ranft Day, Sean MacFaden, Susan Moegenburg, Fred Morton, Peg Rosenau and , Student Member, Hannah Frasure.

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>

TOWN OF SHELBURNE
STATEMENT OF DELINQUENT TAXES : FY 2017-18 *

For the year ended June 30, 2018, property taxes were assessed and accounted for as follows:
Number of taxable parcels: 2,906

	<u>Town **</u>	<u>Homestead School</u>	<u>Non-Residential School</u>	<u>Total</u>
Adjusted Grand List after Grievance (Jul-2017)	15,183,769	9,182,341	5,980,338	
x Tax Rate	\$ 0.3885	\$ 1.4748	\$ 1.5990	
	\$5,898,894	\$13,542,116	\$9,562,560	\$29,003,570

** Includes local agreement tax rate

Recognition of FY 2017-18 Property Tax Revenue

Property Taxes Billed in FY 2017-18	\$29,003,570
Deferred Revenue Adjstmt: Property Taxes	(6,886)
Less: State Property Tax Adjustments	(2,453,848)
Adjustments/Abatements/Appeals	64,674
Less: Act 60 Admin. Allowance retained by town	(47,244)
Less: Education Taxes Paid to State	(3,491,733)
Less: Education Taxes Paid to School District	(17,185,161)
	\$5,883,372
Town Property Tax revenue for FY 2017-18	\$5,883,372

Delinquent Tax Accounts:

		<u>6/30/2017</u>		<u>6/30/2018</u>	<u>Increase/(Decrease)</u>
Total Delinquent Taxes	\$	264,354	\$	346,418	\$ 82,064

Delinquent Tax Status at 30-Jun-18

<u>Tax Year</u>	<u># of Parcels</u>		<u>Principal</u>		<u>Interest</u>		<u>Penalty</u>		<u>Total</u>
2017-18	82	\$	98,235	\$	8,178	\$	4,131	\$	110,544
2016-17	17		83,526		22,606		4,132		110,264
2015-16	16		43,139		19,021		1,889		64,049
2014-15	6		11,481		7,353		574		19,408
2013-14	6		9,946		8,232		508		18,686
2012-13	5		10,735		11,107		574		22,416
2011-12	1		226		267		11		504
2010-11	1		224		305		18		547
			\$ 257,513		\$ 77,068		\$ 11,837		\$ 346,418
Totals		\$	257,513	\$	77,068	\$	11,837	\$	346,418

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

TOWN OF SHELBURNE, VERMONT

AUDIT REPORT

JUNE 30, 2018

ONLINE
COPY

TOWN OF SHELBURNE, VERMONT
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Sullivan, Powers & Co., P.C.
 CERTIFIED PUBLIC ACCOUNTANTS

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. Gilwee, CPA
 VT Lic. #92-000180

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Shelburne, Vermont, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Shelburne, Vermont's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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, 2018, 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, 2019 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, 2019
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018

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, 2018. This report should be read in conjunction with the Town's financial statements.

Financial Highlights

- The Town's combined net position increased by \$1,014,436 as a result of this year's operations. Net position of our business-type activities increased by \$454,127 and net position of our governmental activities increased by \$560,309.
- In the Town's business-type activities, revenues and capital contributions were \$3,121,098 while expenses were \$2,748,986. Net position at June 30, 2018 totaled \$11,437,103.
- The cost of all of the Town's programs was \$11,176,342 this year, with no new programs added.
- The General Fund reported a surplus on a budgetary basis this year of \$130,927 which was \$130,927 better than budgeted.
- The unassigned fund balance in the General Fund at June 30, 2018 was \$634,097. This amount is available for future year budgets.
- The Non-major Funds reported a surplus of \$13,211 this year which increased the cumulative surplus to \$1,363,631.

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, 2018
(Continued)

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

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

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

Reporting the Town's Most Significant Funds

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

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

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(Continued)

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

The Town's combined net position increased by \$1,014,436 from 2017, increasing from a balance of \$22,559,401 to \$23,573,837. Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

Table 1 includes a comparison of these two years.

Table 1

	Governmental Activities <u>FY 2018</u>	Governmental Activities <u>FY 2017</u>	Business-type Activities <u>FY 2018</u>	Business-type Activities <u>FY 2017</u>	Total <u>FY 2018</u>	Total <u>FY 2017</u>
Current and Other Assets	\$ 4,893,372	\$ 3,626,169	\$ 1,721,608	\$ 1,711,457	\$ 6,614,980	\$ 5,337,626
Capital Assets	13,555,898	12,572,271	14,493,046	14,574,762	28,048,944	27,147,033
Total Assets	<u>18,449,270</u>	<u>16,198,440</u>	<u>16,214,654</u>	<u>16,286,219</u>	<u>34,663,924</u>	<u>32,484,659</u>
Deferred Outflows of Resources	446,694	532,734	61,652	71,870	508,346	604,604
Current Liabilities	884,083	1,041,935	319,391	991,367	1,203,474	2,033,302
Long-term Liabilities	4,867,108	3,608,843	4,517,237	4,383,746	9,384,345	7,992,589
Total Liabilities	<u>5,751,191</u>	<u>4,650,778</u>	<u>4,836,628</u>	<u>5,375,113</u>	<u>10,587,819</u>	<u>10,025,891</u>
Deferred Inflows of Resources	1,008,039	503,971	2,575	0	1,010,614	503,971
Net Investment in Capital Assets	9,314,898	9,359,271	10,136,780	9,594,990	19,451,678	18,954,261
Restricted	1,301,745	927,045	0	0	1,301,745	927,045
Unrestricted	1,520,091	1,290,109	1,300,323	1,387,986	2,820,414	2,678,095
Total Net Position	<u>\$ 12,136,734</u>	<u>\$ 11,576,425</u>	<u>\$ 11,437,103</u>	<u>\$ 10,982,976</u>	<u>\$ 23,573,837</u>	<u>\$ 22,559,401</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 \$1,520,091 at June 30, 2018 for the governmental activities.

The unrestricted net position of our business-type activities was \$1,300,323 at June 30, 2018. 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, 2018
(Continued)**

**Table 2
Change in Net Position**

	Governmental Activities <u>FY 2018</u>	Governmental Activities <u>FY 2017</u>	Business-type Activities <u>FY 2018</u>	Business-type Activities <u>FY 2017</u>	Total <u>FY 2018</u>	Total <u>FY 2017</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,574,084	\$ 1,370,599	\$ 3,087,515	\$ 3,005,503	\$ 4,661,599	\$ 4,376,102
Operating Grants and Contributions	639,987	878,153	0	0	639,987	878,153
Capital Grants and Contributions	474,764	40,173	33,583	168,850	508,347	209,023
General Revenues:						
Property Taxes	5,985,675	5,672,565	0	0	5,985,675	5,672,565
Penalties and Interest on Delinquent Taxes	49,600	75,460	0	0	49,600	75,460
General State Grants	178,057	173,909	0	0	178,057	173,909
Unrestricted Investment Earnings	46,714	19,337	7,315	5,942	54,029	25,279
Gain on Sale of Equipment	0	0	0	11,300	0	11,300
Other Revenues	48,784	24,489	64,700	108,432	113,484	132,921
Total Revenues	<u>8,997,665</u>	<u>8,254,685</u>	<u>3,193,113</u>	<u>3,300,027</u>	<u>12,190,778</u>	<u>11,554,712</u>
Expenses:						
General Government	2,348,826	2,270,225	0	0	2,348,826	2,270,225
Public Safety	3,185,739	3,050,309	0	0	3,185,739	3,050,309
Highways and Public Works	1,770,931	1,681,240	0	0	1,770,931	1,681,240
Health and Welfare	35,246	38,000	0	0	35,246	38,000
Recreation and Parks	487,405	465,151	0	0	487,405	465,151
Library	479,702	428,674	0	0	479,702	428,674
Cemetery	60,949	50,542	0	0	60,949	50,542
Interest on Long-term Debt	58,558	62,365	0	0	58,558	62,365
Water	0	0	1,119,695	1,072,343	1,119,695	1,072,343
Sewer	0	0	1,629,291	1,551,507	1,629,291	1,551,507
Total Expenses	<u>8,427,356</u>	<u>8,046,506</u>	<u>2,748,986</u>	<u>2,623,850</u>	<u>11,176,342</u>	<u>10,670,356</u>
Special Item: Transfer of Water Tank to Champlain Water District	0	0	0	(253,121)	0	(253,121)
Transfers	(10,000)	(7,177)	10,000	7,177	0	0
Increase/(Decrease) in Net Position	<u>\$ 560,309</u>	<u>\$ 201,002</u>	<u>\$ 454,127</u>	<u>\$ 430,233</u>	<u>\$ 1,014,436</u>	<u>\$ 631,235</u>

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 2018 Total Cost of Services	FY 2017 Total Cost of Services	FY 2018 Net Cost of Services	FY 2017 Net Cost of Services
General Government	\$ 2,348,826	2,270,225	\$ 1,751,096	\$ 1,758,404
Public Safety	3,185,739	3,050,309	2,098,799	1,970,231
Highways and Public Works	1,770,931	1,681,240	1,418,688	1,405,738
Health and Welfare	35,246	38,000	35,246	38,000
Recreation and Parks	487,405	465,151	145,128	200,872
Library	479,702	428,674	176,387	282,429
Cemetery	60,949	50,542	54,619	39,542
Interest on Long-Term Debt	58,558	62,365	58,558	62,365
Totals	<u>\$ 8,427,356</u>	<u>8,046,506</u>	<u>\$ 5,738,521</u>	<u>\$ 5,757,581</u>

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(Continued)

The Town's Funds

As the Town completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$2,628,970 which represents an increase of \$200,472 from last year's total of \$2,428,498. Included in this year's total change in fund balance is an increase of \$187,261 in the Town's General Fund balance, and an increase of \$13,211 in the other non-major governmental funds.

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ 7,773,033	\$ 8,079,525	\$ 306,492
Transfers In	<u>357,019</u>	<u>312,054</u>	<u>(44,965)</u>
Total Revenues + Transfers In	8,130,052	8,391,579	261,527
Expenditures	7,959,576	8,082,264	(122,688)
Transfers out	<u>170,476</u>	<u>178,388</u>	<u>(7,912)</u>
Total Expenditures + Transfers Out	8,130,052	8,260,652	(130,600)
Difference	-	\$ 130,927	\$ 130,927

The actual results show Revenues & Transfers In exceeded Expenditures & Transfers Out by \$130,927, which was a positive variance of \$130,927.

Significant Budget vs Actual Variances

General Fund Revenues	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Property Taxes	\$ 5,892,246	\$ 5,822,821	\$ (69,425)
Tax Pmts :Penalty & Interest Charges	70,000	49,600	(20,400)
Transfer From Records Preserv Fund	61,000	26,544	(34,456)
Recording Fees	50,000	31,466	(18,534)
Highway Revenue	270,300	352,243	81,943
Police Department	468,500	659,759	191,259
Planning/Zoning	92,300	191,779	99,479
Loan Proceeds	-	90,000	90,000
Fire Dept. Grants	171,413	18,257	(153,156)
All Other	<u>1,054,293</u>	<u>1,149,110</u>	<u>94,817</u>
Total	<u>\$ 8,130,052</u>	<u>\$ 8,391,579</u>	<u>\$ 261,527</u>
General Fund Expenditures			
Legal Services	60,000	255,689	(195,689)
Audit	14,850	48,483	(33,633)
Property/Liability Insurance	300,000	299,543	457
Microfilming & Preservation	40,000	1,948	38,052
Planning/Zoning Projects	39,500	2,843	36,657
Building & Grnds. Capital Projects	10,000	40,832	(30,832)
Public Works	117,128	76,826	40,302
Police Department	1,628,680	1,800,960	(172,280)
Fire Dept.	381,701	210,809	170,892
Public Safety Disp. Salaries	458,340	517,540	(59,200)
Highway Dept. Paving	335,000	411,954	(76,954)
Rescue Part Time Wages	80,000	112,496	(32,496)
Cemetery Outside Services	3,000	15,805	(12,805)
Debt Management	572,625	525,288	47,337
Employee Benefits Administration	21,500	8,569	12,931
All Other	<u>4,067,728</u>	<u>3,931,067</u>	<u>136,661</u>
Total	<u>\$ 8,130,052</u>	<u>\$ 8,260,652</u>	<u>\$ (130,600)</u>
Revenues - Expenditures	<u>\$ -</u>	<u>\$ 130,927</u>	<u>\$ 130,927</u>

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(Continued)

General Fund Revenue Variances:

Total Property Taxes & Late fees were less than budget due to an increase in deferred revenue. The transfer from the Records Preservation Fund was less than budget based on the actual work completed. Recording Fees were less than budget reflecting the real estate activity in the year. Highway Dept. revenues exceeded the budget from a paving grant received. Police Dept. revenues were greater than the budget due to increased grant funded traffic enforcement details. Planning & Zoning revenues exceeded the budget from building permit revenues for two large projects. The Town secured a \$90,000 loan to complete projects planned for FY 2017 that were deferred to FY 2018. Fire Dept. grant revenues and expenditures were less than budget due to a radio replacement grant not being received.

General Fund Expenditure Variances:

Legal expenses were greater than budget due to litigation associated with a salt storage facility. Audit expense exceeded budget due to extra work required for preparation of the annual audit due to staff vacancies. Property and Liability insurance premiums exceeded budget from the 2018 renewal premiums. Microfilming & Preservation expenditures were less than budget due to the work scheduled. Planning/Zoning project expenses were less than budget due to anticipated grant projects not taking place. Building/Grounds Capital projects exceeded budget due to delay of installation of a backup generator, which was budgeted for FY 2016-17. Public Works expenses were less than budget due to a delay in implementing stormwater policies. Police Dept. expenses were greater than budget due to increased grant funded traffic enforcement details. Fire Dept. expenditures were less than budget due to a radio equipment grant not received. Police dispatch wages were greater than budget due to the expense of training new hires and staffing required to meet standards as a State 911 answering point. Highway Dept. expense exceeded budget due to a paving grant received. Rescue part time wages exceeded budget due to vacancies in Crew Chief positions being filled by per diem personnel instead of volunteers. Cemetery outside service costs were greater than budget due to cleanup from a wind storm in May. Debt expense was less than budget due to the delay of a capital loan that did not take place in FY 2017. Employee benefits administration expense were less than budget from lower costs administering the Town's cafeteria plans.

Water and Sewer Fund Operating Budget Variations

The Water and Sewer budget vs actual results, prepared for rate setting purposes (non GAAP) for the year ended June 30, 2018 are shown in Schedules 12 & 13.

WATER FUND	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
Revenues	\$ 1,147,668	\$ 1,205,535	\$ 57,867
Expenses	<u>1,147,668</u>	<u>1,093,858</u>	<u>53,810</u>
Net Income (Loss)	\$ -	\$ 111,677	\$ 111,677

SEWER FUND	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
Revenues	\$ 1,901,970	\$ 1,963,936	\$ 61,966
Expenses	<u>1,901,970</u>	<u>1,980,329</u>	<u>(78,359)</u>
Net Income (Loss)	\$ -	\$ (16,393)	\$ (16,393)

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TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(Continued)

Water Fund

On a budgetary (non GAAP) basis, the Water Fund operating budget ended the year with a surplus of \$111,667, which was better than budget by \$111,667. Revenues from water sales exceeded budget by \$32,037. Purchased water cost was greater than budget by \$2,574. Outside contractor costs exceeded budget by \$13,891 due to line breaks and repairs. Materials expense exceeded budget by \$5,752 from costs associated with new construction projects, which the department was reimbursed for. Meter purchases exceeded budget by \$9,885 from purchasing remote read meters. Employee benefit costs were less than budget due reduced health insurance premiums and employee reimbursements. Debt payments were less than budget by \$55,856 due to paying for capital improvements within the budget instead of through loans.

Sewer Fund

On a budgetary (non GAAP) basis, the Sewer Fund operating budget ended the year with a deficit of \$16,393, which was a negative variance of \$16,393. Revenues were greater than budget by \$61,966 and expenses were greater than budget by \$78,359. User Fees exceeded budget by \$29,494 from a year-end adjustment for unbilled sales. Revenues from outside septage haulers exceeded budget by \$32,467. Operating expenses for chemicals and electricity exceeded budget by \$26,672. Debt service exceeded budget by \$96,633 from the early payoff of a truck loan. Professional services expense exceeded budget by \$23,633 due to work on an engineering study examining the feasibility of consolidating the two treatment plants. These overexpenditures were offset by lower expenses in plant and collection system maintenance categories.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2018, the Town had \$28,048,933 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 increase (including additions, disposals and depreciation) of \$901,910 from last year.

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

	Governmental Activities		Business-type Activities		Totals	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
Land	\$ 1,430,571	\$ 1,430,571	\$ 11,000	\$ 11,000	\$ 1,441,571	\$ 1,441,571
Construction in Progress	589,665	164,240	520,904	114,760	1,110,569	279,000
Buildings and Improvements	3,069,618	3,296,192	469,413	503,321	3,539,031	3,799,513
Vehicles and Equipment	2,858,873	2,071,229	368,562	415,452	3,227,435	2,486,681
Infrastructure	5,326,823	5,347,648	0	0	5,326,823	5,347,648
Water and Sewer Systems	0	0	13,123,167	13,530,229	13,123,167	13,530,229
Library	280,347	262,391	0	0	280,347	262,391
	<u>\$ 13,555,897</u>	<u>\$ 12,572,271</u>	<u>\$ 14,493,046</u>	<u>\$ 14,574,762</u>	<u>\$ 28,048,943</u>	<u>\$ 27,147,033</u>

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(Continued)

Debt Administration

At June 30, 2018, the Town had \$8,182,266 in bonds and notes payable outstanding versus \$8,192,772 on June 30, 2017 – a decrease of \$10,506 – as shown in Table 5.

Table 5
Outstanding Debt at Year-End

	Governmental		Business-type		Total	
	Activities		Activities			
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
Bonds and Notes Payable	\$ 3,826,000	\$ 3,213,000	\$ 4,356,266	\$ 4,979,772	\$ 8,182,266	\$ 8,192,772

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year 2019 budget, tax rates, and fees. One of those factors was the economy and unemployment in the region. Shelburne's unemployment rate was 2.0% in June 2018, compared to 2.1 % in June 2017. These rates remained below the state unemployment rate, which was 3% in June 2018 and 3.1% in June 2017. When adopting the budget for the 2018-2019 fiscal year, the Selectboard took into account operational and capital needs of the Town, and the impact of spending on the municipal tax rate. Shelburne's municipal property tax rate is competitive with other Chittenden County towns that provide similar services. Shelburne Property values continue to be stable and the Town's 2018 common level of appraisal was 95.83%. . 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 176 permits issued in 2018 compared to 137 in the prior year. The Town grand list contains a mix of residential, commercial and industrial properties. The total assessed value of all taxable properties in Shelburne was \$1.6 billion in July 2018, which was an increase of 0.9% from 2017. 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 sewer user rate of \$13.15/000 gallons effective July 1, 2018, which was unchanged from the prior year. A \$3.0 million bond issue was passed in November 2017 to fund necessary equipment and collection system replacements. Work on this will take place in 2018 and 2019.

The water user fee increased by 2.5% effective July 1, 2018. Sales volumes, which previously had been decreasing, have stabilized within the last year. The Water and Sewer budgets have experienced lower annual sales in recent years due to conservation, weather, demographics and economic conditions. The Selectboard and Water Commission continue to monitor the activities of these funds closely with the objective of achieving stable rates while maintaining the system infrastructure, reliability and meeting regulatory requirements

Stormwater: The Munroe Brook passes through Shelburne and has been identified as an impaired waterway. The Town operates under a Municipal Separate Storm Sewer System ("MS4") Permit, which requires that a flow restoration plan be developed and implemented to eliminate sources of pollution flowing into Lake Champlain. Currently, the estimated cost to the Town of the necessary measures for this watershed is \$4,000,000. The town is currently working to create a stormwater utility that will start in July 2020 in order to meet the regulatory and financial requirements.

TOWN OF SHELBURNE, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018
(Continued)

Requests for Information

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

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TOWN OF SHELBURNE, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,306,231	\$ 143,619	\$ 2,449,850
Investments	1,339,202	711,904	2,051,106
Receivables (Net of Allowance for Uncollectibles)	1,153,871	843,145	1,997,016
Internal Balances	(13,203)	13,203	0
Prepaid Expenses	61,246	7,237	68,483
Equipment Purchase Deposit	46,025	0	46,025
Inventory	0	2,500	2,500
Capital Assets:			
Land	1,430,571	11,000	1,441,571
Construction in Progress	589,665	520,904	1,110,569
Other Capital Assets, (Net of Accumulated Depreciation)	11,535,662	13,961,142	25,496,804
Total Assets	<u>18,449,270</u>	<u>16,214,654</u>	<u>34,663,924</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>446,694</u>	<u>61,652</u>	<u>508,346</u>
Total Deferred Outflows of Resources	<u>446,694</u>	<u>61,652</u>	<u>508,346</u>
<u>LIABILITIES</u>			
Accounts Payable	342,882	281,932	624,814
Accrued Payroll and Benefits Payable	84,901	11,286	96,187
Accrued Interest Payable	14,418	10,989	25,407
Unearned Revenue	26,882	15,184	42,066
Bond Anticipation Note Payable	415,000	0	415,000
Noncurrent Liabilities:			
Due Within One Year	756,000	779,265	1,535,265
Due in More than One Year	4,111,108	3,737,972	7,849,080
Total Liabilities	<u>5,751,191</u>	<u>4,836,628</u>	<u>10,587,819</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	598,051	0	598,051
Special Assessment	390,000	0	390,000
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>19,988</u>	<u>2,575</u>	<u>22,563</u>
Total Deferred Inflows of Resources	<u>1,008,039</u>	<u>2,575</u>	<u>1,010,614</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	9,314,898	10,136,780	19,451,678
Restricted:			
Recreation	251,046	0	251,046
Cemetery	270,114	0	270,114
Highway Equipment	203,331	0	203,331
Records Preservation	112,574	0	112,574
Library	318,450	0	318,450
Other	146,230	0	146,230
Unrestricted	<u>1,520,091</u>	<u>1,300,323</u>	<u>2,820,414</u>
Total Net Position	<u>\$ 12,136,734</u>	<u>\$ 11,437,103</u>	<u>\$ 23,573,837</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, 2018

	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	\$ 2,348,826	\$ 569,534	\$ 28,196	\$ 0	\$ (1,751,096)	\$ 0	\$ (1,751,096)
Public Safety	3,185,739	683,007	320,757	83,176	(2,098,799)	0	(2,098,799)
Highways and Public Works	1,770,931	16,873	223,539	111,831	(1,418,688)	0	(1,418,688)
Health and Welfare	35,246	0	0	0	(35,246)	0	(35,246)
Recreation and Parks	487,405	294,045	48,232	0	(145,128)	0	(145,128)
Library	479,702	4,295	19,263	279,757	(176,387)	0	(176,387)
Cemetery	60,949	6,330	0	0	(54,619)	0	(54,619)
Interest on Long-term Debt	58,558	0	0	0	(58,558)	0	(58,558)
Total Governmental Activities	8,427,356	1,574,084	639,987	474,764	(5,738,521)	0	(5,738,521)
Business-Type Activities:							
Water	1,119,695	1,138,580	0	0	0	18,885	18,885
Sewer	1,629,291	1,948,935	0	33,583	0	353,227	353,227
Total Business-Type Activities	2,748,986	3,087,515	0	33,583	0	372,112	372,112
Total Primary Government	\$ 11,176,342	\$ 4,661,599	\$ 639,987	\$ 508,347	(5,738,521)	372,112	(5,366,409)
General Revenues:							
Property Taxes					5,985,675	0	5,985,675
Penalties and Interest on Delinquent Taxes					49,600	0	49,600
General State Grants					178,057	0	178,057
Unrestricted Investment Earnings					46,714	7,315	54,029
Other Revenues					48,784	64,700	113,484
Transfers					(10,000)	10,000	0
Total General Revenues and Transfers					6,298,830	82,015	6,380,845
Change in Net Position					560,309	454,127	1,014,436
Net Position - July 1, 2017					11,576,425	10,982,976	22,559,401
Net Position - June 30, 2018					\$ 12,136,734	\$ 11,437,103	\$ 23,573,837

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

TOWN OF SHELBURNE, VERMONT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2018

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 2,203,836	\$ 102,395	\$ 2,306,231
Investments	892,419	446,783	1,339,202
Receivables (Net of Allowance for Uncollectibles)	1,153,871	0	1,153,871
Due from Other Funds	0	1,316,489	1,316,489
Prepaid Expenses	61,246	0	61,246
Equipment Purchase Deposit	<u>46,025</u>	<u>0</u>	<u>46,025</u>
Total Assets	<u>\$ 4,357,397</u>	<u>\$ 1,865,667</u>	<u>\$ 6,223,064</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 286,159	\$ 56,723	\$ 342,882
Accrued Payroll and Benefits Payable	84,901	0	84,901
Due to Other Funds	1,299,379	30,313	1,329,692
Unearned Revenue	26,882	0	26,882
Bond Anticipation Note Payable	<u>0</u>	<u>415,000</u>	<u>415,000</u>
Total Liabilities	<u>1,697,321</u>	<u>502,036</u>	<u>2,199,357</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	598,051	0	598,051
Unavailable Property Taxes, Penalties and Interest	323,509	0	323,509
Unavailable Other Receivables	83,177	0	83,177
Special Assessment	<u>390,000</u>	<u>0</u>	<u>390,000</u>
Total Deferred Inflows of Resources	<u>1,394,737</u>	<u>0</u>	<u>1,394,737</u>
<u>FUND BALANCES</u>			
Nonspendable	107,271	0	107,271
Restricted	0	1,301,745	1,301,745
Committed	523,971	256,198	780,169
Assigned	0	234,996	234,996
Unassigned/(Deficit)	<u>634,097</u>	<u>(429,308)</u>	<u>204,789</u>
Total Fund Balances	<u>1,265,339</u>	<u>1,363,631</u>	<u>2,628,970</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,357,397</u>	<u>\$ 1,865,667</u>	
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:			
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.			13,555,898
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.			406,686
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.			426,706
Long-Term and Accrued Liabilities, Including Bonds Payable, are not Due or Payable in the Current Period and, Therefore, are Not Reported in the Funds.			<u>(4,881,526)</u>
Net Position of Governmental Activities			<u>\$ 12,136,734</u>

The accompanying notes are an integral part of this financial statement. (15)

TOWN OF SHELBURNE, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 5,883,372	\$ 0	\$ 5,883,372
Penalties & Interest on Delinquent Taxes	49,600	0	49,600
Intergovernmental	765,826	28,326	794,152
Charges for Services	897,367	26,090	923,457
Permits, Licenses & Fees	318,360	66,478	384,838
Rental Income	248,054	0	248,054
Investment Income	12,104	34,610	46,714
Contributions	32,000	425,997	457,997
Other	106,268	52,724	158,992
Total Revenues	<u>8,312,951</u>	<u>634,225</u>	<u>8,947,176</u>
Expenditures:			
General Government	2,012,081	135	2,012,216
Public Safety	2,930,283	338	2,930,621
Cemetery	60,949	0	60,949
Highways and Public Works	1,493,498	400	1,493,898
Health and Welfare	35,246	0	35,246
Recreation and Parks	348,294	48,750	397,044
Library	373,733	61,106	434,839
Capital Outlay:			
General Government	23,696	0	23,696
Public Safety	38,978	1,034,621	1,073,599
Highways and Public Works	200,055	98,514	298,569
Recreation and Parks	0	32,144	32,144
Library	30,163	459,206	489,369
Debt Service:			
Principal	460,000	97,000	557,000
Interest	65,288	2,226	67,514
Total Expenditures	<u>8,072,264</u>	<u>1,834,440</u>	<u>9,906,704</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>240,687</u>	<u>(1,200,215)</u>	<u>(959,528)</u>
Other Financing Sources/(Uses):			
Proceeds from Long-Term Debt	90,000	1,080,000	1,170,000
Transfers In	44,962	178,388	223,350
Transfers Out	(188,388)	(44,962)	(233,350)
Total Other Financing Sources/(Uses)	<u>(53,426)</u>	<u>1,213,426</u>	<u>1,160,000</u>
Net Change in Fund Balances	187,261	13,211	200,472
Fund Balances - July 1, 2017	<u>1,078,078</u>	<u>1,350,420</u>	<u>2,428,498</u>
Fund Balances - June 30, 2018	<u>\$ 1,265,339</u>	<u>\$ 1,363,631</u>	<u>\$ 2,628,970</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, 2018

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)	\$	200,472
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$1,917,377) is allocated over their estimated useful lives and reported as depreciation expense (\$881,308). This is the amount by which capital outlays exceeded depreciation in the current period.		1,036,069
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.		(52,442)
The issuance of long-term debt (\$1,170,000) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$557,000) 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.		(613,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		98,547
Governmental Funds report pension contributions as expenditures (\$111,201). However, in the Statement of Activities, the cost of pension benefits earned net of employer contributions (\$206,254) is reported as pension expense. This amount is due to the net effect of the differences in the treatment of pension expense.		(95,053)
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>(14,284)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>560,309</u></u>

The accompanying notes are an integral part of this financial statement. (17)

TOWN OF SHELBURNE, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 143,619	\$ 0	\$ 143,619
Investments	520,139	191,765	711,904
Receivables (Net of Allowance for Uncollectibles)	314,457	528,688	843,145
Due from Other Funds	0	788,186	788,186
Prepaid Expenses	2,921	4,316	7,237
Inventory	<u>2,500</u>	<u>0</u>	<u>2,500</u>
Total Current Assets	<u>983,636</u>	<u>1,512,955</u>	<u>2,496,591</u>
Noncurrent Assets:			
Land	0	11,000	11,000
Construction in Progress	0	520,904	520,904
Buildings and Building Improvements	41,989	1,677,024	1,719,013
Vehicles, Machinery and Equipment	129,457	508,999	638,456
Distribution/Collection Systems	4,989,489	17,044,739	22,034,228
Less: Accumulated Depreciation	<u>(1,984,228)</u>	<u>(8,446,327)</u>	<u>(10,430,555)</u>
Total Noncurrent Assets	<u>3,176,707</u>	<u>11,316,339</u>	<u>14,493,046</u>
Total Assets	<u>4,160,343</u>	<u>12,829,294</u>	<u>16,989,637</u>
Deferred Outflows of Resources:			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>15,403</u>	<u>46,249</u>	<u>61,652</u>
Total Deferred Outflows of Resources	<u>15,403</u>	<u>46,249</u>	<u>61,652</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	51,975	229,957	281,932
Accrued Payroll	4,211	7,075	11,286
Accrued Interest Payable	5,473	5,516	10,989
Unearned Revenue	11,295	3,889	15,184
Due to Other Funds	774,983	0	774,983
Bonds and Notes Payable - Current Portion	<u>110,000</u>	<u>669,265</u>	<u>779,265</u>
Total Current Liabilities	<u>957,937</u>	<u>915,702</u>	<u>1,873,639</u>
Noncurrent Liabilities:			
Compensated Absences Payable	39,598	17,324	56,922
Net Pension Liability	27,687	76,362	104,049
Bonds and Notes Payable - Noncurrent Portion	<u>835,000</u>	<u>2,742,001</u>	<u>3,577,001</u>
Total Noncurrent Liabilities	<u>902,285</u>	<u>2,835,687</u>	<u>3,737,972</u>
Total Liabilities	<u>1,860,222</u>	<u>3,751,389</u>	<u>5,611,611</u>
Deferred Inflows of Resources:			
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>685</u>	<u>1,890</u>	<u>2,575</u>
Total Deferred Inflows of Resources	<u>685</u>	<u>1,890</u>	<u>2,575</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	2,231,707	7,905,073	10,136,780
Unrestricted	<u>83,132</u>	<u>1,217,191</u>	<u>1,300,323</u>
Total Net Position	<u>\$ 2,314,839</u>	<u>\$ 9,122,264</u>	<u>\$ 11,437,103</u>

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, 2018

	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 1,104,294	\$ 1,928,131	\$ 3,032,425
Penalties & Interest	7,197	16,047	23,244
Meter Reading Reimbursement from Sewer Fund	16,400	0	16,400
Miscellaneous	10,689	4,757	15,446
Total Operating Revenues	1,138,580	1,948,935	3,087,515
Operating Expenses:			
Salaries and Wages	204,249	328,980	533,229
Administrative Charges	45,106	45,106	90,212
Meter Reading Charges	0	16,400	16,400
Benefits	81,076	125,808	206,884
Insurance	18,000	65,254	83,254
Professional Services	0	80,233	80,233
Utilities	0	230,261	230,261
Sludge Removal	0	86,059	86,059
Water Supply & Engineering	377,012	0	377,012
Maintenance	236,806	135,828	372,634
Chemicals	0	61,196	61,196
Depreciation	102,773	435,361	538,134
Other Operating Expenses	21,028	2,359	23,387
Total Operating Expenses	1,086,050	1,612,845	2,698,895
Operating Income	52,530	336,090	388,620
Non-Operating Revenues/(Expenses):			
Water Tank Revenue	64,700	0	64,700
Investment Income	4,829	2,486	7,315
Interest Expense	(33,645)	(16,446)	(50,091)
Total Non-Operating Revenues/(Expenses)	35,884	(13,960)	21,924
Capital Contributions and Transfers:			
Transfers In	0	10,000	10,000
Capital Contributions - Connection Fees	0	33,583	33,583
Total Capital Contributions and Transfers	0	43,583	43,583
Change in Net Position	88,414	365,713	454,127
Net Position - July 1, 2017	2,226,425	8,756,551	10,982,976
Net Position - June 30, 2018	\$ 2,314,839	\$ 9,122,264	\$ 11,437,103

The accompanying notes are an integral part of this financial statement. (19)

TOWN OF SHELBURNE, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 1,054,661	\$ 1,901,955	\$ 2,956,616
Receipts from Interfund Services	16,400	0	16,400
Other Receipts	10,689	4,757	15,446
Payments for Goods and Services	(701,398)	(507,577)	(1,208,975)
Payments for Interfund Services	(45,106)	(61,506)	(106,612)
Payments for Wages and Benefits	(276,345)	(454,917)	(731,262)
Net Cash Provided by Operating Activities	<u>58,901</u>	<u>882,712</u>	<u>941,613</u>
Cash Flows From Noncapital Financing Activities:			
Water Tank Rental Revenue	64,700	0	64,700
Transfers from Other Funds	0	10,000	10,000
Decrease/(Increase) in Due from Other Funds	1,143	98,172	99,315
Net Cash Provided by Noncapital Financing Activities	<u>65,843</u>	<u>108,172</u>	<u>174,015</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds of Long-Term Debt	0	150,051	150,051
Proceeds from Sale of Fixed Assets	0	0	0
Capital Contributions-Connection Fees	0	33,583	33,583
Acquisition and Construction of Capital Assets	(2,504)	(453,914)	(456,418)
Principal Paid on:			
General Obligation Bonds	(85,000)	(688,557)	(773,557)
Interest Paid on:			
General Obligation Bonds	(34,960)	(32,047)	(67,007)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(122,464)</u>	<u>(990,884)</u>	<u>(1,113,348)</u>
Cash Flows from Investing Activities:			
Net Change in Certificates of Deposit	(16,458)	(57,571)	(74,029)
Receipt of Interest	4,829	2,486	7,315
Net Cash Provided/(Used) by Investing Activities	<u>(11,629)</u>	<u>(55,085)</u>	<u>(66,714)</u>
Net Increase/(Decrease) in Cash	(9,349)	(55,085)	(64,434)
Cash - July 1, 2017	<u>152,968</u>	<u>55,085</u>	<u>208,053</u>
Cash - June 30, 2018	<u>\$ 143,619</u>	<u>\$ 0</u>	<u>\$ 143,619</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income	\$ 52,530	\$ 336,090	\$ 388,620
Depreciation	102,773	435,361	538,134
(Increase)/Decrease in Receivables	(57,503)	(42,223)	(99,726)
Increase/(Decrease) in Accounts Payable	(48,292)	153,498	105,206
(Increase)/Decrease in Prepaid Expenses	(260)	115	(145)
Increase/(Decrease) in Pension Liabilities	844	(8,476)	(7,632)
(Increase)/Decrease in Deferred Outflows of Resources	2,232	7,986	10,218
Increase/(Decrease) in Accrued Payroll	(329)	(302)	(631)
Increase/(Decrease) in Compensated Absences Payable	5,548	(1,227)	4,321
Increase/(Decrease) in Unearned Revenue	673	0	673
Increase/(Decrease) in Deferred Inflows of Resources	685	1,890	2,575
Net Cash Provided by Operating Activities	<u>\$ 58,901</u>	<u>\$ 882,712</u>	<u>\$ 941,613</u>

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. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

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

8. Capital Assets

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

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

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

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

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

9. Compensated Absences

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

10. Long-term Liabilities

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

11. Fund Equity

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

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, 2018, expenditures in the General Fund exceeded appropriations by \$130,600. These over expenditures were funded by excess revenues.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash and investments as of June 30, 2018 consisted of the following:

Cash:		
	Deposits with Financial Institutions	<u>\$2,449,850</u>
Investments:		
	Certificates of Deposit	1,748,259
	Common Stock	104,636
	Mutual Funds	<u>198,211</u>
	Total Investments	<u>2,051,106</u>
	Total Cash and Investments	<u>\$4,500,956</u>

The Town has fourteen (14) certificates of deposit at various banks with interest rates ranging from .75% to 2.23%. The certificates of deposit mature in the following fiscal years:

2019	\$1,483,436
2020	<u>264,823</u>
	<u>\$1,748,259</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.

	Book Balance	Bank Balance
FDIC Insured	\$ 1,356,206	\$1,356,206
Uninsured, Collateralized by U.S. Government Securities Held by the Bank, In the Bank's Name for the Benefit of the Town	2,255,211	2,789,184
Uninsured, Collateralized by Mortgage Loans Held in the Bank's Name	<u>586,692</u>	<u>586,692</u>
Total	<u>\$ 4,198,109</u>	<u>\$4,732,082</u>

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

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$2,449,850
Investments – Certificates of Deposit	<u>1,748,259</u>
Total	<u>\$4,198,109</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.

Fair Value Measurements

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets as follows:

- Level 1: Inputs are quoted prices for identical investments in active markets
- Level 2: Observable inputs other than quoted market prices
- Level 3: Unobservable inputs

The fair value measurement at June 30, 2018 for the Town's investments is as follows:

	Fair Value	Level 1	Level 2	Level 3
Investments				
Common Stock	\$ 104,636	\$ 104,636	\$ 0	\$ 0
Mutual Funds	<u>198,211</u>	<u>198,211</u>	<u>0</u>	<u>0</u>
Total Investments by Fair Value Level	<u>\$ 302,847</u>	<u>\$ 302,847</u>	<u>\$ 0</u>	<u>\$ 0</u>

B. Receivables

Receivables as of June 30, 2018, 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	\$ 256,730	\$ 0	\$ 256,730
Penalties and Interest	89,019	0	89,019
Billed Services	180,388	91,507	271,895
Unbilled Services	0	716,480	716,480
Grants	112,540	0	112,540
Special Assessment - Beaver Creek Infrastructure	390,000	0	390,000
Miscellaneous	125,194	45,158	170,352
Allowance for Doubtful Accounts - Sewer	<u>0</u>	<u>(10,000)</u>	<u>(10,000)</u>
Total	<u>\$ 1,153,871</u>	<u>\$ 843,145</u>	<u>\$ 1,997,016</u>

TOWN OF SHELBURNE, VERMONT
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C. Loans Receivable

Loans receivable as of June 30, 2018 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, 2018	<u>\$ 0</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,430,571	\$ 0	\$ 0	\$ 1,430,571
Construction in Progress	164,240	466,503	41,078	589,665
Total Capital Assets, Not Being Depreciated	<u>1,594,811</u>	<u>466,503</u>	<u>41,078</u>	<u>2,020,236</u>
Capital Assets, Being Depreciated:				
Buildings and Land Improvements	9,590,904	81,737	0	9,672,641
Vehicles and Equipment	5,220,899	1,165,055	415,634	5,970,320
Infrastructure	6,540,574	200,301	0	6,740,875
Library Collection	417,369	53,859	0	471,228
Totals	<u>21,769,746</u>	<u>1,500,952</u>	<u>415,634</u>	<u>22,855,064</u>
Less Accumulated Depreciation for:				
Buildings and Land Improvements	6,294,712	308,311	0	6,603,023
Vehicles and Equipment	3,090,312	375,327	354,192	3,111,447
Infrastructure	1,252,284	161,768	0	1,414,052
Library Collection	154,978	35,903	0	190,881
Totals	<u>10,792,286</u>	<u>881,309</u>	<u>354,192</u>	<u>11,319,403</u>
Total Capital Assets, Being Depreciated	<u>10,977,460</u>	<u>619,643</u>	<u>61,442</u>	<u>11,535,661</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,572,271</u>	<u>\$ 1,086,146</u>	<u>\$ 102,520</u>	<u>\$ 13,555,897</u>

TOWN OF SHELBURNE, VERMONT
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,000	\$ 0	\$ 0	\$ 11,000
Construction in Progress	114,760	419,441	13,297	520,904
Total Capital Assets, Not Being Depreciated	<u>125,760</u>	<u>419,441</u>	<u>13,297</u>	<u>531,904</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	1,719,013	0	0	1,719,013
Vehicles, Machinery and Equipment	638,456	0	0	638,456
Distribution and Collection Systems	21,983,954	50,274	0	22,034,228
Totals	<u>24,341,423</u>	<u>50,274</u>	<u>0</u>	<u>24,391,697</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	1,215,692	33,908	0	1,249,600
Vehicles, Machinery and Equipment	223,004	46,890	0	269,894
Distribution and Collection Systems	8,453,725	457,336	0	8,911,061
Totals	<u>9,892,421</u>	<u>538,134</u>	<u>0</u>	<u>10,430,555</u>
Total Capital Assets, Being Depreciated	<u>14,449,002</u>	<u>(487,860)</u>	<u>0</u>	<u>13,961,142</u>
Business-Type Activities Capital Assets, Net	<u>\$ 14,574,762</u>	<u>\$ (68,419)</u>	<u>\$ 13,297</u>	<u>\$ 14,493,046</u>

Depreciation was charged as follows:

Governmental Activities:		Business-Type Activities:	
General Government	\$ 218,317	Water	\$ 102,773
Public Safety	250,734	Sewer	<u>435,361</u>
Highways and Public Works	277,033		
Recreation and Parks	90,362		
Library	<u>44,863</u>		
Total Depreciation Expense - Governmental Activities	<u>\$ 881,309</u>	Total Depreciation Expense - Business-Type Activities	<u>\$ 538,134</u>

E. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2018 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 0	\$ 1,299,379
Non-Major Governmental Funds	1,316,489	30,313
Water Fund	0	774,983
Sewer Fund	<u>788,186</u>	<u>0</u>
Total	<u>\$ 2,104,675</u>	<u>\$ 2,104,675</u>

TOWN OF SHELBURNE, VERMONT
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Interfund transfers during the year ended June 30, 2018 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Bay Park Fund	\$ 28,788	Annual Appropriation
General Fund	Police Fund	35,000	Annual Appropriation
General Fund	Highway Equipment Fund	81,000	Annual Appropriation
General Fund	Special Revenue Miscellaneous Fund	3,600	Annual Appropriation
General Fund	Open Land Trust Fund	30,000	Annual Appropriation
General Fund	Sewer Fund	10,000	Fund Stormwater Expenses
Non-Major Funds:			
Records Preservation Fund	General Fund	26,544	Reimburse Expenditures in General Fund
Recreation (Baseball Fund)	General Fund	3,407	Reimburse Expenditures in General Fund
Recreation - Other	General Fund	430	Reimburse Expenditures in General Fund
Lillian Davis Memorial Fund	General Fund	14,581	Reimburse Expenditures in General Fund
Total		\$ 233,350	

F. Deferred Outflows of Resources

Deferred outflows of resources in the Governmental Activities consists of \$11,746 from the difference between the expected and actual experience, \$169,035 from changes in assumptions, \$134,482 from the difference between the projected and actual investment earnings, \$20,230 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 \$111,201 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 \$446,694.

Deferred outflows of resources in the Business-type Activities consists of \$1,514 from the difference between the expected and actual experience, \$21,782 from changes in assumptions, \$17,330 from the difference between the projected and actual investment earnings, \$2,607 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 \$18,419 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 \$61,652.

Deferred outflows of resources in the Water Fund consists of \$403 from the difference between the expected and actual experience, \$5,796 from changes in assumptions, \$4,611 from the difference between the projected and actual investment earnings, \$694 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 \$3,899 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 \$15,403.

Deferred outflows of resources in the Sewer Fund consists of \$1,111 from the difference between the expected and actual experience, \$15,986 from changes in assumptions, \$12,719 from changes in the Town's proportional share of contributions related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) and \$14,520 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 \$46,249.

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G. Unearned Revenue

Unearned revenue in the General Fund consists of \$7,577 of rent received in advance and \$19,305 of recreation revenues received in advance.

Unearned revenue in the Water Fund consists of \$11,295 in customer fees received in advance.

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

This revenue will be earned in 2019 as fees are billed.

H. Deferred Inflows of Resources

Deferred inflows of resources in the Governmental Activities consists of \$598,051 of prepaid property taxes, \$390,000 of special assessments and \$19,988 from the difference between expected and actual experience related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS) as further described in Note V.A.1. Total deferred inflows of resources in the Governmental Activities is \$1,008,039.

Deferred inflows of resources in the General Fund consists of \$323,509 of delinquent property taxes, penalties and interest on those taxes and \$83,177 of other receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$598,051 of prepaid property taxes and \$390,000 of special assessments. Total deferred inflows of resources in the General Fund is \$1,394,737.

Deferred inflows of resources in the Business-type Activities consists of \$2,575 from the difference between the expected and actual experience related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A.1.

Deferred inflows of resources in the Water Fund consists of \$685 from the difference between the expected and actual experience related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A.1.

Deferred inflows of resources in the Sewer Fund consists of \$1,890 from the difference between the expected and actual experience related to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A.1.

I. Bond Anticipation Note

The Town borrowed funds on a short-term basis as follows in anticipation of permanent funding for the library project through the Vermont Municipal Bond Bank.

	Beginning Balance	Additions	Reductions	Ending Balance
Union Bank, \$1,000,000				
Line of credit, 1.19%, Due December 20, 2018.	\$ 0	\$ 415,000	\$ 0	\$ 415,000

TOWN OF SHELBURNE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

J. 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.

Long-term liabilities outstanding as of June 30, 2018 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.	\$ 940,000	\$ 235,000
Capital Improvement (bike/pedestrian path, Spear Street) bond payable to Vermont Municipal Bond Bank, annual principal payments of \$20,000, plus semi-annual interest payments at 1.9% and 4.41%, matures November 1, 2023.	120,000	20,000
Recreation facilities and sand/salt shed bond payable to Vermont Municipal Bond Bank, annual principal payments of \$75,000 to \$135,000, plus semi-annual interest payments at 3% to 4.49%, due November 1, 2025.	600,000	75,000

TOWN OF SHELBURNE, VERMONT
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Governmental Activities	Total	Due in One Year
Capital Improvement (Fire truck, Beach seawall, Webster Road Path) bond payable, Vermont Municipal Bond Bank, annual principal payments of \$15,000 to \$85,000, plus semi-annual interest payments at 1.033% to 3.426%, matures November 1, 2030.	\$ 405,000	\$ 75,000
Special assessment debt with governmental commitment, Beaver Creek Infrastructure, Vermont Municipal Bond Bank, annual principal payments of \$30,000, plus semi-annual interest payments at 1.54% to 5.05%, due November 1, 2030.	390,000	30,000
Capital Improvement (bike/pedestrian path/ sidewalk, Webster Road, Harbor Road) bond payable, Vermont Municipal Bond Bank, annual principal payments of \$25,000 to \$30,000, plus semi-annual interest payments at 1.098% to 3.0%, matures November 15, 2022.	125,000	25,000
Capital Improvement (Fire truck) bond payable to the Vermont Municipal Bond Bank, annual principal payments of \$65,000, plus semi-annual interest payments at 1.78% to 3.49%, matures November, 2032.	970,000	65,000
Capital equipment (truck) note payable to the National Bank of Middlebury, Annual principal payment of \$76,000, plus annual interest payments at 1.42%, matures August 8, 2018.	76,000	76,000
Capital equipment (truck) note payable to the National Bank of Middlebury, annual principal payment of \$40,000, plus annual interest payments at 2.05%, matures February 12, 2019.	40,000	40,000
Capital improvement (Town Center) note payable to Union Bank, principal and interest at 2.1% due June 13, matures June 13, 2020.	90,000	45,000
Capital equipment (truck) note payable to Union Bank, principal and interest at 1.99% due at maturity on June 13, 2019.	<u>70,000</u>	<u>70,000</u>
Total long-term bonds and notes payable	<u>\$ 3,826,000</u>	<u>\$ 756,000</u>
Business-Type Activities	Total	Due in One Year
Sewer Fund		
Sewer upgrade note payable to State of Vermont Special Environmental Revolving Fund, total available \$7,495,636, non-interest bearing, annual principal payments of \$355,266.	\$ 1,776,332	\$ 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.	67,203	5,011

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Business-Type Activities	Total	Due in One Year
Sewer upgrade note payable to State of Vermont Special Environmental Revolving Fund, total available, \$1,719,975, non-interest bearing, annual principal payments of \$85,979.	\$ 601,850	\$ 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.	253,238	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.	348,650	35,742
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.	113,451	7,102
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.	100,491	13,517
Sewer upgrade note payable to State of Vermont Special Environmental Revolving Fund, non-interest bearing, annual principal payments of \$6,810 beginning June, 2022, matures June, 2026.	34,051	0
Capital equipment (trucks) note payable to the National Bank of Middlebury, interest at 1.93%, annual principal payment of \$116,000, matures December 18, 2018.	<u>116,000</u>	<u>116,000</u>
Total Sewer Fund long-term bond and notes payable	<u>3,411,266</u>	<u>669,265</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 November 1, 2023.	\$ 325,000	\$ 55,000
Water bond payable to the Vermont Municipal Bond Bank, annual principal payments of between \$4,000 to \$10,000 plus semi-annual interest payments at 3.0% to 4.38%, matures November 1, 2020.	15,000	5,000

TOWN OF SHELBURNE, VERMONT
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Business-Type Activities	Total	Due in One Year
Water bond payable, to the Vermont Municipal Bond Bank, annual principal payments of between \$20,000 and \$25,000 plus semi-annual interest payments at 0.44% to 4.33%, matures November 1, 2028.	\$ 245,000	\$ 25,000
Water bond payable, to the Vermont Municipal Bond Bank, annual principal payments of between \$20,000 and \$25,000 beginning November 1, 2018 plus semi-annual interest payments at 3.08%, matures November 1, 2032.	<u>360,000</u>	<u>25,000</u>
Total Water Fund long-term bond and notes payable	<u>945,000</u>	<u>110,000</u>
Total Business-type Activities	<u>\$ 4,356,266</u>	<u>\$ 779,265</u>

Maturities of bonds and notes payable are as follows:

Year Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 756,000	\$ 65,467	\$ 821,467	\$ 779,265	\$ 46,450	\$ 825,715
2020	570,000	39,795	609,795	664,768	39,083	703,851
2021	525,000	60,345	585,345	661,463	30,330	691,793
2022	470,000	56,195	526,195	666,025	33,393	699,418
2023	235,000	50,460	285,460	670,137	23,942	694,079
2024-2028	815,000	136,091	951,091	736,588	56,989	793,577
2029-2033	455,000	35,912	490,912	178,020	11,662	189,682
Total	<u>\$ 3,826,000</u>	<u>\$ 444,265</u>	<u>\$ 4,270,265</u>	<u>\$ 4,356,266</u>	<u>\$ 241,849</u>	<u>\$ 4,598,115</u>

Changes in long-term liabilities for the year ended June 30, 2018 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds and Notes Payable	\$ 3,213,000	\$ 1,170,000	\$ 557,000	\$ 3,826,000	\$ 756,000
Compensated Absences	210,437	23,240	0	233,677	0
Net Pension Liability	818,406	0	10,975	807,431	0
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 4,241,843</u>	<u>\$ 1,193,240</u>	<u>\$ 567,975</u>	<u>\$ 4,867,108</u>	<u>\$ 756,000</u>

TOWN OF SHELBURNE, VERMONT
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 JUNE 30, 2018

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
Bonds and Notes Payable	\$ 4,979,772	\$ 150,051	\$ 773,557	\$ 4,356,266	\$ 779,265
Compensated Absences	52,601	4,321	0	56,922	0
Net Pension Liability	111,681	0	7,632	104,049	0
Total Business-Type Activities					
Long-Term Liabilities	\$ 5,144,054	\$ 154,372	\$ 781,189	\$ 4,517,237	\$ 779,265

K. 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.

TOWN OF SHELBURNE, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018

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

Major Funds

General Fund:

Prepaid Expenses and Deposits \$ 107,271

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

Non-Major Funds

Special Revenue Funds:

Restricted for Recreation by Impact Fees and Contributions
 (Source of Revenue is Impact Fees and Contributions) \$ 162,381

Restricted for Records Preservation Expenses by Statute
 (Source of Revenue is Fees) 112,574

Other Restrictions by Donations
 (Source of Revenue is Donations) 37,192

Total Special Revenue Funds 312,147

Capital Project Funds:

Restricted for Library Building by Donations 216,004

Restricted for Highway Equipment Replacement
 Expenditures by Statute 203,331

Restricted for Fire Truck by Donations 8,960

Restricted for Police by Grant Agreements and Donations 100,078

Total Capital Project Funds 528,373

Permanent Funds:

Restricted for Library Endowment by Trust Agreements 102,446

Restricted for Cemetery Fund by Trust Agreements 270,114

Restricted for Lillian Davis Memorial Fund by Bequest 88,665

Total Permanent Funds 461,225

Total Non-Major Funds 1,301,745

Total Restricted Fund Balances \$ 1,301,745

* The nonspendable portion of the Permanent Funds is unknown.

TOWN OF SHELBURNE, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
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The fund balances in the following funds are committed as follows:

Major Fund

General Fund:		
Committed for Ambulance and Rescue Operations by Voters		\$ <u>523,971</u>

Non-Major Funds

Special Revenue Funds:		
Committed for Cemetery Tractor by Voters	<u>10,927</u>	
Total Special Revenue Funds	<u>10,927</u>	

Capital Projects Funds:		
Committed for Open Land by Voters	171,155	
Committed for Bay Park by Voters	49,166	
Committed for Police Equipment by Voters	<u>24,950</u>	

Total Capital Project Funds	<u>245,271</u>	
Total Non-Major Funds	<u>256,198</u>	
Total Committed Fund Balances	<u>\$ 780,169</u>	

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

Non-Major Funds

Special Revenue Funds:		
Assigned for Reappraisal Expenses (Source of Revenue is Fees)		\$ <u>211,868</u>

Capital Projects Funds:		
Assigned for Highway Salt Shed Expenditures	<u>23,128</u>	
Total Assigned Fund Balances	<u>\$ 234,996</u>	

The negative unassigned fund balance of \$15,196 in the Pinehaven Storm Water Fund will be funded with future grant revenue.

The negative unassigned fund balance of \$414,112 in the Library Bond Fund will be funded with future bond proceeds.

TOWN OF SHELBURNE, VERMONT
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 JUNE 30, 2018

L. Restricted and Designated Net Position

The restricted net position of the Town as of June 30, 2018 consisted of the following:

Governmental Activities:

Restricted for Recreation by Grant Agreements	\$ 162,381
Restricted for Records Preservation Expenses by Statute	112,574
Restricted for Other Purposes by Donations	37,192
Restricted for Library Building by Donations	216,004
Restricted for Highway Equipment Replacement Expenditures by Statute	203,331
Restricted for Police by Grant Agreements and Donations	100,078
Restricted for Fire by Donations	8,960
Restricted for Cemetery by Trust Agreements	270,114
Restricted for Library by Trust Agreements	102,446
Restricted for Recreation Projects (Lillian Davis Memorial) by Bequest	<u>88,665</u>
Total Governmental Activities	<u>\$ 1,301,745</u>

The designated net position of the Town's Proprietary Funds as of June 30, 2018 consisted of the following:

Water Fund:

Designated for Water Capital Projects	\$ <u>69,277</u>
Total Water Fund	<u>69,277</u>

Sewer Fund:

Designated for Sewer Capital Projects	381,040
Designated for Future Sewer Capital Projects	<u>284,101</u>
Total Sewer Fund	<u>665,141</u>

Total Business-type Activities	<u>\$ 734,418</u>
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V. OTHER INFORMATION

A. BENEFIT PLANS

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

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis, and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2018, the retirement system consisted of 423 participating employers.

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

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

Pension Liabilities, Pension Expense and Deferred Outflows of Resources

As of June 30, 2017, the measurement date selected by the State of Vermont, VMERS was funded at 83.64% and had a plan fiduciary net position of \$619,510,342 and a total pension liability of \$740,665,894 resulting in a net pension liability of \$121,155,552. As of June 30, 2018, the Town's proportionate share of this was .7523% resulting in a liability of \$911,479. The net pension liability was measured as of June 30, 2017, 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, 2017, the Town's proportion of .7523% was an increase of .0296% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Town recognized pension expense of \$229,931.

As of June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 13,260	\$ 22,563
Changes in proportional share of contributions	22,837	0
Difference between projected and actual earnings on pension plan investments	151,812	0
Changes in Assumptions	190,817	0
Town's required employer contributions made subsequent to the measurement date	<u>129,620</u>	<u>0</u>
	<u>\$ 508,346</u>	<u>\$ 22,563</u>

TOWN OF SHELBURNE, VERMONT
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The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$129,620 will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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	
2019	\$ 127,962
2020	180,787
2021	50,791
2022	<u>(3,377)</u>
Total	<u>\$ 356,163</u>

Summary of System Provisions

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

Creditable Service: Service as a member plus purchased service.

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

Service Retirement Allowance:

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

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

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

Early Retirement Allowance:

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

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

TOWN OF SHELBURNE, VERMONT
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JUNE 30, 2018

Vested Retirement Allowance:

Eligibility: Five (5) years of service.

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

Disability Retirement Allowance:

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

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

Death Benefit:

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

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

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

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

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

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

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

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

Significant Actuarial Assumptions and Methods

Interest Rate: 7.50%, net of pension plan investment expenses, including inflation, a decrease from 7.95% in the prior year.

Salary Increases: 5% per year.

TOWN OF SHELBURNE, VERMONT
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JUNE 30, 2018

Mortality – The mortality tables were updated for the current year from variations of RP-2000 with static projection to variations of RP-2014 with generational improvement:

Death in Active Service: Groups B and C – 98% of RP-2014 blended 60% Blue Collar Employee, 40% Healthy Employee with generational projection using Scale SSA-2017.

Healthy Post-Retirement: Groups B and C – 98% of RP-2014 blended 60% Blue Collar Annuitant, 40% Healthy Annuitant with generational projection using Scale SSA-2017.

Disabled Post-Retirement: Groups B and C – RP-2014 Disabled Mortality Table with generational projection using Scale SSA-2017.

Spouse's Age: Females three years younger than males.

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.30% per annum for Groups B and C members, a decrease from 1.8% in the prior year (beginning at normal retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group B who receive a disability retirement benefit, and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2018 COLA is assumed to be 0.75% for all groups.

Actuarial Cost Method: Entry age actuarial cost method. Entry age is the age at date of employment or, if date is unknown, current age minus years of service. Normal cost and actuarial accrued liability are calculated on an individual basis and are allocated by salary, with normal cost determined using the plan of benefits applicable to each participant.

Actuarial Value of Assets: 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 market value of assets by more than 20%.

Inflation: 2.50%, a decrease from 3% in the prior year.

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Long-term Expected Target Allocation	Real Rate of Return
US Equity	16%	6.07%
Non-US Equity	16%	7.42%
Global Equity	9%	6.85%
Real Estate	8%	4.62%
Private Markets	15%	7.80%
Hedge Funds	8%	3.95%
Risk Parity	4%	4.84%

Discount Rate – The discount rate used to measure the total pension liability was 7.50%, a decrease from 7.95% in the prior year. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System’s projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
\$1,627,386	\$911,479	\$317,750

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 \$1,171,077 and pension expense was \$60,019.

B. RISK MANAGEMENT

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

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

C. PROPERTY TAXES

The Town is responsible for assessing and collecting its own property taxes, as well as education taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the voter approved budgets and the State education property tax liability. Property taxes are due in three equal installments on August 15, November 15 and March 15. The Town assesses a 5% penalty on delinquent taxes and interest is assessed at 1.5% per month after the first month of delinquency. Unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale. The tax rates for 2018 were as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Town	\$.3879	\$.3879
Veterans Exemption	.0006	.0006
Education	<u>1.4748</u>	<u>1.5990</u>
Total	<u>\$1.8633</u>	<u>\$1.9875</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, 2018 is \$112,262.

TOWN OF SHELBURNE, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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. COMMITMENTS

The Town has an open construction contract at June 30, 2018 for the construction of a new library in the amount of \$5,780,000. None had been spent at June 30, 2018. The Town has an open construction contract at June 30, 2018 for a sewer project in the amount of \$1,591,846. \$320,349 was spent on the contract in 2018.

G. SUBSEQUENT EVENTS

At a special meeting held November 3, 2015, Shelburne voters approved a bond issue of up to \$3,000,000 for the purpose of making capital improvements to the Town sewer collection system and facilities. Bond payments will be funded through sewer user fees. In June 2018, the Vermont Special Environmental Revolving Fund had approved \$1,831,153 in bonds through the Vermont Municipal Bond Bank at zero percent interest. The balance drawn at June 30, 2018 was \$34,051. After year end, \$1,233,175 was drawn on the loan. In October 2018, the loan balance increased to \$2.014 million.

At a special meeting held November 7, 2017, Shelburne voters approved a bond issue of up to \$6,500,000 for the purpose of public library construction, Town Hall renovations and municipal campus enhancements. As of June 30, 2018, no bonds were issued. In fiscal year 2019, \$2,000,000 in bonds were issued at 1.7 to 4.17% interest to be repaid over 20 years.

In October 2018, the Town purchased highway equipment with a \$100,000 loan from the Vermont Municipal Equipment Loan fund with interest at 2%, to be repaid over five years.

In December 2017, an anonymous donor pledged \$500,000 for the Town's library project if the Town could raise the same amount by November, 2018. The Town raised the required amount and the donor paid the \$500,000 pledge in December, 2018.

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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:			
Property Taxes:			
Property Taxes	\$ 5,892,246	\$ 5,822,821	\$ (69,425)
Special Assessments	45,294	45,297	3
Late Homestead Filing	13,000	15,254	2,254
Penalties	40,000	40,118	118
Interest Income	30,000	9,482	(20,518)
Total Property Taxes	6,020,540	5,932,972	(87,568)
Administration Revenue:			
Animal Licenses	6,000	6,024	24
Animal Licenses Transfer to Dog Park Fund	(800)	0	800
Liquor Licenses	2,865	2,980	115
Marriage/Civil Union Licenses	540	480	(60)
Recording Fees	50,000	31,466	(18,534)
Passport Fees and Photos	12,000	18,420	6,420
Miscellaneous	300	1,343	1,043
Copier Use	7,000	6,537	(463)
Vital Statistics Copies	4,000	4,790	790
Green Mountain Passport	175	182	7
Vehicle Registration	200	297	97
Other Fees	1,300	746	(554)
Transfer from Records Preservation Fund	61,000	26,544	(34,456)
Total Administration Revenue	144,580	99,809	(44,771)
Highway Revenue:			
Received for State Aid/Grant	145,000	223,539	78,539
Bike/Pedestrian Path Grant	115,200	111,831	(3,369)
Permits	10,100	9,760	(340)
Other	0	7,113	7,113
Total Highway Revenue	270,300	352,243	81,943
Police Department Revenue:			
Judicial Fees	60,000	43,556	(16,444)
Special Duty Reimbursement	17,000	52,203	35,203
Public Safety Grants	22,500	220,786	198,286
Dispatch Contracts	257,000	257,495	495
E911 Operation Grant	90,000	38,158	(51,842)
Other	22,000	47,561	25,561
Total Police Department Revenue	468,500	659,759	191,259
Cemetery Revenue:			
Transfer from Cemetery Fund	0	0	0
Cemetery Other	6,200	6,330	130
Total Cemetery Revenue	6,200	6,330	130

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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Planning and Zoning Revenue:			
Permits and Fees	\$ 67,300	\$ 191,779	\$ 124,479
Grant Revenue	25,000	0	(25,000)
Total Planning and Zoning Revenue	92,300	191,779	99,479
Water and Sewer Revenue:			
Water Department Administration	45,106	45,106	0
Sewer Department Administration	45,106	45,106	0
Total Water and Sewer Revenue	90,212	90,212	0
Recreation Department Revenue:			
Sale of Beach Stickers	16,075	15,351	(724)
Fees and Recreation Programs	139,592	152,350	12,758
Transfer from Recreation (Baseball) Fund	15,540	3,407	(12,133)
Transfer from Davis Park Fund	14,600	14,581	(19)
Transfer from Recreation Fund (Other)	0	430	430
Total Recreation Department Revenue	185,807	186,119	312
Library Revenue:	0	4,295	4,295
Financial Management Investment Interest:	1,000	12,104	11,104
Rescue Income:			
Other Rescue Income	0	6,078	6,078
Transfer from Ambulance Fund	259,919	267,092	7,173
Total Rescue Income	259,919	273,170	13,251
Miscellaneous Revenue:			
Loan Proceeds	0	90,000	90,000
Fire Grants, Donations and Miscellaneous	171,413	18,257	(153,156)
Miscellaneous	3,500	48,419	44,919
Payment in Lieu of Taxes	6,000	6,545	545
State Current Use Tax Payment	120,000	124,267	4,267
Act 60 Administration	46,000	47,245	1,245
Cellular Tower Fees	43,117	45,161	2,044
Transfer from Recreation Impact Fees	6,000	0	(6,000)
Mooring Fees	50,100	53,040	2,940
CSSU Village Center Lease	64,000	71,000	7,000
CSSU Building Maintenance Allocation	37,000	41,379	4,379
Use of Town Hall/Town Center	15,000	9,738	(5,262)
Pierson Library Building Lease	28,564	27,736	(828)
Total Miscellaneous Revenue	590,694	582,787	(7,907)
Total Revenues	8,130,052	8,391,579	261,527

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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures:			
Selectboard:			
Salaries	\$ 6,300	\$ 6,254	\$ 46
FICA	482	478	4
Selectboard's Expenses	8,500	8,284	216
VLCT Dues	9,248	9,124	124
Town Reports	2,500	3,888	(1,388)
Total Selectboard	27,030	28,028	(998)
Legal Services:	60,000	255,689	(195,689)
Administration - Municipal Offices:			
Office Supplies	7,000	8,713	(1,713)
Computer Hardware	8,075	1,157	6,918
Telephone	5,000	5,386	(386)
Computer Software	14,110	12,071	2,039
Technical Assistance	10,000	7,132	2,868
Training	7,000	3,677	3,323
Office Equipment and Repair	5,000	11,839	(6,839)
Postage	19,000	11,200	7,800
Copier Expense	7,300	8,514	(1,214)
Computer Technical Assistance	12,000	17,638	(5,638)
Town Office Internet	1,740	1,738	2
Total Administration - Municipal Offices	96,225	89,065	7,160
Town Manager:			
Salaries	168,650	166,730	1,920
Benefits and Other Insurance	52,537	51,431	1,106
Manager's Expenses	7,300	7,969	(669)
Vehicle Expense	2,500	2,693	(193)
Emergency Management	1,000	823	177
Total Town Manager	231,987	229,646	2,341
Elections:			
Salaries	1,000	2,648	(1,648)
Election Expense	1,000	3,905	(2,905)
BCA Expenses	500	161	339
Total Elections	2,500	6,714	(4,214)
Finance and Insurance:			
Salaries	181,054	169,238	11,816
Benefits and Other Insurance	65,365	70,896	(5,531)
Property and Liability Insurance	300,000	299,543	457
Insurance Claims - Deductible	7,000	5,056	1,944
Auditing	14,850	48,483	(33,633)
Total Finance and Insurance	568,269	593,216	(24,947)

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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Town Clerk/Treasurer:			
Salaries	\$ 126,219	\$ 138,715	\$ (12,496)
Benefits and Other Insurance	38,918	35,058	3,860
Town Clerk/Treasurer Expense	2,000	2,660	(660)
Office Expenses	9,800	6,870	2,930
Records Automation	21,000	24,596	(3,596)
Microfilming and Preservation	40,000	1,948	38,052
Computer Software	500	586	(86)
Total Town Clerk/Treasurer	238,437	210,433	28,004
Planning and Zoning:			
Salaries	170,919	172,751	(1,832)
Benefits and Other Insurance	68,202	67,322	880
Zoning Enforcement Contractor	0		0
Planning Expense	0	6,996	(6,996)
Conference and Training	900	961	(61)
Town Plan and Special Projects	7,500	3,150	4,350
Planning Grants	39,500	2,843	36,657
Planning Assistance	5,600	5,982	(382)
GIS Software	6,800	800	6,000
Total Planning and Zoning	299,421	260,805	38,616
Assessor's Office:			
Salaries	38,785	38,785	0
Benefits and Other Insurance	15,304	11,205	4,099
Administrative Assistant	28,336	23,766	4,570
Assessor Expenses	3,500	4,595	(1,095)
Total Assessor's Office	85,925	78,351	7,574
Buildings and Grounds:			
Salaries	101,855	103,238	(1,383)
Benefits and Other Insurance	51,014	46,094	4,920
Town Center Operating Expenses	50,000	50,869	(869)
Town Parade Ground Expenses	0	474	(474)
Town Center Building Maintenance	15,000	140	14,860
Town Hall Operating Expense	2,000	1,044	956
Town Hall Building Maintenance	5,000	300	4,700
Town Hall Heating Fuel	7,000	8,032	(1,032)
Town Center Heating Fuel	22,000	17,299	4,701
Town Center Utilities	52,300	49,016	3,284
Pierson Building Utilities and Maintenance	7,000	3,597	3,403
Transfer to Highway Equipment Fund	1,000	1,000	0
Recreation Fields Maintenance	10,000	4,046	5,954
Capital Projects	10,000	40,832	(30,832)
Total Buildings and Grounds	334,169	325,981	8,188

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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Public Works:			
Stormwater Engineering and Planning	\$ 15,000	\$ 0	\$ 15,000
Stormwater Partnerships	8,600	7,500	1,100
Stormwater Permits	14,000	17,959	(3,959)
Stormwater Maintenance	55,000	40,785	14,215
Monroe Brook Flow Restoration Project	12,200	0	12,200
Transfer to Sewer Fund for Stormwater	11,328	10,000	1,328
Miscellaneous	1,000	582	418
Total Public Works	117,128	76,826	40,302
Harbormaster:			
Salaries	5,318	5,318	0
FICA	407	407	0
Mooring Inspection/Maintenance	11,100	11,695	(595)
Seasonal Dock Installation/Removal	6,600	5,725	875
Equipment	5,500	987	4,513
Maintenance/Administration	300	120	180
Transfer to Bay Park Fund	20,876	28,788	(7,912)
Total Harbormaster	50,101	53,040	(2,939)
Police Department:			
Salaries	873,259	820,121	53,138
Overtime Salaries	119,080	150,529	(31,449)
Benefits and Other Insurance	379,010	355,521	23,489
Special Duty Details	17,000	38,149	(21,149)
Office Expense	10,500	10,883	(383)
Telephone	10,000	7,044	2,956
Radio Expense	10,700	3,922	6,778
Travel and Conferences	2,500	276	2,224
Photos	6,000	0	6,000
Training	10,000	3,332	6,668
Gasoline	32,500	29,158	3,342
Tires	5,100	4,320	780
Vehicle Maintenance and Repairs	18,000	6,983	11,017
General Equipment	5,000	3,841	1,159
Fingerprint Equipment and Supplies	3,831	4,055	(224)
Uniform Purchases	8,000	12,749	(4,749)
Uniform Cleaning	3,500	2,001	1,499
Computer Use and Maintenance	19,000	17,612	1,388
Other	0	19,143	(19,143)
Building Maintenance	2,000	2,024	(24)
Matching Funds for Grants	1,000	0	1,000
Capital Improvements	18,000	5,945	12,055
Transfer to Police Cruiser Fund	35,000	35,000	0
Animal Enforcement	3,100	1,720	1,380
Police/C.U.S.I	14,100	14,208	(108)
Governor's Highway Safety and Other Grants	22,500	252,424	(229,924)
Total Police Department	1,628,680	1,800,960	(172,280)

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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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Fire Department:			
Salaries	\$ 47,000	\$ 49,194	\$ (2,194)
FICA	3,596	3,498	98
Office Supplies and Phones	6,445	9,696	(3,251)
Building Heat and Service	5,000	4,128	872
Fire Prevention - Training	7,000	2,901	4,099
Radio Maintenance	4,000	3,563	437
Protective Clothing	21,900	25,493	(3,593)
Gas and Oil	5,000	2,635	2,365
Fire Fighting Supplies	5,500	5,102	398
Equipment Maintenance	24,600	20,365	4,235
Building Maintenance	8,000	12,850	(4,850)
Equipment	24,025	17,678	6,347
Grant Projects	180,435	14,900	165,535
Capital Improvements	20,000	27,452	(7,452)
Rescue Boat Expense	5,700	4,276	1,424
Periodicals	2,000	934	1,066
Physicals and Tests	4,000	290	3,710
Membership Events and Incentives	7,500	5,854	1,646
	<u>381,701</u>	<u>210,809</u>	<u>170,892</u>
Total Fire Department			
Public Safety and Dispatch:			
Dispatch Salaries	407,576	431,543	(23,967)
Overtime Salaries	50,764	85,997	(35,233)
Benefits and Other Insurance	145,073	152,205	(7,132)
Training	3,000	468	2,532
Uniforms	2,100	889	1,211
Capital Improvements	12,500	9,254	3,246
Dispatch Radio Equipment	15,000	13,843	1,157
Computer Use	16,000	7,665	8,335
	<u>652,013</u>	<u>701,864</u>	<u>(49,851)</u>
Total Public Safety and Dispatch			
Public Works - Highways:			
Salaries	280,152	278,252	1,900
Overtime Salaries	29,570	30,331	(761)
Benefits and Other Insurance	124,721	118,028	6,693
Interdepartmental Assistance	1,835	2,427	(592)
Road Maintenance	40,000	34,126	5,874
Tree Removal	5,100	6,425	(1,325)
Drainage System Maintenance	15,000	11,951	3,049
Construction Projects	45,000	31,925	13,075
Retreatment and Repaving	335,000	411,954	(76,954)
Sidewalk Maintenance	2,000	0	2,000
Route 7 Sidewalk Project	128,000	131,619	(3,619)
Line Striping, Crosswalks & Traffic Safety	16,500	13,298	3,202
Engineering Services	3,000	487	2,513
Street Signs	5,000	3,311	1,689
Winter Sand	5,000	5,528	(528)
Winter Salt	95,000	105,997	(10,997)
Garage Heating Fuel	7,300	6,217	1,083
Garage Utilities	14,000	12,220	1,780
Uniforms	4,600	4,388	212
Gas and Diesel	25,000	26,620	(1,620)
Equipment Repair and Maintenance	50,000	46,169	3,831

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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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Public Works - Highways (Cont.):			
Street and Caution Lights	\$ 10,000	\$ 10,243	\$ (243)
Garage Supplies	5,000	9,948	(4,948)
Building Maintenance	5,000	282	4,718
Highway Equipment Fund Transfer	80,000	80,000	0
Street Lights Upgrade	20,000	0	20,000
Total Public Works - Highways	1,351,778	1,381,746	(29,968)
Health and Social Services:			
Health Officer Salary and FICA	939	0	939
United Way Donation	38,000	35,246	2,754
Transfer to Other (Community Fund)	2,000	2,000	0
Health Officer Expenses	450	0	450
Total Health and Social Services	41,389	37,246	4,143
Rescue:			
Volunteer Compensation	16,500	17,285	(785)
Volunteer Incentive Compensation	30,000	29,474	526
Compensation - Full Part-Time	80,000	112,496	(32,496)
Rescue Overtime	849	3,829	(2,980)
Benefits and Other Insurance	29,370	23,528	5,842
Medical Supplies	24,000	15,453	8,547
Uniforms	1,700	1,365	335
Operating	18,000	23,696	(5,696)
Transport Billing Expense	19,000	26,627	(7,627)
Oxygen	5,000	4,716	284
Training	2,200	5,767	(3,567)
Office Supplies	2,500	1,973	527
Communications	4,000	4,124	(124)
Vehicle	12,000	9,681	2,319
Building Heating Fuel	2,300	2,002	298
Building Utilities	6,400	5,308	1,092
Building Maintenance	5,500	3,304	2,196
Immunizations	100	0	100
Public Education	500	0	500
Total Rescue	259,919	290,628	(30,709)
Cemeteries:			
Salaries	30,301	32,132	(1,831)
Benefits and Other Insurance	2,685	2,795	(110)
Supplies and Tools	1,000	627	373
Committee Expenses	100	45	55
Gas Expense	1,000	952	48
Equipment Maintenance	800	322	478
Equipment Purchases	500	364	136
Capital Projects	5,000	2,541	2,459
Transfer to Other (Cemetery Tractor Fund)	1,600	1,600	0
Outside Services	3,000	15,805	(12,805)
Interments	4,000	4,400	(400)
Cremation Garden	1,100	966	134
Total Cemeteries	51,086	62,549	(11,463)

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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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Recreation:			
Administrative Salaries	\$ 95,182	\$ 95,437	\$ (255)
Benefits and Other Insurance	43,458	49,377	(5,919)
Administration Expenses	8,939	10,443	(1,504)
Public Information	7,413	7,044	369
Beach Salaries	18,755	20,762	(2,007)
Beach Equipment	1,875	1,517	358
Beach Utilities	2,395	1,993	402
Other	150	0	150
Dog Obedience	2,500	30	2,470
Davis Park	17,910	19,311	(1,401)
Park Maintenance	7,525	3,032	4,493
Martial Arts	1,120	1,260	(140)
Beach Maintenance	5,200	3,340	1,860
Lacrosse Programs	9,210	6,372	2,838
Youth Basketball	3,210	1,915	1,295
Babe Ruth Baseball	4,175	1,105	3,070
Summer Soccer Camp	12,575	13,502	(927)
Softball	4,233	2,220	2,013
Youth Soccer	10,465	9,937	528
Little League Baseball	27,980	26,460	1,520
Recreation Programs - Non-League	30,457	29,375	1,082
Special Events and Concerts	12,000	11,307	693
Ski Program	7,650	8,303	(653)
Total Recreation	334,377	324,042	10,335
Library:			
Salaries	216,364	230,781	(14,417)
Benefits and Other Insurance	84,778	85,842	(1,064)
Supplies	5,700	2,629	3,071
Materials	45,000	39,679	5,321
Public Information	500	136	364
Building Maintenance	13,500	13,718	(218)
Utilities	17,300	20,649	(3,349)
Equipment Purchase and Maintenance	2,150	1,084	1,066
Administrative	2,000	1,497	503
Programs	5,000	3,855	1,145
Computer Hardware and Software	8,800	4,026	4,774
Total Library	401,092	403,896	(2,804)
Debt Management:			
Fire Truck 2010 Note	44,339	43,707	632
Town Center Project	216,740	216,740	0
2017 Capital Project Loan	50,525	1,501	49,024
Recreation Fields Project	98,009	98,009	0
Recreation Bike Path Bond Issue 2008	25,306	25,306	0
Recreation Path Harbor Road Bond 2008 Issue 2012	28,515	28,515	0
Recreation Path Bond 2008 Issue 2010	27,581	28,006	(425)
Beach Sea Wall Bond 2009 Issue 2010	16,316	16,390	(74)
Beaver Creek Bond 2009 Issue 2010	45,294	45,297	(3)
2017 Quint Fire Truck	20,000	21,817	(1,817)
Total Debt Management	572,625	525,288	47,337

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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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Intergovernmental:			
County Tax	\$ 75,305	\$ 72,959	\$ 2,346
Greater Burlington Industrial Development Corp	1,200	1,200	0
Chittenden County Regional Planning	18,756	18,756	0
Chittenden County Transit Authority	98,739	98,740	(1)
Total Intergovernmental	194,000	191,655	2,345
Employee Benefits:			
HRA Expenses	79,000	71,568	7,432
Health Insurance/Flex Spending Administration Expense	21,500	8,569	12,931
Other	1,700	2,412	(712)
Total Employee Benefits	102,200	82,549	19,651
Miscellaneous:			
Selectboard Discretionary	5,000	1,465	3,535
Community Events	1,500	1,451	49
Tree Conservation	10,000	3,522	6,478
Committee Support	1,500	0	1,500
Miscellaneous Expense	0	3,188	(3,188)
Total Miscellaneous	18,000	9,626	8,374
Community Improvement Transfer to Open Space Fund:	30,000	30,000	0
Total Expenditures	8,130,052	8,260,652	(130,600)
Excess of Revenues Over Expenditures	\$ 0	130,927	\$ 130,927
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Ambulance Fund Revenues		323,426	
Ambulance Fund Transfer		(267,092)	
Net Change in Fund Balance		187,261	
Fund Balance - July 1, 2017		1,078,078	
Fund Balance - June 30, 2018		\$ 1,265,339	

TOWN OF SHELburnE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2018

	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 121,155,552	128,696,167	\$ 77,095,810	\$ 9,126,613
Town's Proportion of the Net Pension Liability	0.7523%	0.7227%	0.6965%	0.6842%
Town's Proportionate Share of the Net Pension Liability	\$ 911,479	930,087	\$ 537,005	\$ 62,440
Town's Covered Employee Payroll	\$ 2,194,508	2,064,865	\$ 1,866,277	\$ 1,687,080
Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	41.53%	45.04%	28.77%	3.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.64%	80.95%	87.42%	98.32%
	as of June 30, 2017	as of June 30, 2016	as of June 30, 2015	as of June 30, 2014

TOWN OF SHELburnE, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017	2016	2015
Contractually Required Contributions (Actuarially Determined)	\$ 129,620	\$ 122,861	\$ 109,840	\$ 97,366
Contributions in Relation to the Actuarially Determined Contributions	(129,620)	(122,861)	(109,840)	(97,366)
Contribution Excess/(Deficiency)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 2,194,508	\$ 2,064,865	\$ 1,866,277	\$ 1,687,080
Contributions as a Percentage of Covered Employee Payroll	5.91%	5.95%	5.89%	5.77%

Notes to the Schedule:

Valuation Dates: June 30, 2017, 2016, 2015 and 2014

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

Notes to the Schedule:

Benefit Changes: none

Changes in Assumptions and Methods: The following changes were effective for the June 30, 2017 valuation date:

- Assumed inflation was lowered from 3.0% to 2.5%.
- The investment return assumption was lowered from 7.95% to 7.50%.
- Assumed COLA increases were lowered from 1.80% to 1.3% for Groups B and C members.
- The mortality tables were updated from variations of RP-2000 with static projection to variations of RP-2014 with generational improvement.

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

Valuation Dates: June 30, 2017, 2016, 2015 and 2014

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TOWN OF SHELBURNE, VERMONT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

Schedule 4

TOWN OF SHELBURNE, VERMONT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Schedule 5

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total		Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
ASSETS					Revenues:				
Cash	\$ 0	\$ 0	\$ 102,395	\$ 102,395	Intergovernmental	\$ 28,196	\$ 130	\$ 0	\$ 28,326
Investments	143,936	0	302,847	446,783	Charges for Services	26,090	0	0	26,090
Due from Other Funds	392,612	851,923	71,954	1,316,489	Investment Income	680	0	33,930	34,610
					Fees and Licenses	66,478	0	0	66,478
Total Assets	\$ 536,548	\$ 851,923	\$ 477,196	\$ 1,865,667	Contributions	53,965	352,769	19,263	425,997
					Other Revenue	0	52,724	0	52,724
					Total Revenues	175,409	405,623	53,193	634,225
LIABILITIES					Expenditures:				
Accounts Payable	\$ 1,606	\$ 55,117	\$ 0	\$ 56,723	General Government	135	0	0	135
Due to Other Funds	0	14,342	15,971	30,313	Highway and Public Works	0	400	0	400
Bond Anticipation Note Payable	0	415,000	0	415,000	Public Safety	0	338	0	338
					Recreation and Parks	48,750	0	0	48,750
Total Liabilities	1,606	484,459	15,971	502,036	Library	0	27,878	33,228	61,106
					Capital Outlay:				
FUND BALANCES					Public Safety	0	1,034,621	0	1,034,621
Restricted	312,147	528,373	461,225	1,301,745	Highways and Public Works	0	98,514	0	98,514
Committed	10,927	245,271	0	256,198	Recreation and Parks	0	32,144	0	32,144
Assigned	211,868	23,128	0	234,996	Library	0	459,206	0	459,206
Unassigned/(Deficit)	0	(429,308)	0	(429,308)	Debt Service:				
					Principal	0	97,000	0	97,000
Total Fund Balances	534,942	367,464	461,225	1,363,631	Interest	0	2,226	0	2,226
					Total Expenditures	48,885	1,752,327	33,228	1,834,440
Total Liabilities and Fund Balances	\$ 536,548	\$ 851,923	\$ 477,196	\$ 1,865,667	Excess/(Deficiency) of Revenues Over Expenditures	126,524	(1,346,704)	19,965	(1,200,215)
					Other Financing Sources/(Uses):				
					Proceeds from Long-Term Debt	0	1,080,000	0	1,080,000
					Transfers In	3,600	174,788	0	178,388
					Transfers Out	(30,381)	0	(14,581)	(44,962)
					Total Other Financing Sources/(Uses)	(26,781)	1,254,788	(14,581)	1,213,426
					Net Change in Fund Balances	99,743	(91,916)	5,384	13,211
					Fund Balances - July 1, 2017	435,199	459,380	455,841	1,350,420
					Fund Balances - June 30, 2018	\$ 534,942	\$ 367,464	\$ 461,225	\$ 1,363,631

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TOWN OF SHELBURNE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2018

	Recreation Related Funds	ACT 60 Reappraisal Fund	Record Preservation Fund	Special Revenue Miscellaneous Fund	Total
<u>ASSETS</u>					
Investments	\$ 143,936	\$ 0	\$ 0	\$ 0	\$ 143,936
Due from Other Funds	<u>19,526</u>	<u>211,868</u>	<u>112,574</u>	<u>48,644</u>	<u>392,612</u>
Total Assets	<u>\$ 163,462</u>	<u>\$ 211,868</u>	<u>\$ 112,574</u>	<u>\$ 48,644</u>	<u>\$ 536,548</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,081	\$ 0	\$ 0	\$ 525	\$ 1,606
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,081</u>	<u>0</u>	<u>0</u>	<u>525</u>	<u>1,606</u>
<u>FUND BALANCES</u>					
Restricted	162,381	0	112,574	37,192	312,147
Committed	0	0	0	10,927	10,927
Assigned	<u>0</u>	<u>211,868</u>	<u>0</u>	<u>0</u>	<u>211,868</u>
Total Fund Balances	<u>162,381</u>	<u>211,868</u>	<u>112,574</u>	<u>48,119</u>	<u>534,942</u>
Total Liabilities and Fund Balances	<u>\$ 163,462</u>	<u>\$ 211,868</u>	<u>\$ 112,574</u>	<u>\$ 48,644</u>	<u>\$ 536,548</u>

See Disclaimer in Accompanying Independent Auditor's Report.

TOWN OF SHELBURNE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Recreation Related Funds	ACT 60 Reappraisal Fund	Record Preservation Fund	Special Revenue Miscellaneous Fund	Total
Revenues:					
Intergovernmental	\$ 0	\$ 28,196	\$ 0	\$ 0	\$ 28,196
Investment Income	680	0	0	0	680
Fees and licenses	47,214	0	19,264	0	66,478
Charges for Services	26,090	0	0	0	26,090
Contributions	48,232	0	0	5,733	53,965
Total Revenues	<u>122,216</u>	<u>28,196</u>	<u>19,264</u>	<u>5,733</u>	<u>175,409</u>
Expenditures:					
General Government	0	135	0	0	135
Recreation and Parks	44,308	0	0	4,442	48,750
Total Expenditures	<u>44,308</u>	<u>135</u>	<u>0</u>	<u>4,442</u>	<u>48,885</u>
Excess of Revenues Over Expenditures	<u>77,908</u>	<u>28,061</u>	<u>19,264</u>	<u>1,291</u>	<u>126,524</u>
Other Financing Sources/(Uses):					
Transfers In	0	0	0	3,600	3,600
Transfers Out	(3,837)	0	(26,544)	0	(30,381)
Total Other Financing Sources/(Uses)	<u>(3,837)</u>	<u>0</u>	<u>(26,544)</u>	<u>3,600</u>	<u>(26,781)</u>
Net Change in Fund Balances	74,071	28,061	(7,280)	4,891	99,743
Fund Balances - July 1, 2017	<u>88,310</u>	<u>183,807</u>	<u>119,854</u>	<u>43,228</u>	<u>435,199</u>
Fund Balances - June 30, 2018	<u>\$ 162,381</u>	<u>\$ 211,868</u>	<u>\$ 112,574</u>	<u>\$ 48,119</u>	<u>\$ 534,942</u>

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TOWN OF SHELBURNE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2018

	Bay Park Fund	Pinehaven Stormwater Fund	Library Building Fund	Highway Equipment Fund	Highway Salt,Sand Shed Fund	Open Land Trust Fund	Police Fund	Fire Truck Fund	Library Bond Fund	Total
<u>ASSETS</u>										
Due from Other Funds	\$ 49,166	\$ 0	\$ 216,004	\$ 215,086	\$ 23,128	\$ 171,155	\$ 125,028	\$ 8,960	\$ 43,396	\$ 851,923
Total Assets	<u>\$ 49,166</u>	<u>\$ 0</u>	<u>\$ 216,004</u>	<u>\$ 215,086</u>	<u>\$ 23,128</u>	<u>\$ 171,155</u>	<u>\$ 125,028</u>	<u>\$ 8,960</u>	<u>\$ 43,396</u>	<u>\$ 851,923</u>
<u>LIABILITIES</u>										
Accounts Payable	\$	\$ 854	\$ 0	\$ 11,755	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,508	\$ 55,117
Due to Other Funds		14,342	0	0	0	0	0	0	0	14,342
Bond Anticipation Note Payable	0	0	0	0	0	0	0	0	415,000	415,000
Total Liabilities	0	15,196	0	11,755	0	0	0	0	457,508	484,459
<u>FUND BALANCES</u>										
Restricted	0	0	216,004	203,331	0	0	100,078	8,960	0	528,373
Committed	49,166	0	0	0	0	171,155	24,950	0	0	245,271
Assigned	0	0	0	0	23,128	0	0	0	0	23,128
Unassigned/(Deficit)	0	(15,196)	0	0	0	0	0	0	(414,112)	(429,308)
Total Fund Balances/(Deficit)	<u>49,166</u>	<u>(15,196)</u>	<u>216,004</u>	<u>203,331</u>	<u>23,128</u>	<u>171,155</u>	<u>125,028</u>	<u>8,960</u>	<u>(414,112)</u>	<u>367,464</u>
Total Liabilities and Fund Balances	<u>\$ 49,166</u>	<u>\$ 0</u>	<u>\$ 216,004</u>	<u>\$ 215,086</u>	<u>\$ 23,128</u>	<u>\$ 171,155</u>	<u>\$ 125,028</u>	<u>\$ 8,960</u>	<u>\$ 43,396</u>	<u>\$ 851,923</u>

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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, 2018

	Bay Park Fund	Pinehaven Stormwater Fund	Library Building Fund	Highway Equipment Fund	Highway Salt.Sand Shed Fund	Open Land Trust Fund	Police Fund	Fire Truck Fund	Library Bond Fund	Total
Revenues:										
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 130	\$ 0	\$ 0	\$ 130
Contributions	0	0	279,757	0	0	0	73,012	0	0	352,769
Other	0	0	0	2,178	0	0	10,034	40,512	0	52,724
Total Revenues	0	0	279,757	2,178	0	0	83,176	40,512	0	405,623
Expenditures:										
Highway and Public Works	0	0	0	400	0	0	0	0	0	400
Public Safety	0	0	0	0	0	0	0	338	0	338
Library	0	0	27,878	0	0	0	0	0	0	27,878
Capital Outlay:										
Highways and Public Works	0	7,297	0	91,217	0	0	0	0	0	98,514
Library	0	0	45,094	0	0	0	0	0	414,112	459,206
Public Safety	0	0	0	2,022	0	0	64,676	967,923	0	1,034,621
Recreation and Parks	32,144	0	0	0	0	0	0	0	0	32,144
Debt Service - Principal	0	0	0	97,000	0	0	0	0	0	97,000
Debt Service - Interest	0	0	0	2,226	0	0	0	0	0	2,226
Total Expenditures	32,144	7,297	72,972	192,865	0	0	64,676	968,261	414,112	1,752,327
Excess/(Deficiency) of Revenue Over Expenditures	(32,144)	(7,297)	206,785	(190,687)	0	0	18,500	(927,749)	(414,112)	(1,346,704)
Other Financing Sources:										
Loan Proceeds	0	0	0	110,000	0	0	0	970,000	0	1,080,000
Transfers In	28,788	0	0	81,000	0	30,000	35,000	0	0	174,788
Total Other Financing Sources	28,788	0	0	191,000	0	30,000	35,000	970,000	0	1,254,788
Net Change in Fund Balance	(3,356)	(7,297)	206,785	313	0	30,000	53,500	42,251	(414,112)	(91,916)
Fund Balance/(Deficit) - July 1, 2017	52,522	(7,899)	9,219	203,018	23,128	141,155	71,528	(33,291)	0	459,380
Fund Balance/(Deficit) - June 30, 2018	\$ 49,166	\$ (15,196)	\$ 216,004	\$ 203,331	\$ 23,128	\$ 171,155	\$ 125,028	\$ 8,960	\$ (414,112)	\$ 367,464

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TOWN OF SHELBURNE, VERMONT
 COMBINING BALANCE SHEET
 NON-MAJOR PERMANENT FUNDS
 JUNE 30, 2018

Schedule 10

TOWN OF SHELBURNE, VERMONT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NON-MAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

Schedule 11

	Pierson Library Fund	Cemetery Fund	Lillian Davis Memorial Fund	Total		Pierson Library Fund	Cemetery Fund	Lillian Davis Memorial Fund	Total
<u>ASSETS</u>					Revenues:				
Cash	\$ 102,395	\$ 0	\$ 0	\$ 102,395	Contributions	\$ 19,263	\$ 0	\$ 0	\$ 19,263
Investments	0	198,211	104,636	302,847	Investment Income	63	18,626	15,241	33,930
Due from Other Funds	51	71,903	0	71,954	Total Revenues	19,326	18,626	15,241	53,193
Total Assets	\$ 102,446	\$ 270,114	\$ 104,636	\$ 477,196	Expenditures:				
<u>LIABILITIES AND FUND BALANCES</u>					Library	33,228	0	0	33,228
Liabilities:					Total Expenditures	33,228	0	0	33,228
Due to Other Funds	\$ 0	\$ 0	\$ 15,971	\$ 15,971	Excess/(Deficiency) of Revenue Over Expenditures	(13,902)	18,626	15,241	19,965
Total Liabilities	0	0	15,971	15,971	Other Financing Sources/(Uses):				
Fund Balances:					Transfers Out	0	0	(14,581)	(14,581)
Restricted	102,446	270,114	88,665	461,225	Total Other Financing Sources/(Uses)	0	0	(14,581)	(14,581)
Total Fund Balances	102,446	270,114	88,665	461,225	Net Change in Fund Balances	(13,902)	18,626	660	5,384
Total Liabilities and Fund Balances	\$ 102,446	\$ 270,114	\$ 104,636	\$ 477,196	Fund Balances - July 1, 2017	116,348	251,488	88,005	455,841
					Fund Balances - June 30, 2018	\$ 102,446	\$ 270,114	\$ 88,665	\$ 461,225

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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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues and Transfers:			
Water Sales	\$ 1,032,769	\$ 1,064,806	\$ 32,037
Cut-Ins	9,000	28,412	19,412
Hydrant Maintenance Fees	10,700	7,025	(3,675)
Penalties and Interest	7,400	7,197	(203)
Interest Income	500	4,759	4,259
Tank Space Rent	64,700	64,700	0
Turn On/Off and Final Bill Charges	4,400	4,050	(350)
Transfer from Sewer Fund (Meter Reading Services)	16,399	16,400	1
Charges for Materials, Services and Miscellaneous	1,800	8,185	6,385
Total Revenues and Transfers	1,147,668	1,205,534	57,866
Expenses and Transfers:			
Water Purchases	366,433	363,859	2,574
State Water Quality Fee	8,725	6,365	2,360
Engineering	6,000	6,788	(788)
Contractors and Equipment Rental	85,000	98,891	(13,891)
Pump Station	4,000	4,453	(453)
Tank and Line Maintenance	90,170	91,168	(998)
Hydrant Replacement and Maintenance	5,000	921	4,079
Materials	5,000	10,752	(5,752)
Meter Purchases and Replacement	8,000	17,885	(9,885)
Equipment and Large Tools	2,000	1,526	474
Miscellaneous	3,000	4,287	(1,287)
Valve Replacement and Maintenance	6,000	6,274	(274)
Building Maintenance	1,000	65	935
Small Tools	1,000	522	478
Postage	2,800	1,418	1,382
Accounting and Auditing	2,402	2,402	0
Legal Services	5,000	3,967	1,033
Office Supplies	2,000	3,162	(1,162)
Computer Services	4,500	1,726	2,774
Telephones and Pagers	2,900	2,755	145
Uniforms	2,260	2,067	193
Retirement	10,326	11,019	(693)
Health Insurance and Other Benefits	62,142	47,017	15,125
FICA	15,121	16,040	(919)
Training	2,000	373	1,627
Wages - Regular and On Call	176,899	183,718	(6,819)
Wages - Overtime	20,767	15,783	4,984
Outside Labor	800		800
Vehicle Gas and Oil	5,500	4,952	548
Vehicle Repair and Maintenance	2,000	637	1,363
Insurance - General	18,000	18,000	0
Debt Service	175,817	119,961	55,856
Transfer to General Fund (Administrative Services)	45,106	45,106	0
Total Expenses and Transfers	1,147,668	1,093,859	53,809
Net Income/(Loss)	\$ 0	111,675	\$ 111,675
Adjustments to Reconcile to GAAP Basis Statements:			
Depreciation Expense		(102,773)	
Accrued Vacation Pay		(5,548)	
Debt Accrued Interest		1,316	
Capital Projects		2,504	
GASB 68 Pension Adjustment		(3,760)	
Debt Principal		85,000	
Change in Net Position - Exhibit G		\$ 88,414	

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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, 2018

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues and Transfers:			
User Fees	\$ 1,813,170	\$ 1,842,664	\$ 29,494
Miscellaneous	800	4,757	3,957
Transfer from General Fund (Stormwater Admin.)	10,000	10,000	0
Transfer from Sewer Capacity Fund	5,000	5,000	0
Interest and Penalties	20,000	16,047	(3,953)
Outside Septage	53,000	85,467	32,467
Total Revenues and Transfers	1,901,970	1,963,935	61,965
Expenses and Transfers:			
Transfer to General Fund (Administrative Services)	45,106	45,106	0
Transfer to Water Fund (Meter Reading Services)	16,400	16,400	0
Chemicals	49,500	61,196	(11,696)
Electricity	179,070	194,046	(14,976)
Property Insurance	49,400	65,254	(15,854)
Lab Testing and Equipment	23,500	23,821	(321)
Miscellaneous Expense	3,500	2,702	798
Plant Maintenance	110,500	82,549	27,951
Professional Services (Legal, Accounting, Engineering)	53,400	77,033	(23,633)
Permits	3,300	3,200	100
Debt Service	608,180	704,813	(96,633)
Adjustment for FY 2017 Debt Interest Accrual	0	(15,796)	15,796
SCADA System Maintenance	5,000	2,290	2,710
Heating Fuel, Communication & Utilities	31,400	36,215	(4,815)
Safety Equipment	2,200	2,225	(25)
Sludge Disposal	70,000	86,059	(16,059)
Collection System Maintenance	60,000	51,583	8,417
Collection System Capital Improvements	60,000	23,785	36,215
Transfer to Capital Improvement Fund	50,000	50,000	0
Training and Travel	3,500	1,214	2,286
Truck Expense	11,000	5,709	5,291
Office Expense	6,000	6,308	(308)
Wages - Regular	303,708	304,805	(1,097)
Wages - Overtime	32,227	29,782	2,445
Retirement	18,193	18,060	133
FICA	25,698	26,345	(647)
Health Insurance and Other Benefits	81,188	75,623	5,565
Total Expenses and Transfers	1,901,970	1,980,327	(78,357)
Net Income/(Loss)	\$ 0	(16,392)	\$ (16,392)
Adjustments to Reconcile to GAAP Basis Statements:			
Transfer from Sewer Capital Fund		(5,000)	
Transfer to Capital Improvement Fund		50,000	
Vacation Accrual		1,228	
Depreciation Expense		(435,361)	
Capital Fund Capacity Fees		29,568	
Capital Fund Interest Income		2,664	
Capital Fund Other Income		4,015	
Capital Projects		48,201	
Debt Accrued Interest		(194)	
Debt Principal		688,384	
GASB 68 Pension Adjustment		(1,400)	
Change in Net Position - Exhibit G		\$ 365,713	

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Sullivan, Powers & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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. Gilwee, 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, 2018, 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, 2019.

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 Deficiencies in Internal Control, we identified certain deficiencies in internal control over financial reporting that we consider to material weaknesses and other deficiencies that we consider to be a significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Shelburne, Vermont's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Deficiencies in Internal Control as Items 2018-1 and 2018-2 to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described the accompanying Schedule of Deficiencies in Internal Control as Items 2018-3 and 2018-4 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".

We have also noted certain other matters that we reported to the management of the Town of Shelburne, Vermont in a separate letter dated February 14, 2019.

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.

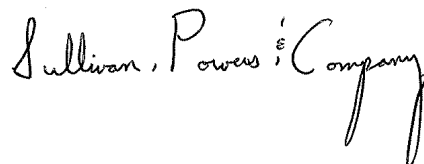
Purpose of this Report

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, 2019
Montpelier, Vermont
VT Lic. #92-000180

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TOWN OF SHELBURNE, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2018

Deficiencies in Internal Control:

Material Weaknesses:

2018-1 Segregation of Duties – Reconciliation of Bank Accounts

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. Also, the bank reconciliations should be done on a timely basis to detect errors and irregularities quickly enough to act.

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. Further, the Town's main operating account was not reconciled on a timely basis for much of the year.

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. Bank reconciliations should be completed within a month of the statement date.

Management Response:

The Treasurer reconciles small checking accounts & Certificates of Deposit and posts this activity to the general ledger. The Finance Director reconciles the Town's primary Checking account and posts adjusting entries, if needed as part of this reconciliation, which is provided to the Treasurer. We will develop a procedure where the Finance Director's and Town Treasurer's monthly reconciliations are reviewed by another person, preferably in a different department.

TOWN OF SHELBURNE, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2018

2018-2 Transfer of Funds

Criteria:

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

Condition:

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

Cause:

Unknown.

Effect:

The Town has inadvertently made its assets susceptible to misappropriation.

Recommendation:

We recommend that all electronic transfers be documented as to purpose, 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. In the rare instance where the same person initiates and releases the transfer, the second person should document their approval of the transfer after the fact.

Management Response:

Electronic transfers of funds require two individuals—one to enter the transaction and a second person to process the transaction, releasing the funds. In rare cases where a second person is not available, the transfer is completed by one person using a separate transaction token and username that is kept in the Town vault. In these cases, documentation of the transfer is provided to the Treasurer who initials it. In all cases, both the person entering the transaction and the person releasing the funds write their initials on the bank ACH Batch List report documenting their role. Documentation of electronic transfers for payables will be kept in the monthly reconciliation folders in the Treasurer's office. Documentation of payroll electronic transfers will be kept in the weekly payroll binder in the Town Clerks office. All electronic payments are listed on the payroll and payables Check Warrant reports, which are reviewed and signed by a Selectboard member.

TOWN OF SHELBURNE, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2018

Significant Deficiencies:

2018-3 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 or Treasurer.

Management Response:

Journal entries prepared by the Finance Director are kept in a binder for anyone to review. These will be reviewed and acknowledged by the Treasurer or Town Manager. The Treasurer also prepares Journal entries as part of the monthly bank account reconciliation. These entries will be reviewed and acknowledged by the Town Manager or Finance Director.

TOWN OF SHELBURNE, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2018

2018-4 Timely Reconciliation of Balance Sheet Accounts

Criteria:

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

Condition:

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

Cause:

Unknown.

Effect:

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

Recommendation:

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

Management Response:

Reconciliation of balance sheet accounts this past year was delayed due to workload requirements and staffing constraints. We will work to ensure this is done on a more timely basis with the goal of completing the reconciliations within 30 days after month end.

GENERAL INFORMATION

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

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

TOWN PHONE NUMBERS

EMERGENCY: DIAL 911

NON-EMERGENCY PHONE NUMBERS

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

MEETINGS

Selectboard – 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.

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

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

CVSD Committee Meetings - 1st Tuesday of the month, 6:00 P.M., CVU High School, Rm. 160.

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 or on the Town website.

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
 kwebb@leg.state.vt.us
 Phone (802) 233-7798

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

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