Report of the Shelburne Finance Committee

FY23 Budget (for the fiscal year beginning July 1, 2022)

Overview:

By all measures the financial health of the Town of Shelburne is very good. How does one measure this health?

 A. The town maintains its tax levy approximately $300,000 - $400,000 below the maximum allowable levy limit as dictated by Proposition 2-1/2. In addition the town’s tax levy is about $3,300,000 below the maximum levy allowed by Proposition 2-1/2 (the maximum levy is 2.5% of the assessed value of the town or a tax rate of $25 per $1000.)

 B. The town is able to consistently maintain a balance of approximately $400,000 in stabilization funds to help stabilize the tax rate while at the same time funding necessary capital items.

 C. The town’s tax rate of $14.32 in FY22 compares very favorably with similar communities in the area. It is anticipated that the tax rate for FY23 based on the budget to be voted on at this year’s town meeting will be very similar to the FY22 rate.

The FY23 budget being proposed by the Selectboard at this year’s town meeting represents a very modest increase in taxation needed over the FY22 budget. This increase will likely be mostly offset by new growth taxes with the overall result being little change in the tax rate.

Town meeting articles:

The Shelburne Finance Committee has voted to support all financial articles on the town meeting warrant and in the Omnibus budget for FY23 with the following exceptions:

**Article 7 (Omnibus Budget)** Line Item 310 5400 Mohawk Trail Regional School District

The Finance Committee recommends level funding this line at the FY22 school operating budget level or $2,199,749. As the MTRSD budget has passed at the required number of towns, Shelburne is now obligated to pay the full amount $2,598,389. This line item will be held out for discussion and a separate vote at town meeting.

**Article 22 (Ancient Glacier lease)**

The Finance Committee does not support authorizing the expenditure prior to completion of the lease negotiation.

**Article 22 (Senior Services District)**

The Finance Committee has discussed this article at length and makes no recommendation as it is a non-financial article. The article does not carry any funding commitments for the town and any future requests for funding are unknown. Formation of the district may open up alternative funding sources other than simply town taxation.

**Article 33 (Community Preservation Act)**

The Finance Committee does not make a recommendation on this article. The CPA legislation is convoluted and complicated making it difficult to determine the potential financial impact to the taxpayers. There are several “strings attached” to potential uses of any CPA money that could affect uses of the funds. It is clear, however, that if the CPA is adopted, residents’ tax bills will increase.

Shelburne Finance Committee: James Burnham, Chair; Todd Dubreuil, Clerk; Deborah Andrew, Terri Mitchell, John Redeker