

Town of Bennington, Vermont



ANNUAL REPORT 2015

The Annual Report for the Town of Bennington does not include the Annual Report for the Bennington School District, an incorporated school district. It also does not include the Villages of Old Bennington and North Bennington. Each of these governing bodies publishes a separate Annual Report.

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DEPARTMENT DIRECTORY

FIRE DEPARTMENTS (VOLUNTEER)

Emergency – Bennington: Jeff Vickers, Chief 9-1-1
Emergency – Rural Fire: Wayne Davis, Jr., Chief 9-1-1

POLICE DEPARTMENT, 118 South Street

Police Chief: Paul Doucette
Animal Control 442-1030
Emergency 9-1-1
Information 442-1030

PUBLIC WORKS DEPARTMENT, 205 South Street, P.O. Box 469

Hours of Operation: Monday - Friday 7:00 am – 3:30 pm
Highway Superintendent: R.J. Joly 442-1037
Water Resources Superintendent: Terrance A. Morse 442-1037

RECREATION CENTER, 655 Gage Street, P.O. Box 469

Recreation Director: Tracy Knights 442-1053
Hours of Operation:
Monday, Wednesday & Friday 6:00 a.m. – 9:00 p.m.
Tuesday and Thursday 8:00 a.m. – 9:00 p.m.
Saturday 9:00 a.m. – 6:00 p.m.
Sunday (Nov. 1 – April 1) 1:00 p.m. – 5:00 p.m.

RESCUE SQUAD 9-1-1

SENIOR CITIZEN'S CENTER, P.O. Box 469, 124 Pleasant Street

Senior Center Program Director: Susan Hoag 442-1052
Hours of Operation: Monday – Friday 8:00 a.m. – 4:00 p.m.

TOWN OFFICES, 205 South Street, P.O. Box 469

Hours of Operation: Monday – Friday 8:00 a.m. – 5:00 p.m.
Town Offices Building Switchboard 442-1037
Town Manager, Stuart Hurd
Assistant Town Manager & Permitting, Planning & Code Enforcement Director, Dan Monks
Finance Director, Melissa Currier
Economic & Community Development Director, Michael Harrington
Human Resources & Contracts Administrator, Michele Johnson
Building Inspector, Kevin Goodhue
Facilities Manager, Larry McLeod
Chief Assessor, John Antognioni 442-1042
Town Clerk, Cassandra Barbeau 442-1043
Director of Collections & Treasurer, Joan Pinsonneault 442-1046

TRANSFER STATION SCALE HOUSE, Houghton Lane 447-8737

Hours of Operation: Monday, Wednesday, Friday & Saturday 8:00 a.m. – 3:00 p.m.
Tuesday & Thursday 8:00 a.m. – 1:00 p.m.

EMPLOYEE MISSION STATEMENT PREAMBLE

The role of government is to serve and protect its people; to provide a quality of life which is environmentally safe, community oriented, and visionary. Furthermore government can help to make its citizens' lives rich in educational, cultural and social opportunities. In the Town of Bennington that role extends to administrative and fiscal services, police, fire, water, sewer and highway maintenance and construction, recreation, health, housing, planning and community development.

Our mission is to provide the necessary municipal services in an atmosphere that is helpful and caring, yet professional and efficient.

We must have a commitment to excellence, take pride in our work, have a desire to succeed, have a sense of community, and a belief that a responsive government is the foundation for success.

SELECT BOARD

On April 1, 2015, the Bennington Select Board welcomed new Board member, Donald Campbell, and returning Board member, Jim Carroll to the Board. They joined their colleagues, Sharyn Brush, Michael Keane, Justine Corcoran, John McFadden and yours truly with the promise that the board would not be doing business as usual and would challenge itself, management, and the private sector to take risks to effect positive change in the economic condition of Bennington.

The Board commissioned a business survey of the area's employers and have taken those results and initiated efforts to, not only shed light on areas where Bennington's economic effort is in need of retooling, but also to initiate steps the Board felt necessary to assure eventual success.

The Board is engaged in creating the framework of a town "Scorecard" which when implemented will be a tool to monitor and measure the level the town's success in attaining certain pre-identified goals using specific benchmarks for measurement and reporting to the town both its accomplishments and areas where the town needs to focus energy and resources to raise the level of performance.

In early December, a group of business leaders gathered at the CAPA Center at Bennington College to focus on developing a town vision and strategy for the private sector to invest in the future of Bennington. The hope and expectation is that the government sector will become an investing partner in the effort because without both private and public investment, the best ideas will be unduly challenged and probably not reach implementation.

I want to thank all of my colleagues particularly, Sharyn Brush who is stepping down from the board after some 19 years of dedicated community service, as well as John McFadden who is leaving the board to relocate to Boston for new professional opportunity. Sharyn's and John's contributions to the board have had a significant impact on how we govern and both will be missed. I also want to express my thanks to our Town Manager, Stuart Hurd, Assistant Town Manager, Dan Monks, Director, Office of Economic and Community Development, Mike Harrington, and the entire town staff who have been challenged by this board on many occasions and have provided the board with their dedicated efforts, sometimes with limited resources, and more often than not, without a statement of appreciation.

Thank you Bennington for allowing me and the entire Selectboard to serve you. We are a special community whose best days are ahead.

Respectfully,

Tom Jacobs,
Chair, Select Board

BOARDS AND COMMISSIONS

The following list of the Town of Bennington Boards and Commissions includes a brief description of the duties of each office and those positions that will be available in March and May, 2016.

SELECT BOARD MEMBERS - An elected position with a salary currently set at \$1,400. per year with terms of three years. Meetings are held on the second and fourth Mondays of each month plus the Annual Town meeting each year, and any special meetings which may be required. Select Board Members are empowered by statute and charter to determine policy, finances, ordinances and general direction of Town business, appoint the Town Manager and members of Boards and Commissions.

(elected 3 year term)

Sharyn L. Brush	3/16
Thomas H. Jacobs	3/16
John C. McFadden	3/16
Justin J. Corcoran	3/17
Michael A. Keane	3/17
Donald A. Campbell	3/18
James Carroll	3/18

DEVELOPMENT REVIEW BOARD - The Development Review Board hears and decides upon permit applications regarding development in the Town of Bennington including, Variance Requests, Conditional Use Requests, Site Plans, Design Plans, Planned Unit Developments, Planned Residential Developments, Subdivisions, and Appeals of the Zoning Administrator's decisions. Board members will be expected to attend at least one training session annually to develop and maintain the skills and knowledge necessary to perform their powers and duties on the Board.

(appointed to 3 year term)

Daniel Malmborg	5/16
Milt Surdam	5/16
Ron Alderman	5/17
William Barney	5/17
Charles N. Kokoras	5/17
Charles W. Copp	5/18
Barry Horst	5/18

FOREST FIRE WARDEN - An appointed position by the State of Vermont with Town Approval with a term of 5 years.

(appointed to 5 year term)

VERMONT TOWN FOREST FIRE WARDEN – Matthew G. Hathaway	06/30/19
VERMONT DEPUTY TOWN FOREST FIRE WARDEN – Henry Higgins	06/30/19
VERMONT DEPUTY TOWN FOREST FIRE WARDEN – Position Vacant	06/30/19

HEALTH OFFICER - An appointed position by the State of Vermont with Town Approval with a term of 3 years.
(appointed to 3 year term)

HEALTH OFFICER - Larry D. McLeod	03/31/16
DEPUTY HEALTH OFFICER - Kevin J. Goodhue	07/31/16

HISTORIC PRESERVATION COMMISSION - An appointed position with a term of three years and requires expertise or qualifications in the fields of architecture, historic preservation, etc. Meetings are held twice per month. The Historic Preservation Commission is empowered by ordinance to act in the preservation and identification of Bennington's historic sites and structures; oversee the survey and review of historic sites eligible for the National Register, educate and advise other boards and commissions as well as the general public with regard to historic preservation matters.
(appointed to 3 year term)

Anne G. Bugbee	3/18
Michael P. McDonough	3/18
Jeffrey Goldstone	3/17
Joseph H. Hall	3/17

HOUSING AUTHORITY - An autonomous body appointed for terms of five years by the Select Board which acts as the Board of Directors for Housing Authority properties (Willowbrook, Brookside Apartments, Beech Court, and Walloomsac Apartments) and oversees the staff and sets policies for operation.
(appointed to 5 year term)

Kim M. Livingston	3/16
Scott Fox	3/17
Position Open	3/18
Kathy L. Carrier	3/19
Sally A. Mangan	3/20

JUSTICES OF THE PEACE
(elected 2 year term)

Gay Baker	1/31/17	Michele Hogan	1/31/17
Susan Beal	1/31/17	Brian Maroney	1/31/17
John F. Behan	1/31/17	James Marsden	1/31/17
Barbara Bluto	1/31/17	Anne Mook	1/31/17
Linda A. Corcoran	1/31/17	Mary A. Morrissey	1/31/17
Marlene Driscoll	1/31/17	John Santarcangelo	1/31/17
Deborah Giroux	1/31/17	David B. Shaffe	1/31/17
James Gulley, Sr.	1/31/17		

BOARD OF LISTERS - An appointed position with a term of two years. Meetings are held once or twice per month or as needed. The Listers inspect properties, approve assessments developed by the Assessor's Office and hear and act upon appeals by property owners.

(appointed to 2 year term)

Position Open	3/16
Carol L. Holm	3/16
Robert W. Ebert	3/17

TOWN MODERATOR
(elected to 3 year term)

Jason P. Morrissey	3/16
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PLANNING COMMISSION - An appointed position with a term of four years. Meetings will be established when the Commission meets. This is a five member board. The Planning Commission drafts, revises, updates and upholds the provisions of the Town Plan; makes recommendations to the Select Board regarding amendments to the Zoning Bylaw, sign ordinance, and subdivision regulations; actively participates in the preservation of historic sites and agricultural lands; and is charged with the overall planning of Bennington.

(appointed to 4 year term)

Barry Horst	5/16
Charles W. Copp	5/17
Michael P. McDonough	5/17
Nicholas T. Lasoff	5/18
Kenneth Swierad	5/19

REGIONAL COMMISSION - An appointed position with a term of two years. The Regional Commission, part of a county-wide planning commission charged with development of the overall regional planning policies, is empowered to develop budgets, employ staff and assist in development of a regional plan.

(appointed to 2 year term)

Daniel W. Monks	3/16
William C. Deveneau	3/17

TOWN SERVICE OFFICER - An appointed position with a term of one year. The Town Service Officer acts as an agent for the Town and operates a voucher system to provide housing and meals to transients in emergency situations.

(appointed to 1 year term)

Position Open	4/14/16
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MANAGER'S MESSAGE

We, in Bennington's government, work hard to provide the services our residents deem necessary, police and fire protection, highway maintenance, recreation opportunities, and municipal water and sewer services, where feasible. We also work to improve opportunities for jobs, housing, and viable and sustainable economic development through responsible land use planning principles.

This year's Report is a sign of things to come. You will find the departmental reports focusing on accomplishments in the past year and goals for the coming year. It should be shorter and more directed in its content. Looking forward, next year's Report will be even more focused featuring how well we did, whether or not our goals were met, and may include survey results and other performance measures indicating our successes and, yes, failures, if any. The Select Board and the staff are now working to identify those performance standards and what is to be measured. We are calling this Scorecard, the Municipal Report Card.

At this time, I would like to outline the proposed FY2017 fiscal year budget, to be voted on March 1, 2016. The Town budget presented to the voters this year is increasing \$ 368,220.00 or 3.13 %. Considering all other revenues, the combined property tax rate, based on last year's Grand List, would increase by \$0.0255. The Bennington Free Library, the John McCullough Library in North Bennington, North Bennington Recreation and Lake Paran contribute \$44,100.00 to the increase based on reviews of their requests and subsequent approval by the Select Board. It is noted that Paran Recreation was approved for a one time donation of \$15,000.00 to support the completion of the new Lake House at Lake Paran. Projecting the impact on the tax rate is risky this early, but we believe that after all Grand List work is completed and all revenue sources finalized, the combined tax rates in 2016 for Town General, Highway, and Fire Fund services will increase no more than \$0.015. The principal reason for the potential lower tax rate is anticipated growth in the Grand List. The additional articles explained below will also have an impact should they be approved. The Town staff and Select Board worked very hard to present a budget that was as balanced with the projected revenues as possible. I believe we have succeeded.

I note that this budget contains additional marketing funds and funds for regional economic development initiatives. The Select Board and the staff are acting in a proactive manner to better market Bennington and to be prepared for new opportunities. One such opportunity is the potential for a Southern Vermont Economic Development Zone, a combined Bennington and Windham County effort "to establish an integrated investment strategy" for business recruitment and retention.

There are thirteen (13) additional agency ballot initiatives included this year totaling \$124,300.00. Should these agencies be approved, the General Fund tax rate will increase by an additional \$0.012. We also have three open Select Board seats. As I write this, seven (7) individuals have submitted petitions to run for election to the Select Board.

I have been very fortunate to work with many talented people, staff and Board members. We do not always agree, but we all work hard to find a solution that is in the best interest of the residents of Bennington. Thank you one and all. And finally, a special thank you to the community for your support and patience throughout the year

Respectfully,

Stuart A. Hurd,
Bennington Town Manager

BENNINGTON POLICE DEPARTMENT

In 2015, we began the process of strategic planning for the Bennington Police Department. The Department has experienced several retirements of long serving members over the past two years. Hiring new officers and dispatchers, while providing proper basic training and enhanced training in specialty areas, will be instrumental in the future success of the Department within the Bennington community. We will continue to recruit, train, and retain the best possible officers and dispatchers. Supervisors will begin receiving additional training in order to better prepare the Department for the future. We will also ensure training in areas of safety and liability for all members of the Department.

The Bennington Police Department hired seven new law enforcement officers in 2015, replacing retired officers or officers who moved on and accepted positions in a different profession. Officer Clay Knight, Officer Nicholas Cervero, Officer Michael Sharshon and Officer Michael Pierce all completed the 99th Basic Course for Police Professionals in May of 2015 while Officer Stephen Sleasman and Officer Amanda Knox completed the 100th Basic Course for Police Professionals in December 2015. All of these officers completed the nineteen week training program required to obtain a level III law enforcement officer certification in the State of Vermont. Officer Timothy Smith joined the Bennington Police Department with law enforcement experience and a certification from another state. He is currently working toward his level III certification in the State of Vermont. Kimberly Krawczyk, formerly a part-time dispatcher with the Bennington Police Department, was hired as a full-time dispatcher.

The Bennington Police Department worked with the Bennington Fire Department, Bennington County Sheriff's Department and the Southwest Vermont Career Development Center holding another successful New Experience Camp in the summer of 2015. The interest in the week long adventure continues to grow and we are looking forward to more challenging and exciting activities in 2016. We continue receiving donations from the community as well as charging a nominal fee for attendance. We appreciate all of the support from the community.

We continue working with local, county, state and federal law enforcement as well as our community partners in an effort to combat drug related crimes. We are working together to investigate and deter criminal activity. We are also working toward a common goal of providing assistance to those in need of assistance and treatment.

Members of the Department will continue working diligently toward reducing the impact of crime, fear of crime, and public disorder on the daily lives of Bennington residents through patrol, crime prevention and criminal investigation.

As always, I welcome questions, comments or suggestions and am I always looking for feedback on how members of the Bennington Police Department can improve the quality of life for the residents of Bennington.

Respectfully submitted,

Paul J. Doucette, Jr.
Chief of Police and Public Safety Director

BENNINGTON FIRE DEPARTMENT

In 2015, the Bennington Fire Department continued to evolve in its capabilities and ability to serve the community of Bennington. We responded to a number of significant fires in 2015 that were quickly contained by the men and women of the Bennington Fire Department. While we are an all-volunteer department, we pride ourselves on our professional service to our “customers”, our friends and neighbors in Bennington.

In 2015, we formed a Strategic Planning Committee to help direct and focus our efforts in the most productive manner in the coming years. With the continued support of the Town Manager, Select Board, Public Safety Director, and residents, we are poised to make great strides in 2016. We will continue to focus on our primary goals of life safety and property conservation as well as firefighter safety, fire prevention education, and recruiting and retention of volunteer firefighters. The Bennington Fire Department is a great asset to the Town of Bennington, saving the community a significant amount of tax dollars versus a paid fire department. We will place an increased emphasis on recruiting new volunteers and retaining our current volunteers to keep the department strong into the future.

The knowledge base of the fire service has made great strides in recent years, spearheaded by studies from Underwriters Laboratories (UL) and the National Institute of Standards and Technology (NIST). The fires and building construction of today are significantly different than that of just a few decades ago. The risks are greater than ever, and we must continue the development of our members to ensure their safety and the safety of those we serve. While our members have invested many hours of their personal time to learn the ever-evolving and growing body of knowledge required to be a firefighter, we will strive to enhance the education of our members to ensure that we are always ready to provide the high level of service that the residents of Bennington expect and deserve. We will continue to foster positive and helpful relationships with our neighboring fire departments, because we all share the mutual goal of the highest quality service and are strongest when we work together.

Respectfully submitted,

Jeff Vickers,
Chief, Bennington Fire Department

PUBLIC WORKS Highway Division

The Highway Department set many goals for 2015. Below is a list of those goals that were accomplished.

Paving:

- Contracted paving completed 9.927 miles of road that included East Road, South Stream Road, Houghton Lane, Hamlin Avenue, Fairview Terrace, Elm Street, Monument Avenue, and 1/3 of the Lower Willow Park parking lot;
- In-house paving by the Highway Department was directed at many deteriorated locations that included most of Coleville Road, sections of Orebed Road, the section of River Road recently constructed, and the paved sidewalk on Center Street.

Other accomplishments:

- Poured 2,600 linear feet of sidewalk (Benmont Avenue and Pleasant Street);
- Installed 1,800 linear feet of concrete curb -Pleasant Street;
- River Road stabilization project;
- River Bank stabilization project on Kocher Drive;
- New Bridge membranes on Holden Street and Coleville Road;
- Flood wall maintenance as per Army Corps of Engineers;
- 85% of all catch basins were vacuumed out and recorded;
- Beech Street Field parking lot expanded;
- Burt Henry Bridge scrapped, clap boards replaced and painted;
- Many downtown crosswalks were painted with red epoxy; and
- The new Coleville Road Bridge opened.

New records were set in 2015. February was the 2nd coldest on record (12.7 degrees average), with the 5th most snow accumulated since records began. The Highway Department assisted the Water Department with numerous freeze-ups, and spent many hours plowing snow.

Earl Kipp retired after many dedicated years of service. His open Highway Laborer's position was filled by Brad Sawyer.

The Department received one grant, a Class 2 paving grant for Elm Street.

Equipment Replaced:

- One 21 year old grader;
- One 11 year old pickup;
- One 15 year old backhoe/loader; and
- One 9 year old single axle dump truck.

The Highway Department's goals for next year:

- Pave 10 miles of road;
- Repair or replace more concrete sidewalks;
- Clean at least 5% more catch basins and storm drains;
- Paint another covered bridge, replace or install bridge membranes, and do more general bridge maintenance; and
- Work with the Bennington County Forester to start managing town-owned wood lots.

Respectfully submitted,

R.J. Joly,
Highway Superintendent

PUBLIC WORKS

Water Resources/Water & Sewer Divisions

In 2015, the cold winter weather caused severe problems with roadways and water and sanitary sewer lines. The Water and Wastewater Departments witnessed some small sections of water and sanitary sewer mains freezing solid during the latter part of February. This last happened more than 25 years ago. Our employees assisted with thawing approximately (50) residential and commercial water and sewer customers.

Encouraging customers to run water to prevent return freeze-ups led to March use being the highest of 2015 consuming 1.8 MGD.

There were a number of upgrades, milestones, and accomplishments at both the Water and Wastewater Departments. Some of the high points include the following:

- 60 water/sewer lines, mains and manholes repaired or replaced.
- 5 Water Tank Inspections.
- an upgrade to 2 heating systems at the Wastewater Treatment Facility.
- construction of a new 8" Water line on the new BenMont Bridge.
- began construction of a new Water project consisting of 3,000 feet of new 10-inch water line with (4) new Fire Hydrants, a Booster Pump Station and a 750,000 gallon concrete water storage tank.
- participation in a State of Vermont sponsored illicit discharge study
- slip-lined 1000 feet of sewer main on Morgan Street.
- obtained a new CO2 Storage vessel, saving \$750/month rental.
- cleaned a primary Digester at the Wastewater Treatment Facility saving the Town more than \$30,000.00.
- Performed 5-Miles of Leak Detection Survey (Funded through a State of Vermont Water Grant).
- repaired a severely broken 10-inch water main at minimal cost.
- constructed 1300 feet of new 10-inch water main and two new Fire Hydrants along Monument Avenue.

Our Wastewater staff continued to struggle with an aging Treatment Plant and Collection System. We are entering our 32nd year of operation with the current Treatment Plant, last upgraded in 1984. A major renovation of the Treatment Plant must be undertaken soon at an estimated cost of \$8 to \$10 million.

Some of the goals for the coming year include:

- Upgrade Sewer Pump Stations (Beech St. & Route 67A Shaftsbury).
- Dewey Street water system upgrades to improve pressures and water flows throughout the higher elevations of the system.
- Design and install a solids removal system at the head-works of the Wastewater Facility.
- Continue to repair/replace problematic areas of water and sanitary sewer lines, manholes and hydrants.
- Begin serious discussions about future upgrades at the Wastewater Treatment Facility.

In closing, we offer the following Water & Wastewater Facility data:

Total Drinking Water Processed for 2015	591 Million Gallons
Average Daily Water Use	1.62 Million Gallons
Total Wastewater Processed for 2015	1.1 Billion Gallons
Average Daily Wastewater Processed	3.1 Million Gallons
Average BOD and TSS	93% Removals

Respectfully Submitted,

Terrance A. Morse
Superintendent, Bennington Water Resources

ECONOMIC & COMMUNITY DEVELOPMENT DEPARTMENT

Significant Accomplishments:

- **Marketing** – The Town made significant inroad and investment with the overall marketing strategy of the town. The creation of the ‘Vermont Begins Here’ brand saw an increased web presents, promotional materials such as brochures, stickers and shirts, and the creation of a website helped launch the video series “Profiles in Bennington.”
- **Project Catalyst** – Established in 2015, this community outreach program focuses on neighborhood improvements, crime reduction and resident engagement. This year focused on Pleasant Street with new sidewalks, improved lighting and a resident survey. Efforts on Pleasant Street will continue in 2016.
- **Bennington Economic Development Strategy** – Bennington’s development plan continues to see progress made on a number of fronts. This year included a \$1.1 million grant award for the creation of a multi-use pedestrian pathway between Bennington and North Bennington, the first of an annual business climate survey was conducted among major employers, funding from the state allowed the Town to conduct a downtown area-wide plan for developmental purposes, a multitude of efforts continue on the workforce and education front, and a proposal has been made to the Vermont Legislature to implemented an Amtrak bus route between Bennington and the Rensselaer train station. A copy of the complete strategic plan update can be found at www.benningtonvt.org.
- **BED Fund** – In 2015 the Bennington Select Board implemented the Bennington Economic Development Fund (BED Fund), which is designed to increase public investment in local development initiatives. The first, and only, project thus far included a development assessment of the original ‘Benn Hi’ building. The first phase of the plan concluded it would not be feasible to development the property with the current level of investment available. While not a positive report, the phased approach insured that investment was not made in a project that could not be successful.
- **Grants** – Over the course of the past 12 months, more than a dozen grants were awarded to the Town of Bennington. This department alone, acquired six grants that went to housing redevelopment and development, coworking space development, vehicle charging station implementation, pedestrian pathway creation and future planning projects. It is important to note that while planning projects are not as interesting as the physical implementation phase, in many cases, a detailed plan is required by the grantor before construction monies can be awarded.
- **Revolving Loans** – In 2016 the Town issued five small business loans totaling \$66,665, and eight housing rehabilitation loans totaling \$210,656. In addition, the Town created a mobile home loan program.

Future Focus:

As we enter 2016, the Town has begun the work to align its efforts with the feedback received in the Employer Climate Survey, the recommendations of the Southern Vermont Economic Zone report and the determinations outlined in the Southern Vermont Sustainable Marketing Plan. Using the Town's current Economic Development Strategy and the Balanced Score Card initiative, the Office of Economic and Community Development has been charged with updating the municipality's economic development initiatives for 2016. These initiatives will have a regional focus and will fall under the following themes:

- Vital Project Implementation
- Targeted Recruitment and Expansion
- Strategic External Marketing
- Time-sensitive Development Ventures

Municipalities play a crucial role in economic development. Whether it be with the implementation and maintaining of necessary infrastructure, assisting businesses with the regulatory process, or guiding multiple partners toward a single focus on a development project, the overarching goal of these efforts is to ensure that a community is a desirable place for organizations to do business. As we focus on 2016, our goal will be to ensure that Bennington remains a strategic business advantage for new and existing businesses.

Respectfully Submitted,

Michael Harrington,
Director, Office of Economic and Community Development

HISTORIC PRESERVATION COMMISSION

Historic Preservation Commission (HPC) members serve the Development Review Board, Select Board and Planning Commission in an advisory capacity, and in so doing, help to coordinate activities that are important to Bennington's preservation goals. As a participant in Vermont's Certified Local Government (CLG) Program, the HPC has the ability to promote the value of historic resources in local community development efforts. The Commission works with Bennington's Director of Economic & Community Development, Michael Harrington, who serves as its Secretary.

The Bennington HPC maintains a page on the Town of Bennington website. The Commission's webpage provides home-owners, residents and developers with information and guidance for Bennington's historic downtown architecture, streetscapes, and historic resources. The resources on the website enable property owners to better understand their historic buildings, make informed choices in planning design changes to their buildings, and inspires the preservation of Bennington's architectural history. The site includes the HPC's preservation manual, *Time and Place in Bennington: A Handbook for the Central Bennington Historic District*.

The site can be viewed at: www.benningtonvt.org

BETTER BENNINGTON CORPORATION

As we look back upon 2015 to prepare this report, it became clear to us that downtown Bennington has suddenly become a much “trendier” place. With the opening of the Catamount Tap House, Two Brews, the Harvest Brew Pub, and the amazing additions of the Aurora Portal Gallery, Story Hour, and the Vermont Arts Exchange Basement Music Series, downtown Bennington now offers many options of live, professional entertainment in multiple locations.

All of these additions, along with Oldcastle Theatre, the Lightning Jar, and the scheduled openings of two new and interesting businesses, are helping to redefine downtown as an exciting and inviting place to be. Through the efforts of our partnership with Cultural Bennington, the arts and cultural scene in Bennington is exploding. In 2015, Bennington was named the “15th most Vibrant Arts Community in the Country” by the Center for Arts Research at SMU, an extremely noteworthy designation. So many cultural events and activities occur throughout the year that we all gather in April to roll out our calendars at the press event called *EXPOsion*. Last year, we attracted participants from New York and Massachusetts who wanted to participate in Bennington’s energetic cultural scene.

The most encouraging news was the sale of many existing businesses in the last few years, proof that the downtown business climate is robust enough to attract many new investors. Bennington Bookshop, South Street Café, Glow Lounge, Ramuntos, 305 South Shell Station, and Wills Insurance all have new owners and are bringing new energy to downtown.

Our challenges ahead include the prominent vacancy of the Greenberg property which is being addressed by every economic development department and organization in Bennington. As we move forward to overcome it, we are looking at the long term benefits this opportunity can provide, and your ideas are always welcome.

We end the year by thanking our town leaders, partners, property owners, members, volunteers, and corporate sponsors whose financial support allows us to provide services to the community, promote our cultural assets, and keep all our events free to the public.

Respectfully submitted,

John Shannahan,
Director, Better Bennington Corporation

BENNINGTON PARKS & RECREATION DEPARTMENT

The Bennington Recreation Center is located at 655 Gage Street. It is the administrative office for the Parks & Recreation Department. The Center is a municipal facility and is supported by the Town of Bennington taxpayers.

The Recreation Center offers Resident and Non-Resident Youth, Adult, Family and Senior Citizen memberships. A membership or daily fee entitles the user to the six lane,

25 yard heated pool, sauna, showers and weight room. There were 943 memberships purchased and had a total of 1,935 members in 2015.

The Rec Trac computer system recorded approximately 39,019 visits from members and non-members who presented their membership card and/or paid the daily fee. An adult day pass is \$5.00 and the youth day pass is \$3.00. The total daily fees paid in 2014 was \$10,425. There were 1,257 adults and 1,380 youth who paid the daily fee. This visit count does not include free swim, day cares, school groups and swim teams. The approximate monthly average pool usage was 3,523 visits. Approximate pool visits totaled 42,271. The revenue for memberships and daily fees totaled \$76,052.

The Recreation Center offers the swimming pool and the multi-purpose room for children's birthday parties. The private swimming time is on Saturday from 12 - 1:00 p.m. with use of the room to follow. The fee of \$50.00 includes the one hour reserved pool time, certified lifeguard, and the room which can be used for cake, ice cream, pizza, games, etc. If the private time is booked but the room is available one can book the room for \$20.00. The total for room rentals and birthday parties was \$1,720. The multi-purpose room is also used for meetings, concession stands, classes and programs.

Aqua Zumba, Pickle Ball, Adventure and Chill-Out camps, Hiking Days, swim lessons, sport camps, t-ball, mommy and me and water exercise classes are some examples of programs offered or sponsored by the recreation department for a minimal fee. Revenue for all programs and sales totaled \$24,059.

Outside the Recreation Center facility there are four tennis courts, two racquet/handball courts, 3 full size basketball courts all open to the public free of charge. The softball field is open to the public free of charge unless reserved for a tournament or league.

Willow Park located off East Road, contains two pavilions, cooking grills, horseshoe pits, play equipment, two softball fields, soccer/lacrosse/football fields, walking/bike path, BMX track, theater stage, volleyball courts, and a new 18 hole Disc Golf course. The Jim Ross and the East Road/upper pavilion are rented out from April 1 until mid-October for group picnics, weddings, reunions, etc. for a minimal fee. Rentals totaled \$1,080.

In 2015, the Jim Ross Pavilion was re-painted. The East Road Pavilion had new vinyl siding installed. We are looking to make more renovations to the inside of the East Road Pavilion after July 1, 2016.

The Recreation Department continues to work with a variety of non-profit organizations, local organizations, and athletic leagues helping coordinate, schedule, run, or participate in local events. Thank you for the continued support of the Parks and Recreation Department.

If there are any questions, comments or suggestions pertaining to the above information, you may contact me at (802) 442-1053.

Respectfully submitted,

Tracy E. Knights,
Director, Bennington Parks & Recreation

BENNINGTON SENIOR CENTER

It is the mission of the Bennington Senior Center to engage persons 50+ in the lifelong learning process, promoting their physical, emotional and spiritual well-being by providing social, recreational, creative, and cultural programs. This enables active participation in the center and community. Program costs are based on a non-profit basis. Currently, there are no fees or dues. The Center continues to meet its goals through increased participation, passionate instruction, and a variety of programming.

The Center is town-owned, taxpayer-funded, and currently on the second floor of the Senior Citizens' Service Center at 124 Pleasant Street. The regular activities provided by the Center are: quilting and sewing; music lessons; exercise; dance; painting, ceramics and sculpture; card and board games; BINGO, movies; potluck and a weight program named H.E.L.P. (help everyone lose pounds). The Center schedules shopping and dining trips, as well as artistic displays and cultural performances. The Center also provides opportunities for local and world travel at economical prices.

The goals of the Center are increased worth, continued improvement, and forward progression for the facility. Each citizen of Bennington is welcome into our organization to find out for them-selves how the senior center may enhance their lives. The Center publishes a newsletter, *Senior Community News*, to provide information about its programs. The bulletin can be found at various locales about town, by subscription and right at the center. You may call for a copy at 802-442-1052 or you may stop by Monday-Friday, 8:00 am – 4:00 pm.

Respectfully submitted,

Susan L. Hoag,
Program Director, Bennington Senior Center

SOLLWAN AND MARY ALEXANDER SLEEMAN MEMORIAL FUND

This Fund was created in September, 1998, in concert with the Richard A. Sleeman family from funds historically collected to complete the Recreation Center (formerly owned by the YMCA). As custodian of the funds, Richard A. Sleeman preserved them and helped established this Fund to assist the Town with accessibility issues at the Recreation Center. The Fund guidelines follow below.

- 1. This memorial fund is for the exclusive use of the Bennington Community Recreation Center located on Gage Street in Bennington, Vermont.*
- 2. Special consideration will be given to benefit the handicapped through capital improvements, equipment, or tuition for those in need as it relates to the Recreation Center.*
- 3. The Fund will be expended on a ten (10) year annuitized basis for the uses noted above.*
- 4. Dr. Richard Alexander Sleeman, Professor, Massachusetts College of Liberal Arts, North Adams, Massachusetts, represents the Sleeman Family.*

The original fund contained \$52,156.27. During this year, \$0.00 was expended at the Recreation Center. Interest earned was added to the Fund leaving a reserve fund balance of \$6,627.47.

PERMITTING, PLANNING & CODE ENFORCEMENT DEPARTMENT

Permit Type	2014 Permits	Dollar Volume	2015 Permits	Dollar Volume
Single Family Dwelling	3	\$500,000.00	5	\$888,000.00
Duplex	0	\$0.00	1	\$200,000.00
Mobile Homes	10	\$392,500.00	9	\$393,000.00
Apartments	1	\$275,000.00	1	\$140,000.00
Apartment Renovations	5	\$68,000.00	11	\$2,537,300.00
Condominiums	0	\$0.00	2	\$333,332.00
Residential Renovations	22	\$508,000.00	33	\$817,600.00
Residential Additions	8	\$376,000.00	1	\$70,000.00
Commercial Construction	6	\$3,941,000.00	4	\$1,761,000.00
Commercial Renovations	14	\$1,204,000.00	20	\$1,507,055.00
Industrial Construction	0	\$0.00	0	\$0.00
Industrial Renovations	1	\$30,000.00	1	\$360,000.00
Garages	10	\$226,000.00	9	\$170,500.00
Sheds	25	\$52,050.00	30	\$74,700.00
Decks	23	\$62,450.00	16	\$57,150.00
Institutions	17	\$2,103,000.00	23	\$8,466,500.00
Signs	22	\$30,800.00	24	\$32,200.00
Use and Zoning	13	\$16,000.00	11	\$15,000.00
Subdivisions	6	\$0.00	6	\$0.00
Septic Systems- New/Repair	2	\$1,500.00		\$0.00
Home Occupation	3	\$6,000.00	1	\$500.00
Propane Tank/Storage Tank	9	\$64,500.00	1	\$0.00
Boilers/Furnaces, A/C, RTU's	4	\$6,500.00	20	\$246,100.00
Tents	4	\$17,250.00	3	\$10,000.00
Handicap Access/Ramps	0	\$0.00	9	\$22,300.00
Concreate Slabs	0	\$0.00	0	\$0.00
Cell Towers	1	\$27,000.00	0	\$0.00
Solar Installations	0	\$0.00	1	\$60,000.00
Camps	0	\$0.00	1	\$30,000.00
Miscellaneous	0	\$0.00	0	\$0.00
Totals	209	\$9,907,550.00	243	\$18,192,237.00

HEALTH OFFICER'S REPORT

The Health Officer is the Town Official who is responsible for Public Health Problems in Town. Health Officers have the power of the Vermont Commissioner of Health and are agents of the State Health Department. Health Officers have the authority to enforce any of the Vermont Health regulations in their Town. The Select Board is the local Board of Health with the Health Officer serving as the Secretary and Executive Officer for Bennington, North Bennington and Old Bennington. The responsibilities of the Health Officer can be wide ranging, however, most of the time is spent in the following categories:

Rabies Management

We received and investigated 46 reported animal bites to humans in 2015. 31 from dogs, 12 from cats, 1 squirrel, 1 lizard and 1 bat. This compares to 38, in 2014, 33 in 2013, 46 in 2012, 41 in 2011, 36 in 2010, 32 in 2009, 44 in 2008, 52 in 2007. Many thanks to the Southwestern Vermont Medical Center Emergency Department for their prompt and accurate bite reports.

Rental Housing

We investigated numerous complaints pertaining to Rental Housing Health Code issues. The Vermont Rental Housing Health Code is a State-wide uniform code that specifies the minimum standards for all rental housing. As the Building Inspectors and Fire Marshals for the Town, we can now include the Health Code Requirements in all of those type inspections.

Other Public Health Issues

The balance of time was spent investigating such matters as garbage complaints, inadequate water supplies, rodent/roach complaints, lead, mold and asbestos concerns from tenants in rental housing.

Another persistent health concern is dry scraping and power washing of exterior paint containing lead. We remind all residents that this practice is illegal in the State of Vermont. We were successful in obtaining voluntary compliance with almost all public health problems this year and appreciate the cooperation from all involved. Please feel free to contact us regarding any questions or concerns you may have.

Respectfully submitted,

Larry McLeod, Health Officer
Kevin Goodhue, Deputy Health Officer

PLANNING DIRECTOR'S REPORT

The Planning Commission, along with the Planning Department, performs municipal planning functions for Bennington, including the development of the Town Plan and Land Use and Development Regulations.

In 2015, the Planning Commission updated the Town Plan, applied for and received a grant to map pathways and trails in Bennington, and supported numerous ongoing efforts to design trails, bike paths and sidewalks. In 2016, the Planning Commission intends to: develop and adopt a Hazard Mitigation Plan; work with BCRC to complete an inventory

and map of Bennington trails and pathways; adopt changes to the UMU District; and adopt an amendment to Town Plan regarding the siting of solar facilities.

The Development Review Board is responsible for reviewing and issuing land use permits for all significant development within the Town. Among the projects reviewed in 2015 by the Development Review Board were: an expansion of Aldi supermarket, a new Stewart's convenience store on Main Street, and a new Chrysler dealership on Northside Drive.

Respectfully submitted,

Daniel W. Monks,
Permitting Director

DEPARTMENT OF ASSESSMENT

With no reassessment activity in 2015, this office sent 140 Change of Appraised Value notices to property owners on May 14, 2015. These notices were sent to owners of property in which a material change had occurred from April 1, 2014 to April 1, 2015. The Board of Listers had 66 property grievances, 4 of which were forwarded to the Bennington Board of Civil Authority. No appeals from 2015 or prior years are outstanding.

The Town of Bennington's Grand List for 2015 of all properties was \$1,015,973,225. The State's Equalization Study for 2015 (effective January 1, 2016) shows Bennington's common level of appraisal at 92.42 percent and our coefficient of dispersion at 14.40 percent. The common level of appraisal is essentially a measure of how close local assessments are to sale prices. The coefficient of dispersion measures uniformity of assessments for all grand list properties, and is the average deviation of a group of ratios from the town-wide median expressed as a percentage of the median. The 2015 Equalization Study used sales data from April 1, 2012 to March 31, 2015.

Robert Ebert was reappointed to the Board of Listers by the Select Board in 2015, joining Carol Holm. Lindalee Hayden retired from the Assessor's Office on December 31, 2015 after 32 years of service.

Respectfully Submitted,

John M. Antognioni,
Bennington Chief Assessor

TOWN CLERK'S REPORT

This past year, the Town Clerk's Office made a tremendous effort to accommodate and educate the public on the new Federal Real I.D. Act. Many people are discovering this new law when they attempt to renew their driver's license. We have also improved relations with the Department of Motor Vehicles both at the local level and in Montpelier to create a better understanding on its part as to how vital records filings and name changes have been handled over the decades. It has been a learning process for all involved but has been improving as we go.

In 2015, the Secretary of State's Office launched a new Elections Management Program. This platform has three main parts:

- **Elections Management System (EMS)** – includes a new statewide voter checklist and other resources and tools to be used by town and city clerks across Vermont to conduct all of their election related business – from registering voters, to processing absentee ballot requests, to entering election results;
- **New Online Voter Registration Tool** – allows all eligible Vermonters to submit their voter registration application online anytime and anywhere they can access the internet; and
- **New “My Voter Page”** – online resource that allows every registered voter to login and have access to a unique, voter-specific web page where they can request an absentee ballot, track its status, update their voter registration record, find their polling place, view a sample ballot, and much more.

The online voter registration page can be found at <http://olvr.sec.state.vt.us> and the My Voter Page login can be found at <http://mvp.sec.state.vt.us>.

Looking ahead to 2016, we will have a very active election year starting in just a few weeks with Town and School Annual Meetings and the Presidential Primary on March 1, 2016. Due to the fact that voters are not required to register in a particular political party in Vermont, you will be asked to declare which party ballot you want on March 1st. This has always been the case and it does not hold you to a particular party. This is simply the Primary process. Should you wish to decline that ballot, you will see all parties on one ballot on the November 8th General Election ballot. We will also be having a State Primary on August 9, 2016. As always, if you wish to vote by early absentee ballot, please contact this office.

In addition to elections this coming year, we also hope to improve our archival maintenance of our land records. While vital records are archived with the Vermont Department of Health, there is no formal back up procedure for land records. Over the years, we have been fortunate to budget for archival records to be produced and housed with Vermont State Archives and Records Administration. We hope to continue this in the upcoming years.

If you have any questions, please do not hesitate to contact me at the Town Clerk's Office, via phone at (802) 442-1043 or by email at cbarbeau@benningtonvt.org.

Respectfully Submitted,

Cassandra Barbeau
Town Clerk, Bennington, VT

2015 LAND POSTINGS

Date Filed	Property Owner	Location	Acreage
10/16/2015	Bates, Randall E.	210 Michaels Drive/825 Houghton Ln	14
9/25/2015	Beal, Elizabeth	1819 Monument Ave	230
9/25/2015	Beal, Susan	1601 Monument Ave	42
10/5/2015	Bennington College	1 College Drive	420
11/12/2015	Briggs, Daniel	871 Morgan Street	1
3/16/2015	Denio, Chris	2319 Chapel Road	100
10/2/2015	Garden Homes Mngmt	Gore Road MHP	15
10/13/2015	Hall-Fleming, Patricia	River Road/Orebed Road	215
11/13/2015	Heys, Edward	268 Pippin Knoll	2
9/16/2015	Hogan, Barbara	2323 Monument Ave	99
4/14/2015	Holland Company	Gore Road	66
10/19/2015	Kachmar, Wayne M.	514 Orebed Road	50
4/15/2015	King, Gary	654 Chapel Road	1
2/6/2015	Korn, Steve	3 Monument Circle	11
10/5/2015	Leone, Ronald	593 US Rt 7 South	4
3/20/2015	Lettre, Michael	150 Gore Road	5
11/5/2015	One World Conservation Ctr	413 US RT 7 South	96
11/9/2015	Pence, Suzy	400 Pippin Knoll	11
10/30/2015	Pfaff, H. Charles	85 Red Pine Road	69
11/6/2015	Pilachowski, David & Marsha	324 Pippin Knoll	3
11/11/2015	Rogers, Susan	744 Vail Road	92
9/11/2015	Traber, Melville Jr.	474 Orebed Road	5.5

2015 First Class Liquor Licenses

- 1 150 Depot LLC
- 2 Allegro Ristorante
- 3 American Legion Post #13, Inc.
- 4 Aramark "Dining Hall"
- 5 Aramark "Student Center"
- 6 Benner's Bagels N' What Nosh
- 7 Bennington Lanes
- 8 Bennington Pizza House
- 9 Bennington Pizza Plaza

2015 Second Class Liquor Licenses

- 1 305 South LLC
- 2 Abigail's Country Kitchen
- 3 Aldi, Inc.
- 4 Apple Barn
- 5 Bennington Beverage Outlet
- 6 Beshara's Discount Bev. & Groc.
- 7 Beverage Den, Inc.
- 8 Catamount Glass
- 9 Cumberland Farms #8006

- | | |
|---|------------------------------------|
| 10 Brown Cow Café LLC | 10 CVS Pharmacy #337 |
| 11 Catamount Glass & Tap Room | 11 D's Market & Deli, Inc. |
| 12 Chili's Grill & Bar | 12 Elm Street Market |
| 13 Donovan's | 13 Hannaford Food & Drug Store |
| 14 Eagles, Frat. Order of, Aerie #1861 | 14 Henry's Market |
| 15 Elks, B.P.O. Bennington Lodge #567 | 15 K Mart #9536 |
| 16 Four Chimneys Inn | 16 Madison Brewing Company |
| 17 JC's Tavern | 17 Mag's Market |
| 18 Jensen's Restaurant | 18 Martin's Mini Mart & Bev. Disc. |
| 19 Kevin's Sports Pub & Restaurant | 19 Maruti, Inc. |
| 20 Madison Brewing Company, Pub & Rest. | 20 Mincer's Mini Mart, Inc. |
| 21 Moose, Loyal Order of Lodge #1233 | 21 North Bennington Variety |
| 22 Mt. Anthony Golf & Tennis Club | 22 Powers Market |
| 23 Pangaea | 23 Price Chopper #171 |
| 24 Papa Pete's Restaurant | 24 Rite Aid Store #10314 |
| 25 Pizza Hut | 25 River Street Variety |
| 26 Publyk House | 26 Short Stop #117 |
| 27 Ramunto's Pizza | 27 Short Stop #145 |
| 28 Safford Mills Inn & Café | 28 Stewart's Shop #195 |
| 29 Two Brews Café | 29 Tennybrook |
| 30 Veterans of Foreign Wars Post #1332 | 30 Walmart Store #2289 |
| 31 Your Belly's Deli | 31 Willy's Variety |

NOTES:

TOWN OF BENNINGTON
OFFICE OF THE TREASURER
205 South Street
Bennington, VT 05201
802-442-1046
7/6/15

Cash Flow and Account Balances as of June 30, 2015

CASH FLOW:	<u>06/01/15 - 06/30/15</u>	<u>07/01/14 - 06/30/15</u>
Beginning Balance	\$1,016,607.34	\$368,353.39
ADD:		
Interest	\$124.61	\$7,553.63
Various Town receipts	\$786,497.23	\$30,212,416.20
Tax Anticipation Line of Credit draw	\$0.00	\$1,272,205.23
Special Line of Credit draw (Irene)	\$0.00	\$5,226.32
Line of Credit - Rec Center	\$0.00	\$0.00
Capital Equipment Note (trucks & skid steer)	\$0.00	\$166,645.00
Total available cash	<u>\$1,803,229.18</u>	<u>\$32,032,399.77</u>
 SUBTRACT:		
Disbursements:		
Payroll Warrants	\$419,690.00	\$5,674,894.60
Vendor Warrants	\$733,184.02	\$25,150,416.14
Portion of Vendor Warrant #24 (FY14)	\$0.00	\$140,632.11
Vendor Warrants - Irene	\$0.00	\$5,226.32
Prepaid checks	\$85,270.27	\$255,340.70
Vendor payments	\$30,627.50	\$271,106.12
Check order	\$0.00	\$148.39
Bank Analysis Fee - Fraud Protection	\$89.00	\$267.00
Total Disbursements	<u>\$1,268,860.79</u>	<u>\$31,498,031.38</u>
 Cash Balance on June 30, 2015	<u><u>\$534,368.39</u></u>	<u><u>\$534,368.39</u></u>

Respectfully submitted,

Joan E. Pinsonneault
Town of Bennington Treasurer

Operating Accounts

	<u>INTEREST</u>		<u>BALANCE</u>
	06/01/15 -	07/01/14 -	
	<u>06/30/15</u>	<u>06/30/15</u>	<u>06/30/15</u>
<u>Chittenden Bank:</u>			
MBA Affiliate Dep. *9633	\$0.00	\$0.00	\$190,000.00
MBA Depository *7505	\$124.61	\$7,553.63	\$299,368.39
General Fund Checking Acct *0543	\$0.00	\$0.00	\$5,000.00
Payroll Checking Acct *0551	\$0.00	\$0.00	\$35,000.00
Flexible Spending Acct *8912	\$0.00	\$0.00	\$5,000.00
TOTALS:	<u>\$124.61</u>	<u>\$7,553.63</u>	<u>\$534,368.39</u>

NOTES:

AGENCIES

The following agencies received monies in the amount shown from the Town of Bennington's General Fund in 2015:

Bennington Coalition for the Homeless - \$25,000.00
Bennington County Regional Commission (BCRC) - \$14,550.00
Bennington Free Clinic - \$7,500.00
Bennington Free Library - \$412,000.00
Bennington Project Independence, Adult Day Service - \$11,000.00
BROC - Community Action in Southwestern Vermont - \$7,500.00
Green Mountain Retired Senior Volunteer Program - \$7,200.00
John G. McCullough Free Library - \$13,900.00
North Bennington Recreation - \$6,000.00
Paran Recreations, Inc - \$2,700.00
Project Against Violent Encounters (PAVE) - \$5,000.00
Southwestern Vermont Council On Aging - \$7,500.00
Turning Point Center - \$2,500.00
The Tutorial Center - \$10,000.00
The Visiting Nurse Association & Hospice of SVHC- \$21,600.00
Vermont Center for Independent Living - \$7,000.00

TOWN OF BENNINGTON
2015 ANNUAL TOWN MEETING
BENNINGTON FIRE FACILITY
130 RIVER STREET – 3RD Floor
BENNINGTON, VERMONT 05201

MONDAY, MARCH 2, 2015
MINUTES

MODERATOR: Jason Morrissey

ALSO PRESENT: Greg Van Houten – Chair; Sharyn Brush – Vice Chair; Jim Carroll; Tom Jacobs; Justin Corcoran; Michael Keane; John McFadden; Stuart Hurd, Town Manager; Cassandra Barbeau, Town Clerk; Dan Monks, Zoning Administrator & Assistant Town Manager; Joan Pinsonneault, Treasurer; Mike Harrington, Economic & Community Development Director; Keith Whitcomb, Bennington Banner; (75) Citizens; Linda E. Bermudez – Recording Secretary

Absent: *None*

At 7:00 P.M., **Jason Morrissey** called the meeting to order. The Pledge of Allegiance was led by Greg Van Houten, recited by all.

At this time, Jason Morrissey asked for a moment of silence to recognize the passing of long time Town Clerk, Timothy Corcoran, as well as all the other residents of Bennington who passed this last year.

Jason Morrissey accepted and read the Town warning:

-WARNING-

TOWN OF BENNINGTON
2015 ANNUAL TOWN MEETING

“The residents of the Town of Bennington qualified by law to vote in Town Meeting are hereby notified and warned to meet at the Bennington Fire Facility on River Street (Lincoln Street entrance) in said Town on Monday, March 2, 2015, at 7:00 p.m., or immediately following the Bennington School District’s Annual meeting should that run over, to transact the business specified to be done from the floor.

If you are a resident of the Town of Bennington, intend to be present at the meeting and are hearing impaired, arrangements will be made for a sign interpreter to be present at this meeting. For necessary arrangements, please contact Stuart A. Hurd, Town Manager at the Bennington Town Offices, 205 South Street, P.O. Box 469, Bennington, VT - (802) 442-1037 no later than Friday, February 20, 2015.

Following the completion of such business, the Meeting will stand adjourned to Tuesday, March 3, 2015, at The Bennington Fire Facility on River Street (Lincoln Street entrance). The Polls are open from 7:00 a.m. until 7:00 p.m. for the election of officers and voting on all ballot articles specified. However, those on the checklist to vote in the Village of North Bennington shall vote for the election of officers and on all ballot articles at the North Bennington Village Office on Main Street in North Bennington. The Bennington Fire Facility above mentioned, is hereby established as the central polling place for those on the checklist to vote in said Bennington. The deadline for registering to vote is February 25, 2015 at 5:00 P.M. at the Bennington Town Clerk's Office."

Mr. Morrissey then reminded those present that the only binding decisions from the floor this evening are for Article #1 and Article #2.

BUSINESS TO BE TRANSACTED FROM THE FLOOR

Monday March 02, 2015 7:00 P.M.

ARTICLE 1: TOWN REPORT: To hear the report of Town Officers and to take appropriate action thereon.

Motion: Motion from the floor (*verbally*) to accept the Town Report as submitted. Motion was seconded by the floor (*verbally*). Motion passed unanimously (*verbally*).

ARTICLE 2: SELECT BOARD MEMBERS COMPENSATION: To determine what compensation shall be paid to the Town Select Board Members.

Charles Kozlosky stepped forward and questioned when the last time the Select Board was approved for a raise. The Town Manager stated it had been several years. The current rate of pay for each Select Board member is \$1,400 per year. Mr. Kozlosky stated he felt in order to keep good talent the residents of Bennington should consider increasing this pay. If not approved tonight, then perhaps next year. They provide good service.

Motion: Justine Scanlon motioned (*from the floor*) to keep compensation for Town Select Board Members the same as last fiscal year (no change in compensation). Motion was seconded by the floor (*verbally*).

Vote: There was verbal representation for both Approval (Yay) and Disproval (Nay) of this motion.

Verdict: Jason Morrissey (Moderator) determined Approval for this motion was dominant (*Motion passed*).

ARTICLE 3: OTHER BUSINESS: To transact such other proper business when met.

Mr. Morrissey noted that there are (2) Select Board Seats open and (8) candidates running. There is also (1) Town Clerk running for election as well. On the ballot there are (15) articles including the advisory only for the addition of Fluoride to Bennington's water. Mr. Morrissey then reads that ballot item in its entirety.

Sharyn Brush reads a non-binding resolution presented by the Select Board regarding support for the Vermont Veteran's Home budget to be sent to the State. After reading the resolution in its entirety, she noted Greg Van Houten would sign on behalf of the entire Select Board.

Motion: Tom Jacobs motioned and Justin Corcoran seconded to adopt the resolution in support of the Vermont Veteran's Home Budget and approve Greg Van Houten to sign on behalf of the current Select Board. Motion passed unanimously

At this time Mary Lou Albert stepped forward to speak. She wanted to present both Bennington and North Bennington with the latest study results regarding Fluoride. This study was released on February 23, 2015 and was cited in both Newsweek and the Chicago Times showing a correlation between Fluoride and thyroid disease. Ms. Albert continues by reading a portion of the study. It recommends reducing exposure by ingestion and move to topical application for good dental health. Ms. Albert asked to keep our water pure and our freedom of choice. Please vote NO on Article #15.

Al Ray stated that the community has been inundated with facts from both sides. The Minnesota Department of Health mandated the addition of Fluoride to their water. Rochester Utilities add Fluoride to their water and the world-renowned Mayo Clinic uses Fluoride. If it is good for them, why would it not be good for us?

Jerry Albert stepped forward to give testimony of Fluoride damage to his children's teeth. He went on to say he was not offended by the attempts to discredit his accounts by the Oral Health Coalition. However he was offended by the Bennington Banner's lack of fair coverage. The 'Pro-Fluoride' articles seemed to be cut and paste. No one from the Banner interviewed anyone from the "Anti-Fluoride" side for fair representation. This paper lacks jurisdictional journalism. Please vote NO on article #15.

Dr. Dundas stated, "Life is better with teeth". He went on to state he did not intend to offend anyone and saw many "Anti-Fluoride" letters to the editor in the paper. Dr. Dundas continues by stating Bennington has had deplorable oral health since the 1960's. He noted a different study that followed 13,000 people and found no correlation between slow erupting teeth and Fluoride. They also found no link to Alzheimer's, allergies or a connection to a communist plot. There are many false claims against Fluoride; however many well respected organizations support Fluoride such as American Dental Association (ADA) and Center for Disease Control (CDC).

Jennifer Wells stated she was a resident and her children were born here. Dental Health is an integral part of overall health. As a teacher she sees children with dental problems. Please vote YES on article #15.

Ed Belzer stated he was a resident. He referred to the study Dr. Dundas cited. Mr. Belzer stated it did not address the real issues with Fluoride. It has a marginal effect

on a tiny section of people and a negative effect on most people. The larger issue with Fluoride is the salts that attack the glandular systems. These were not addressed.

Ed Letourneau stepped forward to address the communist plot comment. He stated he was in the Air Force many years ago with security clearance. He wanted the public to understand that the first “credible” report for the use of Fluoride came from the Atomic Energy Department. They had large amounts of Fluoride left over and needed to get rid of it. They needed to prove it was not damaging or harmful. I do not trust anything that was introduced in that manner.

Angus McCullough stated he was a North Bennington resident. He had questions regarding the implementation and cost of Fluoride. Mr. McCullough continued by noting that 97% of European countries do not fluoridate their water. It is classified as a drug; he therefore has ethical concerns about its addition. It is not a nutrient or a supplement and can be harmful at even low levels.

At this time Greg Van Houten noted that although North Bennington and Bennington are two separate water systems, both get to vote advisory on this item.

Carl Isselhardt wanted answers to Mr. McCullough’s initial two questions regarding implementation and cost. The Manager stated at this time it is only an estimate but we approximate \$14-16,000 per year cost to run the system but this may not be adequate. The cost to install a proper system and equipment could be an additional \$50-100,000. We have not conducted an accurate study because we have not heard if the community as a whole wants this.

Jerry Albert cited Brattleboro’s engineering information regarding Fluoride. These costs were considerably higher than the Manager’s estimates. They also needed to build a hazardous waste area, a tank for storage and additional personal protective equipment (ppe) for employees.

Dr. Dundas returned with significantly lower estimates than quoted by the Town Manager.

Greg Van Houten noted the numbers quoted by the Town Manager were received by a poll of other water municipalities. Information from different towns of different sizes was gathered and an average cost was determined.

Jason Morrissey asked if there were other issues to be discussed.

Bruce Lee Clark stated he was a resident and asked for support for the Bennington Free Clinic. He reviewed how their organization spent their money in 2014. They had 221 new patients from Bennington alone. They were able to help residents with the Vermont Health Connect finding insurance (approximately 546 consults). Please support Article #7.

Spencer Sweet identified himself as the Executive Director of WBTN. He reviewed its history, and personal memories. Mr. Sweet noted however things have changed. Many people now turn to FM radio, the Internet, U-tube, Pandora etc for music. WBTN however is our only local connection. It is a gathering place where your voice can be

heard.

Mr. Sweet continued by reviewing the different events they provide live coverage for as well. WBTN is the only source of local emergency information. This is not your Mom & Dad's WBTN. One-third of our support comes from the community and we need this to keep going. Please support Article #10.

Maryanne St. John stepped forward to represent BROOC. She reviewed all of the programs they have that help the community. These include fuel assistance, budget counseling, daycare providers, business start-ups, home weatherization, health connect etc. The need to help others is greater than ever. Please support Article #8

Mary Garesh stepped forward as a resident and representative for the Coalition for the Homeless. Although she supports all our community organizations, the Homeless shelters are overflowing in this exceptionally cold winter. We are at capacity and there are still some not being served. Please vote Yes for Article #14.

Charlie Murphy stepped forward to represent the Council for Independent Living. He reviewed what this organization does for those with disabilities. Adapting houses with ramps, advocacy, mentoring, supplemental equipment etc are all meant to help those live more independently and successfully. Please support Article #15.

Abby Skidmore stepped forward to bring awareness for a new program called "Let's Grow Kids". This program promotes investing in kids with affordable quality childcare. Many children spend 40+ hours per week out of the home and yet are not prepared for Kindergarten. Ms. Skidmore noted there were pamphlets at the back of the room and asked people to go to the website for more information and support.

Al Ray asked the Manager about the Hunt Street bridge project. He would like to see an additional lane to relieve traffic. The Manager stated that it is not in the design. A three-lane design was considered and reviewed with the State, however it became cost prohibitive. It will remain a two-lane bridge.

Elaine Haytko stepped forward to ask for support on Article #6. This serves the 55 and older community. There are many different programs for their support including education and healthy aging in place. Ms. Haytko would also like to ask for support on Article #9 for Council on Aging. They too provide many great programs for the older community including case management assistance, insurance consultations etc. Please vote Yes on both Article #6 and Article #9.

**BUSINESS TO BE TRANSACTED BY BALLOT
TUESDAY, MARCH 3, 2015
THE POLLS TO BE OPEN FROM 7:00 A.M. TO 7:00 P.M.
AT THE POLLING PLACES SPECIFIED ABOVE**

SELECT BOARD ELECTION. Two Select Board Members residing in the Town shall be elected for terms of three (3) years.

TOWN CLERK ELECTION. A Town Clerk residing in the Town shall be elected for a term of three (3) years.

ARTICLE 1. Shall the Town appropriate for the next fiscal year, July 1, 2015 through June 30, 2016, the total sum of \$11,652,340.00 consisting of the following: \$3,818,550.00 for the laying out, maintaining, and repairing of the highways and bridges of the Town; and \$7,833,790.00 for the payment of the following: Any indebtedness not otherwise specifically provided for, interest on indebtedness, legally authorized State and County taxes, the prosecution and defense of the common rights and interests of the inhabitants of the Town, and for other necessary incidental expenses?

The proposed budget includes \$40,000.00 for fire equipment, \$20,000.00 for parking improvements and \$326,240.00 for healthcare reserve and workers compensation insurance, any unexpended portion of which will be reserved to subsequent years for that purpose.

ARTICLE 2. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$2,500.00 for One World Conservation Center?

ARTICLE 3. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$2,500.00 for Turning Point Center of Bennington?

ARTICLE 4. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$5,000.00 for Project Against Violent Encounters?

ARTICLE 5. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$7,000.00 for Vermont Center For Independent Living?

ARTICLE 6. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$7,200.00 for Green Mountain Retired and Senior Volunteer Program?

ARTICLE 7. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$7,500.00 for Bennington Free Clinic?

ARTICLE 8. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$7,500.00 for BROCC - Community Action In Southwestern Vermont?

ARTICLE 9. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$7,500.00 for Southwestern Vermont Council on Aging, Inc.?

ARTICLE 10. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$7,500.00 for WBTN 1370 AM?

ARTICLE 11. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$10,000.00 for The Tutorial Center?

ARTICLE 12. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$11,000.00 for Bennington Project Independence?

ARTICLE 13. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$21,600.00 for Visiting Nurse Association & Hospice?

ARTICLE 14. Shall the voters increase the F.Y. 2016 General Fund by the sum of \$25,000.00 for Bennington County Coalition for the Homeless?

ARTICLE 15. Shall the Town of Bennington adjust the natural level of fluoride in the Bennington water system to a level recommended for preventing tooth decay (advisory only)?

Jason Morrissey, Moderator asked to close the meeting.

Motion: Bruce Lee Clark motion (*from the floor*) to close the meeting. Motion was seconded from the floor (*verbally*). Motion passed unanimously.

Respectfully submitted,

Linda E. Bermudez, Secretary

BENNINGTON TOWN MEETING ELECTION -- MARCH 3, 2015 TALLY SHEET

	Benn	N. Benn	Total
Select Board (vote for TWO)			
Peter J. Brady SR.	581	31	612
Donald A. Campbell	727	92	819
Jim Carroll	696	56	752
Joey Kulkin	452	37	489
Edward Letourneau	315	22	337
Michael McDonough	577	61	638
Don Miller	441	30	471
Richard Pembroke	650	57	707
And the said CAMPBELL AND CARROLL were declared elected.			
Town Clerk			
Cassandra Barbeau	2049	176	2225
And the said BARBEAU was declared elected.			
Article 1: Budget			
Yes	1624	158	1782
No	625	33	658
And it was so voted.			
Article 2: One World Conservation			
Yes	1034	135	1169
No	1338	78	1416
And it was not voted.			
Article 3: Turning Point Center			
Yes	1347	162	1509
No	1015	51	1066
And it was so voted.			

Article 4: Project Against Violent Encounters			
Yes	1541	168	1709
No	833	49	882
And it was so voted.			
Article 5: Vermont Center for Independent Living			
Yes	1647	176	1823
No	720	39	759
And it was so voted.			
Article 6: RSVP			
Yes	1614	172	1786
No	745	37	782
And it was so voted.			
	Benn	N. Benn	Total
Article 7: Bennington Free Clinic			
Yes	1794	186	1980
No	620	32	652
And it was so voted.			
Article 8: BROCC Community Action			
Yes	1332	148	1480
No	1021	62	1083
And it was so voted.			
Article 9: Council on Aging			
Yes	1563	167	1730
No	787	46	833
And it was so voted.			

Article 10: WBTN 1370 AM			
Yes	1137	128	1265
No	1224	81	1305
And it was not voted.			
Article 11: Tutorial Center			
Yes	1371	153	1524
No	987	59	1046
And it was so voted.			
Article 12: BPI			
Yes	1570	170	1740
No	806	42	848
And it was so voted.			
Article 13: Visiting Nurse Association & Hospice			
Yes	1746	169	1915
No	666	41	707
And it was so voted.			
Article 14: Coalition for the Homeless			
Yes	1545	159	1704
No	862	50	912
And it was so voted.			
Article 15: Fluoride in Water (Advisory Only)			
Yes	1003	114	1117
No	1444	95	1539
And it was not voted.			

-WARNING-

**TOWN OF BENNINGTON
2016 ANNUAL TOWN MEETING**

The residents of the Town of Bennington qualified by law to vote in Town Meeting are hereby notified and warned to meet at the Bennington Fire Facility on River Street (Lincoln Street entrance) in said Town on Monday, February 29, 2016, at 7:00 p.m., or immediately following the Bennington School District's Annual meeting should that run over, to transact the business specified to be done from the floor.

If you are a resident of the Town of Bennington, intend to be present at the meeting and are hearing impaired, arrangements will be made for a sign interpreter to be present at this meeting. For necessary arrangements, please contact Stuart A. Hurd, Town Manager at the Bennington Town Offices, 205 South Street, P.O. Box 469, Bennington, VT - (802) 442-1037 no later than Friday, February 19, 2016.

Following the completion of such business, the Meeting will stand adjourned to Tuesday, March 1, 2016, at The Bennington Fire Facility on River Street (Lincoln Street entrance). The Polls are open from 7:00 a.m. until 7:00 p.m. for the election of officers and voting on all ballot articles specified. However, those on the checklist to vote in the Village of North Bennington shall vote for the election of officers and on all ballot articles at the North Bennington Village Office on Main Street in North Bennington. The Bennington Fire Facility above mentioned, is hereby established as the central polling place for those on the checklist to vote in said Bennington. The deadline for registering to vote is February 24, 2016 at 5:00 P.M. at the Bennington Town Clerk's Office.

BUSINESS TO BE TRANSACTED FROM THE FLOOR

Monday, February 29, 2016

7:00 P.M.

ARTICLE 1. TOWN REPORT: To hear the report of Town Officers and to take appropriate action thereon.

ARTICLE 2. SELECT BOARD MEMBERS COMPENSATION: To determine what compensation shall be paid to the Town Select Board Members.

ARTICLE 3. OTHER BUSINESS: To transact such other proper business when met.

**BUSINESS TO BE TRANSACTED BY BALLOT
TUESDAY, MARCH 1, 2016
THE POLLS TO BE OPEN FROM 7:00 A.M. TO 7:00 P.M.
AT THE POLLING PLACES SPECIFIED ABOVE**

TOWN TREASURER ELECTION. A Town Treasurer residing in the Town shall be elected for term of three (3) years.

TOWN MODERATOR ELECTION. A Town Moderator residing in the Town shall be elected for terms of three (3) years.

SELECT BOARD ELECTION. Three Select Board Members residing in the Town shall be elected for terms of three (3) years.

ARTICLE 1. Shall the Town appropriate for the next fiscal year, July 1, 2016 through June 30, 2017, the total sum of \$12,020,560.00 consisting of the following: \$3,902,050.00 for the laying out, maintaining, and repairing of the highways and bridges of the Town; and \$8,118,510.00 for the payment of the following: Any indebtedness not otherwise specifically provided for, interest on indebtedness, legally authorized State and County taxes, the prosecution and defense of the common rights and interests of the inhabitants of the Town, and for other necessary incidental expenses?

The proposed budget includes \$50,000.00 for fire equipment, \$20,000.00 for parking improvements, \$15,000.00 for regional economic development, \$50,000.00 for bridge repair/replacement and \$344,160.00 for healthcare reserve and workers compensation insurance, any unexpended portion of which will be reserved to subsequent years for that purpose.

YES ☐
NO ☐

ARTICLE 2. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$2,500.00 for Bennington County Association Against Child Abuse?

YES ☐
NO ☐

ARTICLE 3. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$2,500.00 for Turning Point Center of Bennington?

YES ☐
NO ☐

ARTICLE 4. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$5,000.00 for Project Against Violent Encounters?

YES ☐
NO ☐

ARTICLE 5. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$7,000.00 for Vermont Center For Independent Living?

YES ☐
NO ☐

ARTICLE 6. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$7,200.00 for Green Mountain Retired and Senior Volunteer Program?

YES ☐
NO ☐

ARTICLE 7. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$7,500.00 for Bennington Free Clinic?

YES ☐
NO ☐

ARTICLE 8. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$7,500.00 for BROCC - Community Action In Southwestern Vermont?

YES ☐
NO ☐

ARTICLE 9. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$7,500.00 for Southwestern Vermont Council on Aging, Inc.?

YES ☐
NO ☐

ARTICLE 10. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$10,000.00 for Sunrise Family Resource Center?

YES ☐
NO ☐

ARTICLE 11. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$10,000.00 for The Tutorial Center?

YES ☐
NO ☐

ARTICLE 12. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$11,000.00 for Bennington Project Independence?

YES ☐

NO ☐

ARTICLE 13. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$21,600.00 for Bennington Area Visiting Nurse Association & Hospice?

YES ☐


NO ☐

ARTICLE 14. Shall the voters increase the F.Y. 2017 General Fund by the sum of \$25,000.00 for Bennington County Coalition for the Homeless?

YES ☐

NO ☐

BY THE SELECT BOARD


Thomas H. Jacobs, Chair


John C. McFadden, Vice Chair


Sharyn L. Brush

Donald Campbell


Jim Carroll


Justin J. Corcoran


Michael A. Keane

Dated at Bennington, Vermont this 25th day of January, 2016.

Recorded January 26, 2016 at 8:00 AM


Town Clerk, Bennington, VT

TOWN OF BENNINGTON, VERMONT

Financial Statements and Schedules

June 30, 2015

(With Independent Auditor's Report Thereon)

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SECTION II - COMPLIANCE AND INTERNAL CONTROL

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>

SECTION I

FINANCIAL SECTION



Independent Auditor's Report

The Select Board
Town of Bennington, Vermont

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 Town of Bennington, Vermont as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town'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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Facsimile: (802) 442-7314 • e-mail: mail@lovecody.com
www.lovecody.com

Opinions

In our opinion, the financial statements referred to above 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 Bennington, Vermont, as of June 30, 2015, 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 the management's discussion and analysis on pages 47 - 54, the budgetary comparison information on pages 85 - 89, and the schedule of funding progress on page 90 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 Bennington, Vermont's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2016, on our consideration of the Town of Bennington, 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 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 Town of Bennington, Vermont's internal control over financial reporting and compliance.

Love, Cody & Company, CPAs, P.C.

January 19, 2016

Vt. Reg. #357

Love, Cody & Company, CPAs

**TOWN OF BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2015**

The management's discussion and analysis of the Town of Bennington, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2015. It focuses on the year-end results and provides an objective analysis of the various funds the Town operates in the conduct of its business from a management perspective. It discusses both the government-wide and fund-based financial statements. Please read it in conjunction with the Town's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

The Town's combined net position was \$22,819,959 at June 30, 2015, an increase of \$1,129,679 from last year. The principal reason for this increase is an increase in Capital Assets and a decrease in Total Liabilities (See Table 1). The impact of Hurricane Irene continues to affect the Town's liabilities; however, as indicated earlier, those liabilities declined from last year to this year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of three parts: Managements' Discussion and Analysis (this section), the basic financial statements, and additional required supplementary information. The basic financial statements include two kinds of statements that present different views of the Town. The Statement of Net Assets and the Statement of Activities 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 for governmental activities 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 of the government.

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities are also referred to as the Government-wide financial statements. These statements report information about the Town and its activities as a whole. These statements include all assets and liabilities 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.

These two statements report the Town's net position and changes in net position. You can think of the Town's net position - the difference between assets and liabilities - as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are 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, to assess the overall health of the Town.

The Statement of Net Position and the Statement of Activities, report two kinds of activities:

- Governmental activities - Most of the Town's basic services are reported here, including the police, fire, public works, community development, and recreation departments, and general administration. Property taxes and state and federal grants 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 water and sewer system and parking facilities are reported here.

**TOWN OF BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2015**

Fund Financial Statements

The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the Town-wide statements.

- The 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. The differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds are reconciled in the schedules following each of the governmental fund financial statements.
- The 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 Assets and the Statement of Activities.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Town's General Fund budget to reported results for the year.

TOWN OF BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2015

The following table summarizes the major features of the Town's financial statements, including the portion of the Town's activities they cover and the types of information they contain.

Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire Town (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary. Includes general fund and special revenue funds.	The activities of the Town for which a fee is charged to external users (such as water and wastewater treatment activities).
Required financial statements	<ul style="list-style-type: none"> - Statement of net assets - Statement of activities 	<ul style="list-style-type: none"> - Balance sheet - Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> - Statement of net assets or balance sheet - Statement of revenues, expenses and changes in fund net assets - Statement of cash flows
Accounting basis and measurement focus	Accrual basis of accounting and economic resources measurement focus	Modified accrual basis of accounting and current financial resources measurement focus	Accrual basis of accounting and economic resources measurement focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; including capital assets
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**TOWN OF BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2015**

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

This section summarizes information and data as related to the Statements of Net Position as of June 30, 2015 and 2014 and the Statements of Activities for the years then ended.

Government-Wide Statements

The Town's combined net position increased by \$1,129,679 to \$22,819,959 at June 30, 2015. Our analysis below 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
Net Assets
(in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 3,727	3,656	2,936	2,467	6,663	6,123
Capital assets	15,266	14,477	12,641	12,368	27,907	26,845
Total assets	18,993	18,133	15,577	14,835	34,570	32,968
Deferred outflows of resources	297	-	-	-	297	-
Total assets and deferred outflows	19,290	18,133	15,577	14,835	34,867	32,968
Current liabilities	3,269	3,822	388	484	3,657	4,306
Long-term liabilities	1,977	1,435	5,724	5,536	7,701	6,971
Total liabilities	5,246	5,257	6,112	6,020	11,358	11,277
Deferred inflows of resources	598	-	-	-	598	-
Total liabilities and deferred inflows	5,844	5,257	6,112	6,020	11,956	11,277
Net position:						
Invested in capital assets, net of debt	13,681	13,293	6,917	6,500	20,598	19,793
Restricted	3,614	3,539	-	-	3,614	3,539
Unrestricted	(3,849)	(3,956)	2,547	2,315	(1,302)	(1,641)
Total net position	\$ 13,446	12,876	9,464	8,815	22,910	21,691

The Town's liquidity - the ability to pay for its immediate obligations - is measured by comparing current assets to current liabilities. The Town has current assets approximately 1.8 times greater than its current liabilities.

The Town's solvency - the ability to fulfill its total obligations - is measured by comparing debt-to-assets ratio and debt-to-net assets ratio. Debt-to-assets ratio, which equals approximately 32.7%, computes the percent of assets financed with debt. Debt-to-net assets ratio, which equals approximately 49.8%, computes the amount owed for debt on every dollar that the Town has available for use providing programs.

Based on liabilities of \$11.4 million and total assessed property value of \$1,026 million, the Town's total obligations represent approximately \$1.11 per \$100 of 2014-15 assessed property value. Per capita obligations - the amount of total liabilities per person - is approximately \$710 for the Town, based on total population of approximately 16,000 as reported in the 2010 Federal Census Report.

**TOWN OF BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2015**

The Town's capital assets (Table 1), such as infrastructure, buildings and equipment, less outstanding debt used to acquire them, amounted to \$20.5 and \$19.8 million at June 30, 2015 and 2014, respectively. These assets represent the largest portion of the Town's net assets. Although the \$20.5 million of the Town's net capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At June 30, 2015, net assets of \$3.6 million (Table 1) have been restricted by the voters or sources external to the Town to be used for specific purposes.

**Table 2
Changes in Net Position
(in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 537	494	4,180	4,258	4,717	4,752
Grants and contributions	1,662	1,906	-	33	1,662	1,939
General revenues:						
Property taxes	9,580	9,364	-	-	9,580	9,364
Other general revenues	912	689	22	25	934	714
Total revenues	<u>12,691</u>	<u>12,453</u>	<u>4,202</u>	<u>4,316</u>	<u>16,893</u>	<u>16,769</u>
Program expenses:						
General government	2,895	2,993	-	-	2,895	2,993
Public safety	3,619	3,633	-	-	3,619	3,633
Public works	154	85	-	-	154	85
Community development	73	73	-	-	73	73
Health and welfare	8	8	-	-	8	8
Recreation	852	788	-	-	852	788
Highways and roads	3,752	3,608	-	-	3,752	3,608
Highways and roads						
- Hurricane Irene flood	7	35	-	-	7	35
Library	402	382	-	-	402	382
Interest on long-term debt	77	56	-	-	77	56
Water	-	-	1,767	1,750	1,767	1,750
Wastewater treatment	-	-	1,616	1,587	1,616	1,587
Parking	-	-	30	23	30	23
Total expenses	<u>11,839</u>	<u>11,661</u>	<u>3,413</u>	<u>3,360</u>	<u>15,252</u>	<u>15,021</u>
Excess (deficiency) before transfers and adjustments	852	792	789	956	1,641	1,748
Transfers	140	140	(140)	(140)	-	-
Prior period adjustment	(422)	-	-	-	(422)	-
Increase (decrease) in net position	<u>\$ 570</u>	<u>932</u>	<u>649</u>	<u>816</u>	<u>1,219</u>	<u>1,748</u>

**TOWN OF BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2015**

Net position of the Town's governmental activities (Table 2) increased by approximately 7.7% or \$992 thousand as reported in Table 2 for the year ended June 30, 2015, including net operating transfers from business-type activities of \$140 thousand. The unrestricted net position deficit comprises approximately 28.6% of the total net position of governmental activities at June 30, 2015.

The net position related to business-type activities increased by approximately \$649 thousand for the year ended June 30, 2015.

**Table 3
Governmental Activities
(in Thousands)**

	2015		2014	
	Total	Net	Total	Net
	Cost of	Cost of	Cost of	Cost of
	Services	Services	Services	Services
General government	\$ 2,895	2,201	2,993	2,553
Police department	3,340	3,101	3,346	2,957
Fire department	279	275	287	282
Public works	154	145	85	71
Community development	73	73	73	73
Health and welfare	8	8	8	8
Recreation	852	740	788	692
Highways and roads	3,752	3,313	3,608	3,269
Highways and roads - Hurricane Irene flood	7	(695)	35	(1,083)
Library	402	401	382	382
Interest on long-term debt	77	77	56	56
	<u>\$ 11,839</u>	<u>9,639</u>	<u>11,661</u>	<u>9,260</u>

The costs of providing governmental services (Table 3) amounted to approximately \$11.9 and \$11.7 million for the years ended June 30, 2015 and 2014, respectively. The cost of providing services is offset by charges for services and program-specific operating and capital grants, resulting in a net cost of services amounting to approximately \$9.7 and \$9.3 million for the years ended June 30, 2015 and 2014. The net cost of services is funded by property taxes, investment earnings and grants and contributions not restricted to specific programs.

**TOWN OF BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2015**

**Table 4
Capital Assets at Year-end
(Net of Depreciation, in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land and land improvements	\$ 744	518	251	269	995	787
Construction in progress	188	148	597	557	785	705
Distribution and collection systems	-	-	3,963	3,436	3,963	3,436
Buildings and improvements	2,631	2,712	7,256	7,548	9,887	10,260
Equipment and vehicles	2,135	1,532	574	558	2,709	2,090
Infrastructure	9,568	9,567	-	-	9,568	9,567
Totals	\$ 15,266	14,477	12,641	12,368	27,907	26,845

The Town completed the last phase of the Northside Drive water main replacement project. This 5 year capital improvement project has enhanced the water supply for all of Northside Drive. It will reduce continuing repair costs as well. In the Highway Fund, the town, working with a private contractor completed an abutment replacement and deck replacement project on the Coleville Road Bridge. Originally estimated at just over \$500,000, the bids came in substantially lower, \$388,740. This allowed the Town to reduce budgetary impacts and still do the work. A State Bridge and Culvert grant of \$175,000 further reduced the outlay of local tax dollars. The Highway Department purchased a new dump truck utilizing the State's Highway Equipment Fund which allows towns to borrow necessary funds at a reduced interest rate and spread the cost over, in this case, 7 years. Tropical Storm Irene expenditures were concluded. However, the debt remains while the Town seeks funding from FEMA.

A two-year study of the Waste Water Treatment Plant and system completed two years ago is now being used to guide selected projects. The Town anticipated slip lining old, leaking sewer lines identified in the study at an estimated cost of \$50,000. The majority of work required to upgrade the Waste Water Treatment facility will ultimately require bonding. The Town will continue to identify portions of the upgrade which can be accomplished annually thereby reducing the total necessary borrowed funds.

**Table 5
Outstanding Debt, at Year-end
(in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 985	1,077	5,724	5,869	6,709	6,946
Capital lease obligations	600	107	-	-	600	107
Totals	\$ 1,585	1,184	5,724	5,869	7,309	7,053

The Town uses capital lease obligations to finance the acquisition of certain vehicles and equipment.

**TOWN OF BENNINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2015**

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

The Town saw its fund balance improve this year. This year that fund balance improved by \$698,097. Tropical Storm Irene debt and Recreation Center improvement costs contributed to a fund balance that shows as negative \$2,182,526. Last year at year end, the fund balance was negative \$2,880,623 when all debt is included. Most likely, the Town will not know the full impact of Irene expenses until sometime in 2016. FEMA's determination has been slow to finalize. At the end of this fiscal year, one appeal was outstanding totaling approximately \$1.3 million. The Town has subsequently been informed that the final appeal has been denied.

Reviewing the revenues, we find a positive \$1,336,245, which includes Irene reimbursement of \$702,399. The remaining is largely due to increased grant revenue (\$294,234 over budget) and increase in other revenue.

On the expenditure side, reimbursable grant funds continue to positively impact the Police budget. Fuel costs throughout the budget had a much-reduced impact on the expense side. The decrease in cost of fuel helped. The Highway Fund equipment line appears over-expended; however, the major capital purchase, a dump truck, was purchased with borrowed funds which provides an offset on the revenue side. Health management fees, a self-insurance fund established by the Select Board as a reserve, show as an over-expenditure when spent to cover costs. The Hunt Street Bridge expenses were also funded by reserves from prior years.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the finances of the Town and to demonstrate the Town's accountability with the funds it receives. If you have any questions about this report or need any additional financial information, please contact:

Mr. Stuart Hurd, Town Manager
205 South Street
Bennington, VT 05201

BASIC FINANCIAL STATEMENTS

TOWN OF BENNINGTON, VERMONT
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash	\$ 898,799	-	898,799
Accounts receivable, net	131,890	1,325,059	1,456,949
Property taxes receivable, net	1,425,701	-	1,425,701
Interest receivable	5,707	-	5,707
Prepaid expenses	85,519	16,825	102,344
Notes receivable, current	111,626	-	111,626
Internal balances	(1,593,764)	1,593,764	-
Notes receivable, non-current	2,661,134	-	2,661,134
Capital assets:			
Land and construction in progress	932,408	458,480	1,390,888
Other capital assets, net of accumulated depreciation	14,333,758	12,182,401	26,516,159
Total assets	18,992,778	15,576,529	34,569,307
Deferred Outflows of Financial Resources:			
Contributions to VMERS pension plan	296,763	-	296,763
Total assets and deferred outflows of financial resources	\$ 19,289,541	15,576,529	34,866,070
Liabilities:			
Accounts payable	\$ 319,086	370,302	689,388
Line of credit	1,789,130	-	1,789,130
Accrued liabilities	786,110	17,882	803,992
Deferred revenue	9,025	-	9,025
Accrued landfill post-closure costs:			
Due within one year	31,819	-	31,819
Due in more than one year	531,795	-	531,795
Bonds payable:			
Due within one year	265,910	389,508	655,418
Due in more than one year	719,168	5,334,682	6,053,850
Lease payable:			
Due within one year	67,605	-	67,605
Due in more than one year	532,130	-	532,130
Net pension liability - VMERS	193,875	-	193,875
Total liabilities	5,245,653	6,112,374	11,358,027
Deferred Inflows of Financial Resources:			
VMERS investment earnings projection	597,834	-	597,834
Net position:			
Invested in capital assets, net of related debt	13,681,353	6,916,691	20,598,044
Not restricted for:			
Capital projects	253,782	-	253,782
Community development projects	2,772,760	-	2,772,760
Other purposes	586,682	-	586,682
Unrestricted (deficit)	(3,848,523)	2,547,464	(1,301,059)
Total net position	\$ 13,446,054	9,464,155	22,910,209

See accompanying notes to financial statements.

TOWN OF BENNINGTON, VERMONT
Statement of Activities
June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,895,257	277,959	416,350	-	(2,200,948)	-	(2,200,948)
Public safety:							
Police	3,339,943	133,879	104,824	-	(3,101,240)	-	(3,101,240)
Fire	279,239	4,190	-	-	(275,049)	-	(275,049)
Public works	153,606	8,877	-	-	(144,729)	-	(144,729)
Community development	73,102	-	-	-	(73,102)	-	(73,102)
Health and welfare	7,751	-	-	-	(7,751)	-	(7,751)
Recreation	851,877	111,803	-	-	(740,074)	-	(740,074)
Highways and roads	3,751,657	-	-	438,802	(3,312,855)	-	(3,312,855)
Highways and roads - Hurricane Irene flood expense	7,413	-	-	702,399	694,986	-	694,986
Library	401,500	-	-	-	(401,500)	-	(401,500)
Interest on long-term debt	76,981	-	-	-	(76,981)	-	(76,981)
Total governmental activities	11,838,326	536,708	521,174	1,141,201	(9,639,243)	-	(9,639,243)
Business-type activities:							
Water	1,767,297	2,363,850	-	-	-	596,553	596,553
Sewer	1,615,791	1,812,112	-	-	-	196,321	196,321
Parking	29,515	4,201	-	-	-	(25,314)	(25,314)
Total business-type activities	3,412,603	4,180,163	-	-	-	767,560	767,560
Total primary government	\$ 15,250,929	4,716,871	521,174	1,141,201	(9,639,243)	767,560	(8,871,683)
General revenues:							
Property taxes					9,580,011	-	9,580,011
Grants and contributions not restricted to specific programs					260,122	-	260,122
Investment earnings					56,831	22,059	77,890
Miscellaneous					595,688	-	595,688
Transfers					140,000	(140,000)	-
Total general revenues and transfers					10,631,652	(117,941)	10,513,711
Change in net position					992,409	649,619	1,642,028
Net position - beginning					12,875,743	8,814,536	21,690,279
Prior period adjustment (note 20)					(422,098)	-	(422,098)
Net position - ending					\$ 13,446,054	9,464,155	22,910,209

See accompanying notes to financial statements.

TOWN OF BENNINGTON, VERMONT
Balance Sheet
Governmental Funds
June 30, 2015

	General Governmental Activities Fund	Special Revenue Funds Community Development Fund	Downtown Improvement Commission	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 423,952	474,848	-	898,800
Delinquent taxes receivable, net of allowance uncollectible accounts of \$295,517	1,425,701	-	-	1,425,701
Accounts receivable	131,890	-	-	131,890
Interest receivable	-	5,707	-	5,707
Prepaid expenses	85,519	-	-	85,519
Notes receivable, net of allowance for uncollectible accounts of \$28,000	-	2,772,760	-	2,772,760
Due from other funds	-	-	21,381	21,381
Total assets	\$ 2,067,062	3,253,315	21,381	5,341,758
Liabilities:				
Accounts payable	\$ 303,618	-	-	303,618
Line of credit	1,789,130	-	-	1,789,130
Accrued liabilities	291,743	-	-	291,743
Due to other funds	621,382	993,763	-	1,615,145
Unearned revenue	9,025	-	-	9,025
Total liabilities	3,014,898	993,763	-	4,008,661
Deferred Inflows of Resources:				
Unavailable revenue - delinquent property taxes	315,613	-	-	315,613
Fund Balances:				
Nonspendable	-	2,772,760	-	2,772,760
Restricted	1,699,513	-	21,381	1,720,894
Committed	234,219	-	-	234,219
Assigned	7,611	-	-	7,611
Unassigned	(3,204,792)	(513,208)	-	(3,718,000)
Total fund balances	(1,263,449)	2,259,552	21,381	1,017,484
Total liabilities, deferred inflows of resources and fund balances	\$ 2,067,062	3,253,315	21,381	5,341,758

See accompanying notes to financial statements.

TOWN OF BENNINGTON, VERMONT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

Total fund balances - governmental funds (from page 58)	\$ 1,017,484
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	15,266,166
Deferred outflows of financial resources related to pension activities are not recognized in the funds	296,763
Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds.	306,588
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,843,117)
Deferred inflows of financial resources related to pension activities are not recognized in the funds	(597,834)
Net position of governmental activities (page 56)	<u>\$ 13,446,050</u>

See accompanying notes to financial statements.

TOWN OF BENNINGTON, VERMONT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	General Governmental Activities Fund	Special Revenue Funds Community Development Fund	Downtown Improvement Commission	Total Governmental Funds
Revenues:				
Property taxes	\$ 9,512,102	-	69,948	9,582,050
Permits and licenses	108,341	-	-	108,341
Intergovernmental revenues	1,220,098	-	-	1,220,098
Fees and charges	356,986	-	-	356,986
Fines and forfeitures	21,476	-	-	21,476
Interest	5,611	50,220	-	55,831
Rental revenue	49,905	-	-	49,905
Hurricane Irene grants and assistance	702,399	-	-	702,399
Other	603,827	6,261	-	610,088
Total revenues	12,580,745	56,481	69,948	12,707,174
Expenditures:				
General government	2,346,121	-	-	2,346,121
Public safety	3,456,441	-	-	3,456,441
Public works	153,606	-	-	153,606
Health and welfare	7,751	-	-	7,751
Recreation	1,037,277	-	-	1,037,277
Debt management	327,150	-	-	327,150
Highways and roads	3,799,256	-	-	3,799,256
Project expenditures	-	1,951	-	1,951
Hurricane Irene flood expense	7,413	-	-	7,413
Other	1,094,278	1,203	69,948	1,165,429
Total expenditures	12,229,293	3,154	69,948	12,302,395
Excess of revenues over expenditures	351,452	53,327	-	404,779
Other financing sources (uses):				
Proceeds from issuance of debt	166,645	-	-	166,645
Operating transfers in (out)	180,000	(40,000)	-	140,000
	346,645	(40,000)	-	306,645
Excess of revenues and other financing sources over expenditures and other financing uses	698,097	13,327	-	711,424
Fund balance, July 1, 2014	(1,961,546)	2,246,225	21,381	306,060
Fund balance, June 30, 2015	\$ (1,263,449)	2,259,552	21,381	1,017,484

See accompanying notes to financial statements.

TOWN OF BENNINGTON, VERMONT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2015

Net change in fund balances - total governmental funds (from page 60)	\$ 711,424
Revenues in the statement of activities that do not provide current financial resources (property taxes not collected within 60 days of fiscal year end) are not reported as revenues in the funds. This amount represents a decrease in deferred property taxes.	(2,039)
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	191,125
When recognizing the sale of capital assets, the governmental funds report the total proceeds of the sale. Only the gain or loss on the sale is reported on the Statement of Net Assets.	(14,400)
Issuance of long-term obligations is recorded as an other financing source in the governmental funds, but increases long-term liabilities in the statement of net assets	(232,083)
Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	338,382
Change in net position of governmental activities (page 57)	\$ <u>992,409</u>

See accompanying notes to financial statements.

TOWN OF BENNINGTON, VERMONT
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Parking Meter Fund	Totals
Assets:				
Current assets:				
Accounts receivable, net of allowance for doubtful accounts of \$24,000	\$ 858,010	467,049	-	1,325,059
Prepaid expenses	7,331	9,494	-	16,825
Due from other funds	599,227	854,471	140,066	1,593,764
Total current assets	1,464,568	1,331,014	140,066	2,935,648
Capital assets:				
Land and land improvements	18,000	-	465,599	483,599
Distribution and collection systems	5,572,072	1,304,269	-	6,876,341
Buildings and equipment	8,978,541	17,965,210	3,014	26,946,765
Construction in progress	593,475	3,498	-	596,973
Less accumulated depreciation	(5,907,907)	(16,119,387)	(235,503)	(22,262,797)
Total non-current assets	9,254,181	3,153,590	233,110	12,640,881
Total assets	\$ 10,718,749	4,484,604	373,176	15,576,529
Liabilities:				
Current liabilities:				
Accounts payable	\$ 364,717	5,585	-	370,302
Accrued liabilities	2,771	15,111	-	17,882
Notes and bonds payable, current portion	389,508	-	-	389,508
Total current liabilities	756,996	20,696	-	777,692
Notes and bonds payable, less current portion	5,334,682	-	-	5,334,682
Total liabilities	6,091,678	20,696	-	6,112,374
Net Position:				
Invested in capital assets, net of related debt	3,529,991	3,153,590	233,110	6,916,691
Unrestricted - designated	374,571	574,464	40,411	989,446
Unrestricted - undesignated	722,509	735,854	99,655	1,558,018
Total net position	4,627,071	4,463,908	373,176	9,464,155
Total liabilities and net position	\$ 10,718,749	4,484,604	373,176	15,576,529

See accompanying notes to financial statements.

TOWN OF BENNINGTON, VERMONT
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds			Totals
	Water Fund	Sewer Fund	Parking Meter Fund	
Operating revenues:				
Fees and charges for services	\$ 2,357,042	1,802,302	4,201	4,163,545
Other	6,808	9,810	-	16,618
	2,363,850	1,812,112	4,201	4,180,163
Operating expenses:				
Administration	608,586	759,044	-	1,367,630
Buildings	62,441	-	-	62,441
Equipment	59,188	26,904	-	86,092
Water systems	94,237	-	-	94,237
Filtration plant	244,167	-	-	244,167
Sewer system	-	45,827	-	45,827
Sewer treatment plant	-	525,117	-	525,117
Parking	-	-	11,338	11,338
Depreciation	533,304	258,899	18,177	810,380
Total operating expenses	1,601,923	1,615,791	29,515	3,247,229
Operating income	761,927	196,321	(25,314)	932,934
Nonoperating revenues (expenses):				
Interest income	20,751	963	345	22,059
Interest expense	(165,374)	-	-	(165,374)
	(144,623)	963	345	(143,315)
Income (loss) before operating transfers	617,304	197,284	(24,969)	789,619
Operating transfers in (out)	(72,000)	(78,000)	10,000	(140,000)
	(72,000)	(78,000)	10,000	(140,000)
Change in net position	545,304	119,284	(14,969)	649,619
Net position - beginning	4,081,767	4,344,624	388,145	8,814,536
Net position - ending	\$ 4,627,071	4,463,908	373,176	9,464,155

See accompanying notes to financial statements.

TOWN OF BENNINGTON, VERMONT
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Parking Meter Fund	Totals
Cash flows from operating activities:				
Cash receipts from customers	\$ 2,227,474	1,826,795	4,201	4,058,470
Other operating cash receipts	6,808	9,810	-	16,618
Cash payments to suppliers of goods or services	(336,712)	(710,301)	(10,777)	(1,057,790)
Cash payments to employees for services	(497,708)	(655,190)	(561)	(1,153,459)
Net cash provided by (used in) operating activities	1,399,862	471,114	(7,137)	1,863,839
Cash flows from non-capital financing activities:				
Operating transfers from (to) other funds	(72,000)	(78,000)	10,000	(140,000)
Advances from (to) other funds	(66,251)	(283,712)	(3,208)	(353,171)
Interest expense (refunding) on short-term borrowings	(165,374)	-	-	(165,374)
Net cash provided by (used in) non-capital financing activities	(303,625)	(361,712)	6,792	(658,545)
Cash flows from capital and related financing activities:				
Principal payments on bonds	(337,885)	-	-	(337,885)
Proceeds from issuance of bonds	193,548	-	-	193,548
Purchase of capital assets	(972,651)	(110,365)	-	(1,083,016)
Net cash used in capital and related financing activities	(1,116,988)	(110,365)	-	(1,227,353)
Cash flows from investing activities:				
Interest on cash investments	20,751	963	345	22,059
Net cash provided by investing activities	20,751	963	345	22,059
Net increase in cash	-	-	-	-
Cash, beginning	-	-	-	-
Cash, ending	\$ -	-	-	-
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 761,927	196,321	(25,314)	932,934
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	533,304	258,899	18,177	810,380
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable and other current assets	(129,568)	13,534	-	(116,034)
Increase (decrease) in accounts payable and accrued liabilities	234,199	2,360	-	236,559
Net cash provided by (used in) operating activities	\$ 1,399,862	471,114	(7,137)	1,863,839

See accompanying notes to financial statements.

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The Town of Bennington, Vermont (the "Town") is a unit of local government chartered by the State of Vermont. The Town operates under a Select Board - Manager form of government and provides services as outlined in its charter.

The accompanying financial statements of the Town of Bennington, Vermont include all of the financial activity of the general government, special revenue funds, water department, sewer department and parking meter fund. All these components are included because they are under the direct control of the Select Board and the Town Manager. The Town exercises significant oversight and financial interdependence exists. The Town is not a component unit of another reporting entity.

The Town applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

(b) Basis of Presentation

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements.

Government-wide Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all non-fiduciary activities of the Town. Eliminations have been made to minimize the effect of internal transactions between funds. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental and business-type activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and 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 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 funds, each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds, however because the Town has only one non-major fund in each fund type, they are reported in individual columns.

The financial activities of the Town that are reported in the accompanying financial statements have been classified in the major funds described in the following paragraphs.

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(1) *Summary of Significant Accounting Policies (continued)*

(b) *Basis of Presentation (continued)*

Fund Financial Statements (continued)

Governmental Funds

General Governmental Activities Fund - The General Governmental Activities Fund is used to account for all revenues and expenditures applicable to the general operations of the governmental agencies of the Town. All general operating revenues which are not restricted as to use by sources external to the Town are recorded in the General Governmental Activities Fund.

Special Revenue Funds - The Special Revenue Funds are operating funds, for which the use of revenues is restricted, generally by Federal and state governments. The Town uses two Special Revenue Funds: the Community Development Fund and the Downtown Improvement Commission.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The Town uses three Enterprise Funds: the Water Fund, Sewer Fund, and Parking Meter Fund.

(c) *Measurement Focus and Basis of Accounting*

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues other than property taxes reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year. Property taxes are recognized to the extent collected within sixty days of fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (continued)

(d) Budgets and Budgetary Accounting

The Town uses the following procedures in establishing the budgetary data for the General Governmental Activities Fund reflected in the financial statements:

1. The Town Manager prepares the annual operating budget for the General Governmental Activities Fund for the Town's fiscal year ended June 30th prior to March of the preceding fiscal year. The Town Manager prepares the budget through consultation with the Town's department supervisors. The operating budget includes proposed expenditures and the means of financing them. The Town Manager submits the budget to the Select Board for approval.
2. After the budget is approved, the Select Board publishes a warning in the Town newspaper for a special Town meeting to discuss the budget.
3. Prior to July 1 of the new fiscal year, the annual Town meeting is held and the budget is legally enacted by a general Town vote.
4. Budget revisions must be approved by the Select Board. Appropriations lapse at the end of the Town's fiscal year if not encumbered.
5. Formal budgetary integration is employed as a management control device during the year for the General Governmental Activities Fund.
6. The budget for the General Governmental Activities Fund is adopted on the modified accrual basis. The budgeted amounts are as originally adopted.

(e) Internal Balances and Transfers

Internal balances arise primarily as a result of the Town's pooling of cash deposits. Internal transfers represent administrative charges paid by the enterprise funds and community development fund to the general governmental activities fund.

(f) Capital Assets

Property and equipment is stated at known or estimated historical cost. Net interest costs are capitalized on projects during the construction period. Depreciation is computed using the straight-line method over the estimated useful lives of assets as follows: office furniture and equipment – 5 to 10 years, motor vehicles and heavy equipment – 5 to 15 years, buildings and building improvements – 10 to 40 years, and infrastructure – 10 to 40 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals or betterments. GASB No. 34 requires the Town to report and depreciate new infrastructure assets effective with the statement's implementation.

(g) Cash and Cash Equivalents

For purposes of the statement of cash flows presented for the proprietary funds, cash equivalents include all short-term highly liquid investments which are readily convertible to known amounts of cash and have original maturities of three months or less.

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (continued)

(h) Long-term Debt and Deferred Charges

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Accumulated unpaid vacation pay is accrued in proprietary funds (using the accrual basis of accounting). The current portion of accumulated unpaid vacation pay is accrued in governmental funds (using the modified accrual basis of accounting). Accumulated unpaid sick pay is paid to Town employees only while employed and is not recorded as the ultimate liability is not subject to reasonable estimation.

(i) Governmental Fund Balance/Net Assets

Beginning with fiscal year 2011, the Town implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance is either not in spendable form (such as inventory), or is required to be maintained intact legally or contractually.

Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (i.e., Selectboard). To be reported as committed, amounts cannot be used for any other purpose unless the Selectboard takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the Town intends to use for a specific purpose. Intent can be expressed by the Selectboard or by an official or body to which the Selectboard Council delegates the authority.

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (continued)

(i) Governmental Fund Balance/Net Assets (continued)

The Selectboard establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Selectboard through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the Town strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 20% of the actual GAAP basis expenditures and other financing sources and uses.

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Restricted resources are used first to fund appropriations when there are both restricted and unrestricted resources available.

Unrestricted – This category includes both designated and undesignated net assets of the Town. Designated net assets include reserves that were established by the Board, which are considered internally designated. Undesignated net assets are not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. While a separate bank account is not necessary for each reserve fund, a separate identity for each reserve fund is maintained.

(j) Encumbrance Accounting

Encumbrances outstanding at year-end are recorded as a reservation of fund balance in the Town's governmental funds, since they do not constitute expenditures or liabilities

(k) Use of Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(2) *Explanation of Certain Differences Between Governmental Fund Statements and the Government-wide Statements*

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

Total Fund Balances of Governmental Funds vs. Net Assets of Governmental Activities

Total fund balances of the Town's governmental funds differ from "net assets" of governmental activities reported in the Statement of Net Assets. This difference primarily results from the additional long-term economic focus of the Statement of Net Assets versus the solely current financial resources focus of the governmental fund Balance Sheets.

Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of the categories listed below.

1. Long-Term Revenue and Expense Differences - Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.
2. Long-Term Debt Transaction Differences - Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Assets.
3. Capital Assets - Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

(3) *Cash*

At June 30, 2015 the carrying amount of the Town's cash was \$898,799 and the bank balance was \$1,200,776. Of the bank balance, \$506,627 was covered by Federal depository insurance and the remaining \$694,149 was fully collateralized.

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(3) *Cash (continued)*

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. At year-end, none of the Town's investments were subject to custodial credit risk.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's investment policy reduces this risk by structuring the investment portfolio so that the operating funds are maintained in demand accounts to meet cash needs for ongoing operations, thus avoiding the need to redeem certificates of deposit prior to maturity, and investing excess, designated, or restricted funds in certificates of deposits when a favorable interest rate is available.

(4) *Investments*

The Town is not restricted by state statute as to the type of investments that it is authorized to hold. The Town invested primarily in collateralized and insured certificates of deposit during the fiscal year ended June 30, 2015.

(5) *Notes Receivable – Special Revenue Funds*

Notes receivable - Special Revenue Funds consist of loans to individuals and businesses under the Community Development Program of the United States Department of Housing and Urban Development. Such notes are interest bearing at various interest rates between 3.625% and 6.000%; generally require monthly payments over terms ranging from five to fifteen years. The terms of the notes receivable include security interests in personal property or real estate mortgages.

The Community Development Fund's non-spendable fund balance of \$2,772,760 denotes the non-current portion of notes receivable that it is not available to finance the general operations of the fund.

(6) *Internal Balances*

Internal balances at June 30, 2015 consisted of the following:

Due To	Due From		
	General Fund	Community Development	Total
General Fund	\$ -	993,763	993,763
Downtown Improvement Commission	21,381	-	21,381
Water	599,227	-	599,227
Sewer	854,471	-	854,471
Parking	140,066	-	140,066
Total	\$ 1,615,145	993,763	2,608,908

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(6) Internal Balances (continued)

Internal transfers for the year ended June 30, 2015 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Parking	\$ (10,000)	Fund capital outlay
Community Development	General Fund	40,000	Administrative charges
Water	General Fund	72,000	Administrative charges
Sewer	General Fund	78,000	Administrative charges
		\$ 180,000	

(7) Capital Assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Retirements and Transfers	Ending Balance
Governmental activities:				
Land and land improvements	\$ 566,371	235,274	-	801,645
Buildings and improvements	7,428,030	70,798	-	7,498,828
Equipment and vehicles	6,291,367	972,218	(281,795)	6,981,790
Infrastructure	34,051,964	1,044,991	-	35,096,955
Construction in progress	82,657	107,313	(2,000)	187,970
Totals at historical cost	48,420,389	2,430,594	(283,795)	50,567,188
Less accumulated depreciation for:				
Land and land improvements	(48,355)	(8,852)	-	(57,207)
Buildings and improvements	(4,716,151)	(152,261)	-	(4,868,412)
Equipment and vehicles	(4,623,939)	(491,972)	269,395	(4,846,516)
Infrastructure	(24,485,002)	(1,043,886)	-	(25,528,887)
Total accumulated depreciation	(33,873,447)	(1,696,971)	269,395	(35,301,022)
Governmental activities capital assets, net	\$ 14,546,942	733,623	(14,400)	15,266,166

Depreciation expense was charged to governmental functions as follows:

General government	\$ 45,523
Public safety:	
Police	146,462
Fire	103,421
Recreation	58,773
Highway and roads	1,342,792
	<u>\$ 1,696,971</u>

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(7) Capital Assets (continued)

	Beginning Balance	Additions	Retirements and Transfers	Ending Balance
Business-type activities:				
Land and land improvements	\$ 483,599	-	-	483,599
Buildings and improvements	23,954,412	37,476	84,000	24,075,888
Equipment and vehicles	2,789,556	128,711	(47,390)	2,870,877
Distribution and collection systems	6,096,410	392,940	386,991	6,876,341
Construction in progress	557,226	523,889	(484,142)	596,973
Totals at historical cost	33,881,203	1,083,016	(60,541)	34,903,678
Less accumulated depreciation for:				
Land and land improvements	(214,311)	(18,175)	-	(232,486)
Buildings and improvements	(16,406,955)	(412,791)	-	(16,819,746)
Equipment and vehicles	(2,231,683)	(125,894)	60,541	(2,297,036)
Distribution and collection systems	(2,660,009)	(253,520)	-	(2,913,529)
Total accumulated depreciation	(21,512,958)	(810,380)	60,541	(22,262,797)
Business-type activities capital assets, net	\$ 12,368,245	272,636	-	12,640,881

(8) Long-term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities					
Bonds payable	\$ 1,076,412	166,645	(257,979)	985,078	265,910
Capital lease obligations	107,337	542,499	(50,100)	599,736	67,605
Governmental activities long-term liabilities	\$ 1,183,749	709,144	(308,079)	1,584,814	333,515
Business-type Activities					
Bonds payable	\$ 5,868,527	184,444	(328,781)	5,724,190	389,508
Business-type activities long-term liabilities	\$ 5,868,527	184,444	(328,781)	5,724,190	389,508

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(8) Long-term Liabilities (continued)

Bonds payable mature annually in varying amounts through fiscal year 2027, and interest is generally payable semiannually at rates ranging from 3 percent to 6 percent.

Maturities of bonds payable are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 265,910	36,420	302,330	389,508	164,308	553,816
2017	265,910	19,323	285,233	398,813	153,521	552,334
2018	173,410	13,139	186,549	400,897	143,340	544,237
2019	116,120	16,877	132,997	410,768	132,892	543,660
2020	116,218	4,300	120,518	420,937	122,147	543,084
2021-2025	47,510	1,892	49,402	1,908,950	444,337	2,353,287
2026-2030	-	-	-	1,755,915	140,291	1,896,206
2031-2035	-	-	-	38,402	2,327	40,729
	\$ 985,078	91,951	1,077,029	5,724,190	1,303,163	7,027,353

All bonds payable are secured by the general revenue raising powers of the Town.

(9) Leases

The Town leases certain equipment under agreements, which are classified as capital leases. At June 30, 2015 equipment recorded under capital lease in the Government-wide financial statements amounted to \$2,026,103. Accumulated amortization amounted to \$1,149,633.

Future minimum payments required under capital leases are as follows:

Year ending June 30,	
2016	\$ 102,249
2017	57,799
2018	49,904
2019	49,904
2020	49,904
Thereafter	499,037
Total minimum lease payments	808,797
Less amount representing interest	(209,061)
Present value of minimum lease payments	\$ 599,736

(10) Line of Credit

The Town entered into an emergency line of credit agreement due to damages caused by Hurricane Irene. The line of credit allows for total advances up to \$3,550,000 with interest accruing at 1.55%. The balance outstanding on the line of credit amounted to \$1,507,017 at June 30, 2015. The advances were made to fund the costs of Bolles Brook reconstruction, waterline replacement and the stabilization of the Roaring Branch and Walloomsac Rivers. The line matured September 2015.

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(10) Line of Credit (continued)

The Town has outstanding borrowings of \$282,113 under a line of credit agreement for Recreation Center improvements. The line, which bears interest at 1.40%, matured in July 2015.

(11) Property Taxes

Property taxes attach as an enforceable lien on property as of April 1st. Property taxes for fiscal year 2015 were levied August 14, 2014 and were payable November 10, 2014.

(12) Governmental Fund Balance

The Town's fund balance classifications at year-end are as follows:

	General Fund	Special Revenue Funds		Total
		Community Development	Downtown Improvement Commission	
Non-spendable:				
Notes receivable	\$ -	2,772,760	-	2,772,760
Restricted for:				
Capital Facilities	142,582	-	-	142,582
Downtown improvement	-	-	21,381	21,381
Employee benefits and insurance	74,837	-	-	74,837
Fire Equipment	319,558	-	-	319,558
Health and welfare	1,060	-	-	1,060
Hunt Street foot bridge	239,854	-	-	239,854
Kocher Drive landfill	148,630	-	-	148,630
Other purposes	6,644	-	-	6,644
Parks and recreation	25,165	-	-	25,165
Pathway project	111,200	-	-	111,200
Planning and zoning	1,586	-	-	1,586
Public Safety	15,114	-	-	15,114
Reappraisal	573,283	-	-	573,283
Senior Center renovation	40,000	-	-	40,000
Committed for:				
Highway Improvements	229,000	-	-	229,000
Hurricane Irene interest	5,219	-	-	5,219
Assigned for:				
Employee benefits and insurance	6,673	-	-	6,673
Parks and recreation	938	-	-	938
Unassigned	(3,204,792)	(513,208)	-	(3,718,000)
Total fund balances	\$ (1,263,449)	2,259,552	21,381	1,017,484

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(13) *Deferred Compensation Plan and Pensions*

Defined Benefit Plan

The Town participates in the Vermont Municipal Employees Retirement System (VMERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Vermont. Participants are grouped by department. "Group B" participants consist of all departments except the Police department, which comprises "Group C."

VMERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Retirement System Division of the Vermont State Treasurer's Office issues a publicly available financial report that includes financial statements and required supplementary information for VMERS. That report may be obtained by writing to Retirement System Division, Vermont State Treasurer's Office, 133 State Street, Montpelier, Vermont 05602.

Plan members in "Group B" are required to contribute 4.75% of their annual covered compensation and the Town is required to contribute at an actuarially determined rate. The current rate is 5.375% of annual covered payroll. Plan members in "Group C" are required to contribute 9.75% (January 1, 2015 to June 30, 2015), and 9.625% (July 1, 2014 to December 31, 2014) of their annual covered compensation and the Town is required to contribute at an actuarially determined rate. The current rate is 7.00% (January 1, 2015 to June 30, 2015), and 6.875% (July 1, 2014 to December 31, 2014) of annual covered payroll. The contribution requirements of plan members and the Town of Bennington are established and may be amended by the Retirement Board, Vermont Municipal Employees Retirement System.

Contributions made to VMERS by the Town for the year ended June 30, 2015 amounted to \$291,155. Town contributions to VMERS for the years ended June 30, 2014 and 2013 amounted to \$275,095 and \$252,673, respectively. The Town also contributed \$500,280 and \$476,457 for unfunded pension liability during 2015 and 2014, respectively. Total covered payroll amounted to \$4,911,775.

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. Under provisions of the plan deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

(14) *Risk Management*

The Town is exposed to various risks of loss related to general liability, property and casualty, workers' compensation, employee health and accident and environmental liability. The Town purchases commercial insurance coverage for the risks of losses to which it is exposed, exclusive of environmental liabilities which are not covered due to the excessive cost of coverage.

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(15) Commitments

Solid Waste Disposal

The Bennington Transfer Station is operated under a contract with a waste management company. The Town agreed, as a condition of the contract to indemnify such company from all liability, loss, cost or expense incurred in connection with the operation of the transfer station or other handling of Bennington waste. The contract also indemnifies the Town in the event that liabilities are incurred for which the company is responsible.

(16) Contingencies

(a) Litigation-General

The Town is party to various legal actions which normally occur in governmental operations. The amounts of any settlements under these actions are expected to be within the limits of the Town's insurance coverage and are not likely to have a material adverse effect on the affected funds of the Town.

(b) Landfill Post-Closure Costs

In accordance with Governmental Accounting Standards Board Statement No. 18, the Town has recorded a liability for the present value of estimated post-closure repair, maintenance and monitoring costs in the statement of net assets amounting to \$563,614. The Town's post-closure costs for the year ended June 30, 2015 amounted to \$33,432.

(c) Federal and State Grants

In the normal course of operations, the Town receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of such audits is not believed to be material.

(d) Operating Leases

The Town leases certain equipment under agreements which are classified as operating leases. Future minimum payments required under leases having non-cancelable lease terms in excess of one year are as follows:

Year ending June 30:		
2016	\$	8,384
2017		2,964
2018		240
	\$	<u>11,588</u>

Rent expense under these agreements for the year ended June 30, 2015 was \$10,716.

(e) Contingency – Health Care Benefits

On January 1, 2012, the Town changed the employee health insurance program to a High Deductible Health Plan with a Health Reimbursement Arrangement (HRA). All eligible employees who chose to participate were enrolled in BCBS-VT Plan with a \$500 maximum out-of-pocket expense. The Town is responsible for the next \$4,500 toward the maximum out-of-pocket health expenses for the single person plan. The Town is responsible for the next \$9,500 toward the maximum out-of-pocket health expenses for the two person and family plans.

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(17) Post Employment Benefits Other Than Pensions

Plan Description.

The Town of Bennington provides under the "Combined Agreement By And Between The Town of Bennington And AFSCME Council 93, Local #490 Police Chapter & Public Works Chapter" through June 30, 2015, post-retirement health care benefits for police union employees who retire from the Town employment after attaining age 55 and have at minimum 20 years of service.

The Town will pay 50 percent of a single premium in effect provided that the employee does not have access to an equivalent health plan until the employees reach age 65.

Annual OPEB Cost and Net OPEB Obligation.

The town's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The town has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Funding Policy.

The Town's portion of the benefits is funded on a pay-as-you-go basis and included in health care expenditures. Currently no employees are eligible to participate and the Town did not make any contributions.

The following shows the components of the town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the town's net OPEB obligation for post-retirement health care benefits:

Annual required contribution	\$	55,029
Interest on net OPEB obligation		-
Annual OPEB cost		<u>55,029</u>
Contributions made		-
Increase in net OPEB obligation		<u>55,029</u>
Net OPEB obligation, beginning of year		<u>439,320</u>
Net OPEB obligation, end of year	\$	<u><u>494,349</u></u>

Funded Status and Funding Progress.

As of June 30, 2015, the actuarial accrued liability for benefits was \$453,928, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,934,761 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 23.5 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information in subsequent years about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(17) Post Employment Benefits Other Than Pensions (continued)

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Methods and Assumptions.

Projections of benefits for financial reporting purposes are based on the substantive agreement (the agreement as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees—Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 55, or at the first subsequent year in which the member would qualify for benefits.

Mortality—Life expectancies were based on mortality tables from Internal Revenue Service regulations and based on the "RP-2000 Mortality Tables Report" issued by the Society of Actuaries.

Turnover—Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services and in conjunction with experience of premium increases obtained by the Town. A rate of 5.6 percent was used.

Health insurance premiums - 2015 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - The expected long-term inflation assumption was assumed to equal the increase in healthcare costs.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(17) Post Employment Benefits Other Than Pensions (continued)

Based on the historical and expected returns of the Town's short-term investment portfolio, a discount rate of 0.4 percent was used. In addition, a simplified version of the unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was thirty years.

(18) Pension Reporting for Assets/Liabilities and Deferred Outflows/Inflows of Financial Resources

Pension Plan Description and Benefits Provided

A detailed description of the Vermont Municipal Employees Retirement System (VMERS) is included in Note 13 to the financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Town reported the following liability for its proportionate share of the net pension liability for VMERS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportion of the net liability was based on a projection of the Town's long-term share of contributions to VMERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by VMERS reports provided to the Town.

Actuarial valuation date	June 30, 2014
Town of Bennington's portion of the Plan's	
Total net pension liability	\$ 193,875

For the year ended June 30, 2015, the Town recognized pension expense of \$293,716. At June 30, 2015 the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 597,834
Changes in proportion and differences between Town contributions and proportionate share of contributions	5,645	-
Town contributions subsequent to the measurement date	291,118	-
	<u>\$ 296,763</u>	<u>\$ 597,834</u>

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(18) Pension Reporting for Assets/Liabilities and Deferred Outflows/Inflows of Financial Resources (continued)

The Town's contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30, 2016	\$	(146,683)
June 30, 2017		(146,683)
June 30, 2018		(146,683)
June 30, 2019		-
Therafter		-
	\$	<u>(440,049)</u>

Significant Actuarial Assumptions and Methods

Interest Rate: A select-and-ultimate interest rate set, specified below. The interest rate set is restarted every year:

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

Salary Increases: 5% per year

Deaths:

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

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

Disabled retirees – RP-2000 Disabled Life Tables

Beneficiaries – 1995 Buck Mortality Tables for males and females

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

Cost-of-Living Adjustments to Benefits of Terminated Vested and Retired Participants:

Assumed to occur at the rate of 1.5% per annum for Group A members and 1.8% per annum for members of Groups B, C and D.

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(18) Pension Reporting for Assets/Liabilities and Deferred Outflows/Inflows of Financial Resources (continued) **Significant Actuarial Assumptions and Methods (continued)**

Actuarial Cost Method: Entry Age Normal - Level Percentage of Pay.

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

Note - For funding purposes - A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from the market value of assets by more than 20%. (Not for GASB 68)

Inflation: The separately stated assumptions for investment return, salary increases and cost of living adjustments are consistent with an expected annual inflation rate of 3.00% to 3.25% per year.

Long-Term Expected Rate of Return:

The long-term expected rate of return on System investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes. These best estimate ranges were combined to produce forecasts of the short, intermediate, and longer term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles. To reflect this in the rate-of-return assumption, a Select and Ultimate assumption setting approach, which is cited in Section 3.8.4 of Actuarial Standard of Practice No. 27 as an alternative to a single assumed rate of return, is employed. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	31.50%	6.70%
Fixed Income	33.00%	2.94%
Alternatives	15.50%	6.26%
Multi-strategy	20.00%	5.98%

Discount Rate

The discount rate used to measure the total pension liability was 8.23%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

(continued)

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(18) Pension Reporting for Assets/Liabilities and Deferred Outflows/Inflows of Financial Resources (continued)

Significant Actuarial Assumptions and Methods (continued)

The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.23 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (7.23%) or one percent higher (9.23%):

1% Decrease (7.23%)	Discount Rate (8.23%)	1% Increase (9.23%)
\$ 1,633,288	\$ 193,875	\$ (1,013,747)

(19) Change in Accounting Principle

For the year ended June 30, 2015, the Town implemented GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - An Amendment to GASB Statement No. 27* and GASB Statement No. 71 - *Pension Transitions for Contributions Made Subsequent to the Measurement Date*. The implementation of the Statements requires the Town to report as an asset and/or liability its portion of the collective net pension asset and/or liability of the Vermont Municipal Employees' Retirement System. The implementation of the Statements also requires the Town to report a deferred outflow and/or inflow of resources for the effect of the net change in the Town's proportionate share of the collective net pension asset and/or liability and the difference during the measurement period between the Town's contributions and its proportionate share of total contributions to the pension Systems not included in pension expense. Also included as a deferred outflow of resources is the Town's contributions to VMERS subsequent to the measurement date. As a result of the implementation of the new Statements, net position has been restated as follows:

Beginning pension liability	\$ (766,367)
Beginning deferred outflow of resources for contributions subsequent to the measurement date	<u>274,019</u>
Net change in beginning net position	<u>\$ (492,348)</u>

(20) Prior Period Adjustment

The beginning net position in the statement of activities has been increased to reflect the correction of the amount reported for capital assets at June 30, 2014. The correction increased net position and capital assets by \$70,250. The total change in beginning net position is comprised of the following amounts:

Prior period adjustment for capital assets	\$ 70,250
Change in accounting principle (note 19)	<u>(492,348)</u>
	<u>\$ (422,098)</u>

TOWN OF BENNINGTON, VERMONT

Notes to Financial Statements

(21) Subsequent Events

Subsequent to June 30, 2015 the Town received advances under a line of credit agreement in anticipation of property tax collections. The line of credit allows for total advances up to \$2.0 million with interest accruing at 0.90%. The line matures December 2, 2015.

In July 2015, the Town received advances under a new line of credit agreement for Recreation Center improvements in the amount of \$242,113 with interest accruing at 1.40% and maturing in July 2016.

In September 2015, the Town received advances under a new line of credit agreement for Hurricane Irene damages in the amount of \$1,505,766 with interest accruing at 1.35% and maturing in September 2016.

A final determination and assessment of eligibility for reimbursement from the Federal Emergency Management Agency (FEMA) for debris removal costs incurred as a result of Hurricane Irene amounting to approximately \$1.3 million has been denied. We will seek financing in spring 2016.

Management has evaluated subsequent events through January 19, 2016, the date that the financial statements were available to be issued.

TOWN OF BENNINGTON, VERMONT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Governmental Activities Fund
Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Property taxes:			
General	\$ 5,729,520	5,570,470	(159,050)
Highway	3,461,460	3,332,460	(129,000)
Fire	327,060	327,060	-
Penalties and interest	240,000	282,112	42,112
	<u>9,758,040</u>	<u>9,512,102</u>	<u>(245,938)</u>
Permits and licenses:			
Alcoholic beverages	5,000	6,035	1,035
Dog licenses	10,000	13,116	3,116
Marriage license	5,000	1,730	(3,270)
Building and zoning permits	40,000	75,993	35,993
Fire permits	4,000	4,190	190
Landfill	20,000	7,277	(12,723)
	<u>84,000</u>	<u>108,341</u>	<u>24,341</u>
Intergovernmental revenues:			
State shared interests:			
Federal and State Grant	125,000	419,234	294,234
Highway	391,000	438,802	47,802
In lieu of taxes	260,000	260,122	122
Other	100,500	101,940	1,440
	<u>876,500</u>	<u>1,220,098</u>	<u>343,598</u>
Fees and charges:			
Police sales and services	95,000	82,891	(12,109)
Police dispatch fees	14,400	18,900	4,500
Police false alarm fees	8,000	10,612	2,612
Vital records fees	35,000	44,568	9,568
Recording fees	100,000	86,612	(13,388)
Sale of cemetery lots	3,000	1,600	(1,400)
Recreational center charges	15,000	19,197	4,197
Pool membership fees	75,000	73,943	(1,057)
Senior citizens	20,000	18,663	(1,337)
	<u>365,400</u>	<u>356,986</u>	<u>(8,414)</u>
Fines and forfeitures:			
Police fines, seizures and forfeitures	26,000	21,476	(4,524)

(continued)

TOWN OF BENNINGTON, VERMONT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Governmental Activities Fund (Continued)
Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues (continued):</i>			
Interest	\$ 10,000	5,611	(4,389)
Rental revenue	45,000	49,905	4,905
Gain on sale of assets	10,000	88,226	78,226
Hurricane Irene grants and assistance	-	702,399	702,399
Other	69,560	515,601	446,041
Total revenues	11,244,500	12,580,745	1,336,245
<i>Expenditures:</i>			
General Government:			
Select Board	16,000	16,619	(619)
Town Manager	214,050	211,944	2,106
Treasurer	23,070	20,581	2,489
Accounting	229,620	227,388	2,232
Listing	153,460	154,346	(886)
Tax collecting	81,130	73,916	7,214
Town Clerk	223,220	202,171	21,049
Planning and zoning	237,590	240,858	(3,268)
Economic and community development	166,260	183,817	(17,557)
Plant and equipment:			
Administration	655,340	653,639	1,701
Buildings and grounds	372,520	360,842	11,678
	1,027,860	1,014,481	13,379
	2,372,260	2,346,121	26,139
Public safety:			
Police:			
Administration	2,955,290	2,892,623	62,667
Investigation	20,140	13,754	6,386
Training	19,250	11,888	7,362
Communications	27,130	20,781	6,349
Police building	106,320	90,089	16,231
Equipment	140,690	110,093	30,597
Special services	33,370	57,334	(23,964)
	3,302,190	3,196,562	105,628

(continued)

TOWN OF BENNINGTON, VERMONT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Governmental Activities Fund (Continued)
Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued):			
Fire:			
Administration	\$ 63,690	54,184	9,506
Fire fighting	21,120	19,250	1,870
Communications	8,140	6,680	1,460
Machinery and equipment	97,380	122,212	(24,832)
Buildings	67,620	57,553	10,067
	<u>257,950</u>	<u>259,879</u>	<u>(1,929)</u>
	<u>3,560,140</u>	<u>3,456,441</u>	<u>103,699</u>
Public works:			
Solid waste management	93,470	121,963	(28,493)
Cemetery and mini-park	41,300	31,643	9,657
	<u>134,770</u>	<u>153,606</u>	<u>(18,836)</u>
Health and welfare:			
Health officer	8,070	7,751	319
	<u>8,070</u>	<u>7,751</u>	<u>319</u>
Recreation:			
Supervision	404,350	398,394	5,956
Recreation Center	9,100	6,644	2,456
Indoor pool	11,100	13,209	(2,109)
Parks	65,700	63,837	1,863
Pathway	1,000	75,084	(74,084)
Buildings	127,400	334,975	(207,575)
Vehicles and equipment	17,500	19,202	(1,702)
Recreation Center improvements	-	3,967	(3,967)
Senior Citizens' Center	111,620	90,465	21,155
Senior Citizens' - building	34,860	31,500	3,360
	<u>782,630</u>	<u>1,037,277</u>	<u>(254,647)</u>
Debt management:			
Principal	257,980	257,979	1
Interest - bonds	39,470	65,424	(25,954)
Interest - tax anticipation note	10,000	3,747	6,253
	<u>307,450</u>	<u>327,150</u>	<u>(19,700)</u>

(continued)

TOWN OF BENNINGTON, VERMONT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Governmental Activities Fund (Continued)
Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Expenditures (continued):</i>			
<i>Highways and roads:</i>			
Administration and buildings	\$ 1,468,100	1,474,710	(6,610)
Construction and maintenance - town highways	409,280	467,266	(57,986)
Highway projects	385,690	383,759	1,931
Installing and maintaining traffic control devices	80,400	55,370	25,030
Buildings	38,750	54,289	(15,539)
Sidewalks	155,220	134,546	20,674
Bridges	611,140	495,554	115,586
Streetlights	118,500	116,788	1,712
Downtown	67,490	29,997	37,493
Vehicles and equipment	385,930	586,977	(201,047)
	<u>3,720,500</u>	<u>3,799,256</u>	<u>(78,756)</u>
<i>Other:</i>			
Battle Day parade	-	924	(924)
Bennington County Regional Commission	14,260	14,260	-
Bennington Free Clinic	7,500	7,500	-
Bennington Home Health	21,600	21,600	-
Bennington Project Independence	11,000	11,000	-
Bennington Tutorial Center	7,200	7,200	-
Bennington-Rutland Opportunity Council	7,500	7,500	-
Bennington Homeless Shelter	25,000	25,000	-
Bennington In Bloom	21,000	22,000	(1,000)
Capital Facilities	-	42,072	(42,072)
CERCLA	53,400	33,432	19,968
Conservation of natural resources - tree program	7,750	5,575	2,175
County taxes	78,000	79,351	(1,351)
Drug investigations	-	891	(891)
Fire Department donations	-	4,500	(4,500)
Flood control program	4,320	2,321	1,999
Health management fees	-	264,344	(264,344)
Holiday celebrations	28,600	29,394	(794)
Hunt Street bridge	-	50,879	(50,879)
Hurricane Irene flood expense	-	7,413	(7,413)
Library administration	401,500	401,500	-
Miscellaneous contingencies	20,000	7,292	12,708
North Bennington - recreation	7,700	7,700	-
Seizures and forfeitures	-	1,636	(1,636)
Senior Center equipment/improvements	-	286	(286)
Project Against Violent Encounters	3,150	3,150	-
Retired Seniors Volunteer Program	7,200	7,200	-
Reserve fund expenditures	-	23,352	(23,352)

(continued)

TOWN OF BENNINGTON, VERMONT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Governmental Activities Fund (Continued)
Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Expenditures (continued):</i>			
<i>Other (continued):</i>			
Vermont Council on Aging	7,500	7,500	-
Vermont CTR - Independent Living	4,500	4,500	-
Youth appreciation	-	419	(419)
	<u>738,680</u>	<u>1,101,691</u>	<u>(363,011)</u>
<i>Total expenditures</i>	<u>11,624,500</u>	<u>12,229,293</u>	<u>(604,793)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(380,000)</u>	<u>351,452</u>	<u>731,452</u>
<i>Other financing sources (uses):</i>			
Operating transfers in (out):			
Proceeds from note payable	-	166,645	166,645
Administrative charges:			
Community Development Fund	40,000	40,000	-
Water Fund	72,000	72,000	-
Sewer Fund	78,000	78,000	-
Transfer to Parking Fund	(10,000)	(10,000)	-
	<u>180,000</u>	<u>346,645</u>	<u>166,645</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures</i>	<u>(200,000)</u>	<u>698,097</u>	<u>898,097</u>
<i>Fund balance, July 1, 2014</i>	<u>(1,961,546)</u>	<u>(1,961,546)</u>	<u>-</u>
<i>Fund balance, June 30, 2015</i>	<u>\$ (2,161,546)</u>	<u>(1,263,449)</u>	<u>898,097</u>

**TOWN OF BENNINGTON, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Funding Progress for Health Care Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Simplified Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009	\$ -	503,300	503,300	0.0%	1,736,246	29.0%
6/30/2010	-	542,903	542,903	0.0%	1,777,054	30.6%
6/30/2011	-	797,926	797,926	0.0%	1,770,360	45.1%
6/30/2012	-	494,697	494,697	0.0%	1,776,951	27.8%
6/30/2013	-	634,575	634,575	0.0%	1,812,669	35.0%
6/30/2014	-	592,490	592,490	0.0%	1,905,782	31.1%
6/30/2015	-	453,928	453,928	0.0%	1,934,761	23.5%

TOWN OF BENNINGTON, VERMONT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grant/Program Title	CFDA Number	Grant Number	Expenditures
<u>United States Department of Agriculture</u>			
Rural Business Enterprise Grants	10.769	RBEG #02 (Bennington Marketing Project)	\$ 8,164
Total U.S. Department of Agriculture			<u>8,164</u>
<u>United States Department of Transportation</u>			
Passed through Vermont Agency of Transportation:			
<u>Federal Highway Administration</u>			
Highway Planning and Construction	20.205	STP BIKE BP 13(13)	22,044
Highway Planning and Construction	20.205	08126-11EH08	2,196
Highway Planning and Construction	20.205	BENNINGTON TAP TA13	4,865
Highway Planning and Construction	20.205	CA0312	38,245
Total Passed through Vermont Agency of Transportation			<u>67,350</u>
Passed through Vermont Department of Public Safety:			
<u>National Highway Traffic Safety Administration</u>			
State and Community Highway Safety	20.600	02140-1415-1002	20,538
State and Community Highway Safety	20.600	02140-1314-1002	5,679
			<u>26,217</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	02140-1115-5102	4,305
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	02140-1114-5002	3,770
			<u>8,075</u>
Total Passed through Vermont Department of Public Safety			<u>34,292</u>
Total U.S. Department of Transportation			<u>101,642</u>
<u>United States Environmental Protection Agency</u>			
Passed through Vermont Agency of Natural Resources:			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	RF3-243	521,330
Total U.S. Environmental Protection Agency			<u>521,330</u>
<u>United States Department of Homeland Security</u>			
Passed through Vermont Agency of Transportation:			
FEMA Disaster Relief	97.036	08131-FE0496	702,399
Total U.S. Department of Homeland Security			<u>702,399</u>
Total Expenditures of Federal Awards			<u>\$ 1,333,535</u>

SECTION II

COMPLIANCE AND INTERNAL CONTROL

**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***

The Select Board
Town of Bennington, Vermont

We have audited, in accordance with the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Bennington, Vermont, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Town of Bennington, Vermont's basic financial statements, and have issued our report thereon dated January 19, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Bennington, Vermont's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Bennington, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Bennington, Vermont's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Bennington, 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Love, Cody & Company, CPAs, P.C.

January 19, 2016

Vt. Reg. #357

Love, Cody & Company, CPAs

TOWN OF BENNINGTON

FISCAL YEAR 2017 BUDGET PROPOSAL

DEPARTMENT DESCRIPTION	BUDGET FY2015	ACTUAL FY2015	BUDGET FY2016	ACTUAL FY16 PRD6	PROPOSED FY2017	FY16 vs FY17 % INC/(DEC)
SELECT BOARD	16,000	16,619	16,950	6,022	16,550	-2.36%
TOWN MANAGER	214,050	211,944	215,810	109,827	219,480	1.70%
TREASURER	23,070	20,581	23,800	10,051	15,990	-32.82%
ACCOUNTING	229,620	227,388	232,000	121,468	230,150	-0.80%
LISTING	153,460	154,346	160,220	86,544	136,350	-14.90%
COLLECTIONS	81,130	73,916	81,410	41,449	121,000	48.63%
TOWN CLERK	223,220	202,171	180,220	82,969	193,990	7.64%
PERMIT-PLAN-CODE ENFORCE	237,590	240,858	244,520	110,055	248,420	1.59%
ECONOMIC & COMM DEV	166,260	183,817	161,280	98,479	196,230	21.67%
ADMINISTRATIVE SERVICES	655,340	653,639	696,790	512,646	742,070	6.50%
BUILDINGS & GROUNDS	372,520	360,842	370,240	186,434	417,440	12.75%
FLOOD CONTROL	4,320	2,271	10,600	6,495	3,300	-68.87%
POLICE	3,302,190	3,196,562	3,344,480	1,683,341	3,440,290	2.86%
DEBT-POLICE	55,580	55,578	53,190	49,693	10,290	-80.65%
SOLID WASTE MGMT	93,470	121,963	90,250	24,452	126,350	40.00%
CERCLA	53,400	33,432	53,400	31,692	1,370	-97.43%
CEMETARY	41,300	31,643	31,840	21,835	32,900	3.33%
HEALTH OFFICER	8,070	7,751	8,070	3,875	8,070	0.00%
PARKS & RECREATION	636,150	909,560	668,760	418,732	685,820	2.55%
DEBT-RECREATION	0	3,967	44,000	110	43,960	-0.09%
SENIOR CITIZENS	146,480	121,965	132,520	67,737	130,910	-1.21%
GRANTS & SUBSIDIES	423,460	525,610	449,150	560,950	493,540	9.88%
HOLIDAY CELEBRATIONS	28,600	29,394	30,100	26,368	30,100	0.00%
OTHER IMPROVEMENTS	28,750	27,625	39,750	18,775	39,750	0.00%
MISC CONTINGENCIES	30,000	17,292	40,000	0	40,000	0.00%
DEBT-IRENE BOND	0	0	0	0	40,000	
DEBT-FIRE BUILDING BOND	28,800	28,797	27,290	26,521	25,760	-5.61%
DEBT-TAX ANTICIPATION NOTE	10,000	3,747	5,000	4,809	5,000	0.00%
COUNTY TAX PAYMENTS	78,000	79,351	80,000	78,691	80,000	0.00%
RESERVE FUND EXPENDITURES	0	335,714	0	321,912	0	0.00%
HIGHWAY FUND	3,720,500	3,883,445	3,587,000	2,305,518	3,694,110	2.99%
DEBT-HIGHWAY FUND	143,960	144,015	231,550	149,774	207,940	-10.20%
FIRE FUND	257,950	264,379	276,670	152,284	281,600	1.78%
DEBT-FIRE FUND	69,110	69,112	65,480	63,650	61,830	-5.57%
Expenditures Subtotal	11,368,860	12,082,061	11,501,380	7,088,602	11,877,680	3.27%
Debt Management Subtotal	163,490	157,234	150,960	294,557	142,880	-5.35%
TOTAL EXPENDITURES	11,532,350	12,239,296	11,652,340	7,383,159	12,020,560	3.16%
Less Transfer To Parking Fund	(10,000)	(10,000)	(20,000)	(20,000)	(20,000)	0.00%
NET OF TRANSFERS OUT	11,522,350	12,229,300	11,632,340	7,363,159	12,000,560	3.17%