Board of Finance

Monday, May 13, 2024, 5:30 PM, Bushor Conference Room 1st Floor, City Hall

Please click the link below to join the webinar:
https://zoom.us/j/92713837094
Or Telephone: +1 646 931 3860 US
Webinar ID: 927 1383 7094

****CCTV link: https://www.youtube.com/playlist?list=PLljLFn4BZd2PwCge7lNoKug676jIf_iUA ****

To participate in Public Forum in person, sign up at the meeting.
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https://www.burlingtonvt.gov/citycouncil/publicforum

Do not sign up in person and via Zoom - select one only

1. Agenda

Subject	**1.1. Motion to amend/adopt agenda**
Meeting	May 13, 2024 - FY25 Budget Presentations - Monday, May 13, 2024, 5:30 PM, Bushor Conference Room 1st Floor, City Hall
Category	1. Agenda
Department	Council and Board
Type	Action Procedural
Recommended Action	Motion to amend/adopt agenda

2. Public Forum

Subject	**2.1. Verbal Comments**
Meeting	May 13, 2024 - FY25 Budget Presentations - Monday, May 13, 2024, 5:30 PM, Bushor Conference Room 1st Floor, City Hall
Category	2. Public Forum

Department	Council and Board
Type	Action Procedural
Recommended Action	open Public Forum close Public Forum

3. Airport

Subject	**3.1. Airport**
Meeting	May 13, 2024 - FY25 Budget Presentations - Monday, May 13, 2024, 5:30 PM, Bushor Conference Room 1st Floor, City Hall
Category	3. Airport
Department	Airport
Type	Information Presentation

4. Burlington Electric Department

Subject	**4.1. Burlington Electric Department**
Meeting	May 13, 2024 - FY25 Budget Presentations - Monday, May 13, 2024, 5:30 PM, Bushor Conference Room 1st Floor, City Hall
Category	4. Burlington Electric Department
Department	Burlington Electric Department
Type	Information Presentation

5. GF Budget Overview

Subject	**5.1. GF Budget Overview**
Meeting	May 13, 2024 - FY25 Budget Presentations - Monday, May 13, 2024, 5:30 PM, Bushor Conference Room 1st Floor, City Hall
Category	5. GF Budget Overview
Department	Clerk/Treasurer's Office
Type	Information Presentation

6. Non-Departmental

Subject	**6.1. Non-Departmental**
Meeting	May 13, 2024 - FY25 Budget Presentations - Monday, May 13, 2024, 5:30 PM, Bushor Conference Room 1st Floor, City Hall
Category	6. Non-Departmental
Department	Clerk/Treasurer's Office

Type	Information Presentation

7. Adjournment

Subject	**7.1. Motion to adjourn**
Meeting	May 13, 2024 - FY25 Budget Presentations - Monday, May 13, 2024, 5:30 PM, Bushor Conference Room 1st Floor, City Hall
Category	7. Adjournment
Department	Council and Board
Type	Action Procedural
Recommended Action	Motion to adjourn

BTV
PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

Patrick Leahy Burlington International Airport

May 13, 2024

Fiscal Year 2025 Budget Presentation

A Leahy BTV Overview

FEDERAL GOVERNING

Federal government jurisdiction that at a state and local level Leahy BTV must abide by.

FAA - Air Traffic Control (Local Tower)

FAA - Airports, Funding, Certificate of Operation, Part 139 - Safety - Inspections, FBO, Flight Schooling, & Manufacturing

TSA - Safety & Security

CBC - Customs

USDA - Environmental
DOD - F-35 Active Base, & ARFF

STATE GOVERNING

State government jurisdiction that at a local level Leahy BTV must abide by.

Army National Guard
Air National Guard
Agency of Transportation - Airports
Funding (Fuel Tax)
Act 250

Airfield Tenants (Leases)
Heritage Aviation (FBO)
BETA (Manufacturing)
VFAA (Flight School)
FedEx (Cargo)
General Aviation Activity
(Aircraft Storage, Maintenance)

LOCAL GOVERNING BURLINGTON

Contractual
Financial commitments
Ownership & management - Parking garage, Airfield, Quick-Turnaround Facility (QTA), Terminal Building, Airfield buildings, misc. (Hangars)

LOCAL GOVERNING SOUTH BURLINGTON

Land use/re-use
DRB

FREE MARKETING AGENTS

Companies that have contracts and/or leases in place, as approved by Leahy BTV Airport Commission, Burlington's Board of Finance and City Council.

Concessionaires (Contract):
Rental Cars
Airlines
Hudson News
Skinny Pancake

Airfield Tenants (Leases):
Heritage Aviation (FBO)
BETA (Manufacturing)
VFAA (Flight School)
FedEx (Cargo)
General Aviation Activity
(Aircraft Storage, Maintenance)

BTV
PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

Our Airline Partners

American Airlines

Breeze

Delta

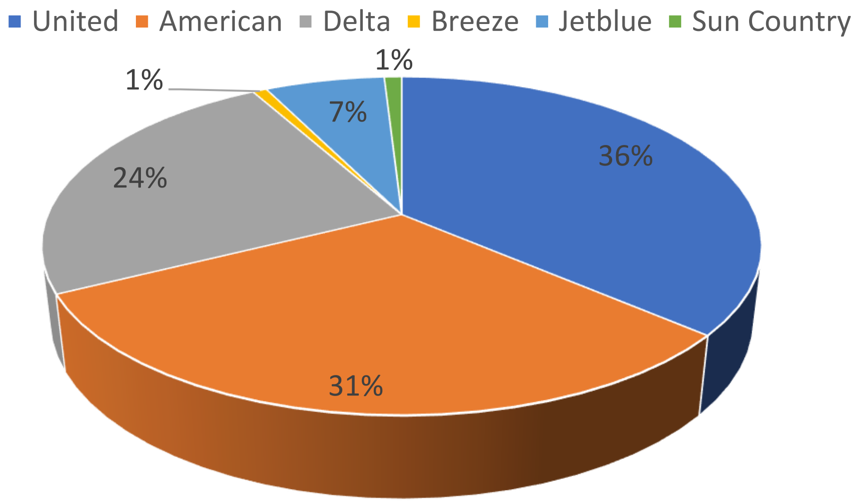
Sun Country Airlines

United

Where We Fly

- Atlanta (ATL)
- Chicago (ORD)
- Dallas (DFW)
- Denver (DEN)
- Detroit (DTW)
- Jacksonville (JAX)
- Minneapolis – St. Paul (MSP)
- Newark (EWR)
- New York (JFK, LGA)
- Orlando (MCO)
- Philadelphia (PHL)
- Raleigh-Durham (RDU)
- Tampa (TPA)
- Washington DC (IAD, DCA)

Air Service Breakdown (FY24 Through March)

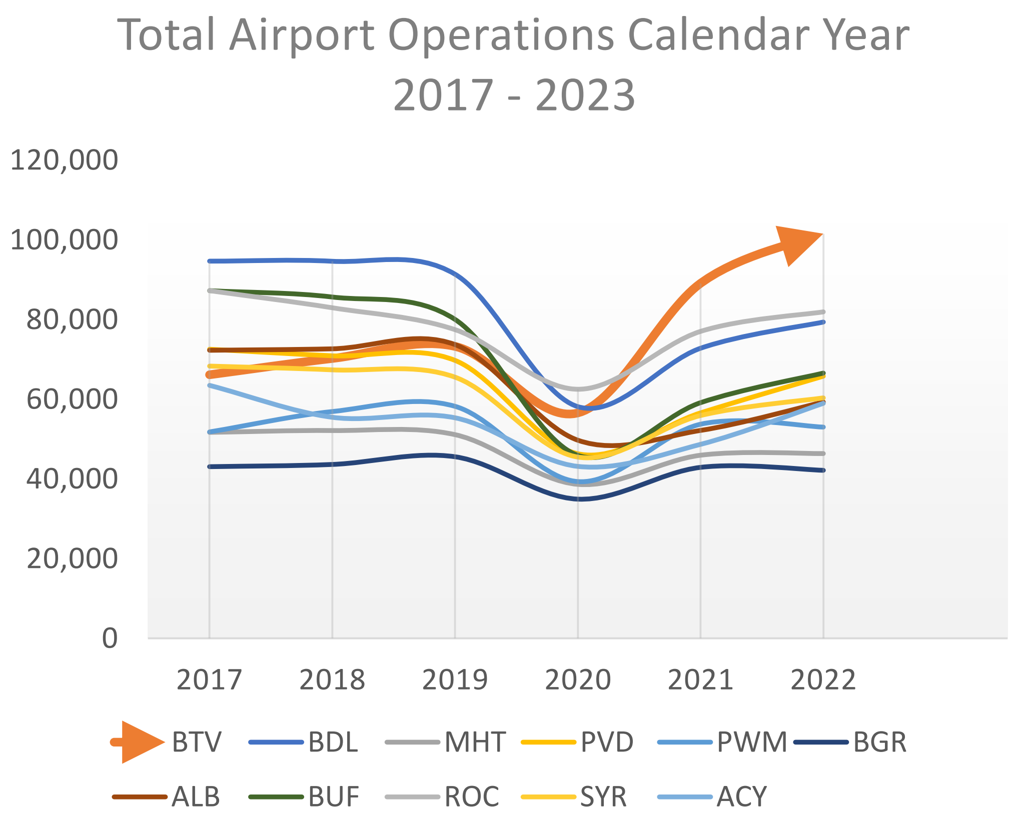


Fiscal Highlights For FY2025 Budget

- FY2025 budget continues to reflect positive industry outlooks:
  - Passenger recovery for the region is growing
  - Airline growth and scheduled flights continue to be forecasted greater than 2019
  - Non-Aeronautical revenues continue to grow with new tenants and major development opportunities

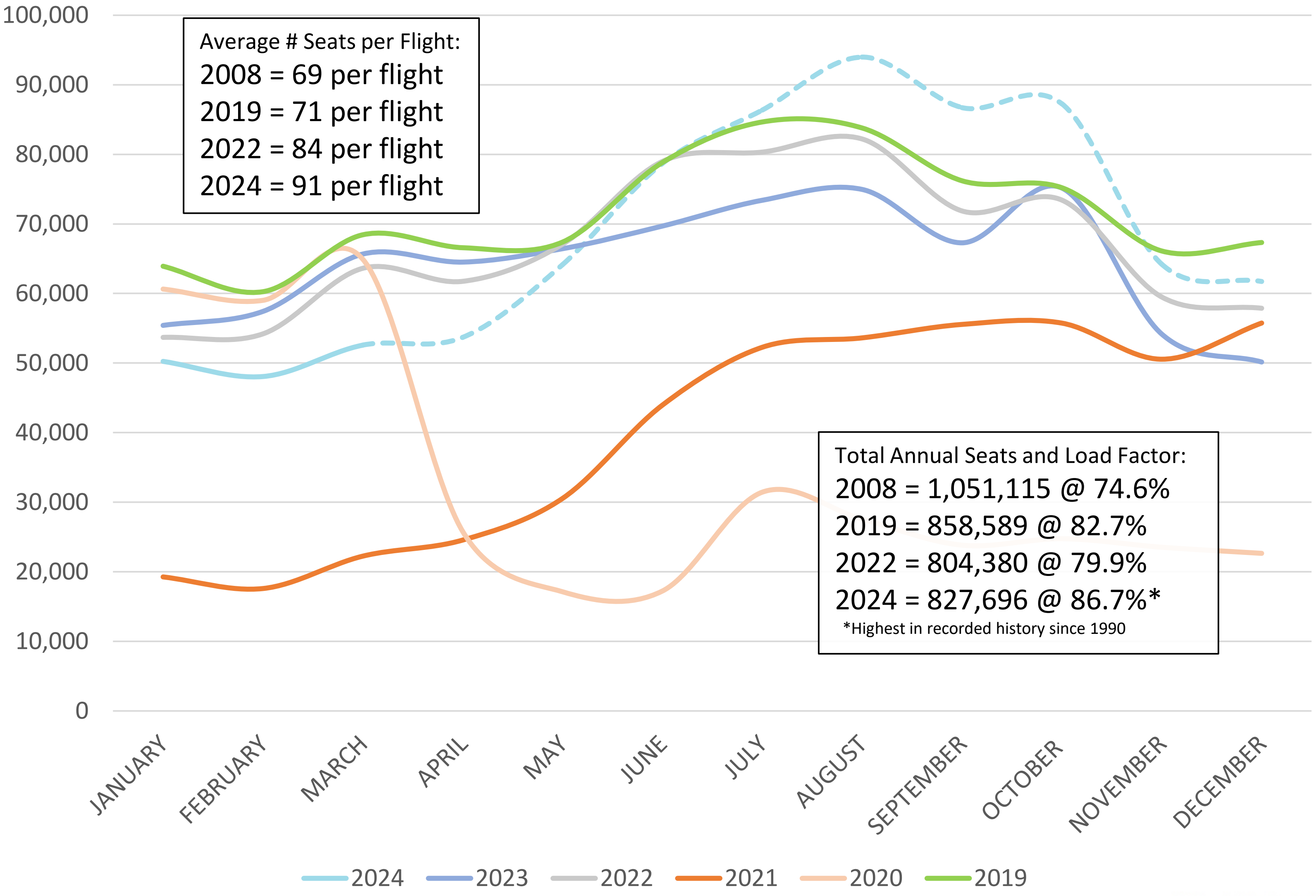
- Operations (landings and takeoffs) continue to be at a regional record
  - Currently, BTV is now the 2nd busiest commercial service airport in New England, second to only Boston Logan

- Significant number of capital projects funded by the FAA
  - FAA continues to award Leahy BTV with airport improvement grants to keep our Airport safe and offer improvements to the terminal building (including increased FAA Budgets)
    - North Terminal Development; Project NexT $34 Million
    - Possible Northern Border Regional Commission Grant (awarded late this year)
    - Runway Rehabilitation $15 Million
    - Maintenance Facility Upgrades $20+ Million
    - Sound Insulation Program $5.5 Million Annually



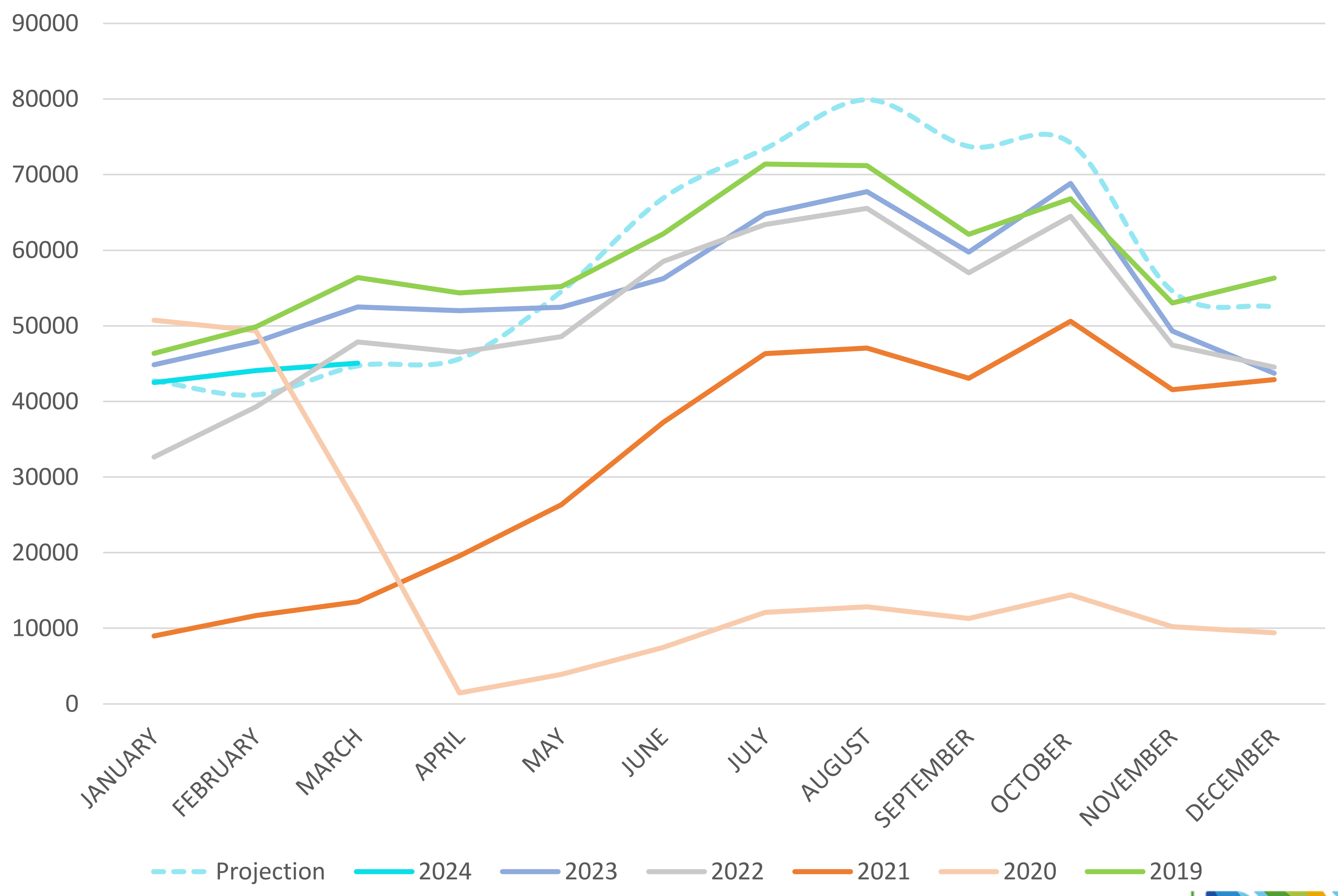
Scheduled Seats; Past and Projections

	2024	2023	2022	2021	2020	2019
JANUARY	50,245	55,401	53,680	19,243	60,623	63,905
FEBRUARY	48,066	57,412	54,187	17,571	59,004	60,240
MARCH	52,577	65,656	63,612	22,229	64,908	68,428
APRIL	53,671	64,497	61,736	24,541	25,790	66,566
MAY	64,163	66,423	67,070	30,532	17,126	67,379
JUNE	78,672	69,679	78,974	43,954	17,236	78,828
JULY	86,379	73,387	80,312	52,270	31,442	84,658
AUGUST	93,988	74,942	82,198	53,620	27,551	83,786
SEPTEMBER	86,736	67,270	71,852	55,555	23,823	76,194
OCTOBER	87,267	75,143	73,411	55,743	24,753	75,193
NOVEMBER	64,213	54,148	59,481	50,552	23,524	66,096
DECEMBER	61,719	50,137	57,867	55,753	22,648	67,316
TOTALS	827,696	774,095	804,380	481,563	398,428	858,589



Passenger Statistics Through March 2024

	2024	2023	2022	2021	2020	2019
JANUARY	42,495	44,848	32,652	8,979	50,750	46,356
FEBRUARY	44,078	47,864	39,291	11,696	49,341	49,867
MARCH	45,049	52,484	47,878	13,491	26,158	56,400
APRIL		52,018	46,485	19,563	1,448	54,340
MAY		52,471	48,564	26,325	3,911	55,209
JUNE		56,241	58,546	37,229	7,458	62,180
JULY		64,807	63,402	46,344	12,119	71,381
AUGUST		67,763	65,535	47,059	12,823	71,200
SEPTEMBER		59,751	57,037	43,072	11,292	62,116
OCTOBER		68,823	64,490	50,618	14,416	66,795
NOVEMBER		49,302	47,452	41,572	10,211	53,007
DECEMBER		43,725	44,545	42,886	9,393	56,314
TOTALS		**660,097**	**615,877**	**388,834**	**209,320**	**705,165**

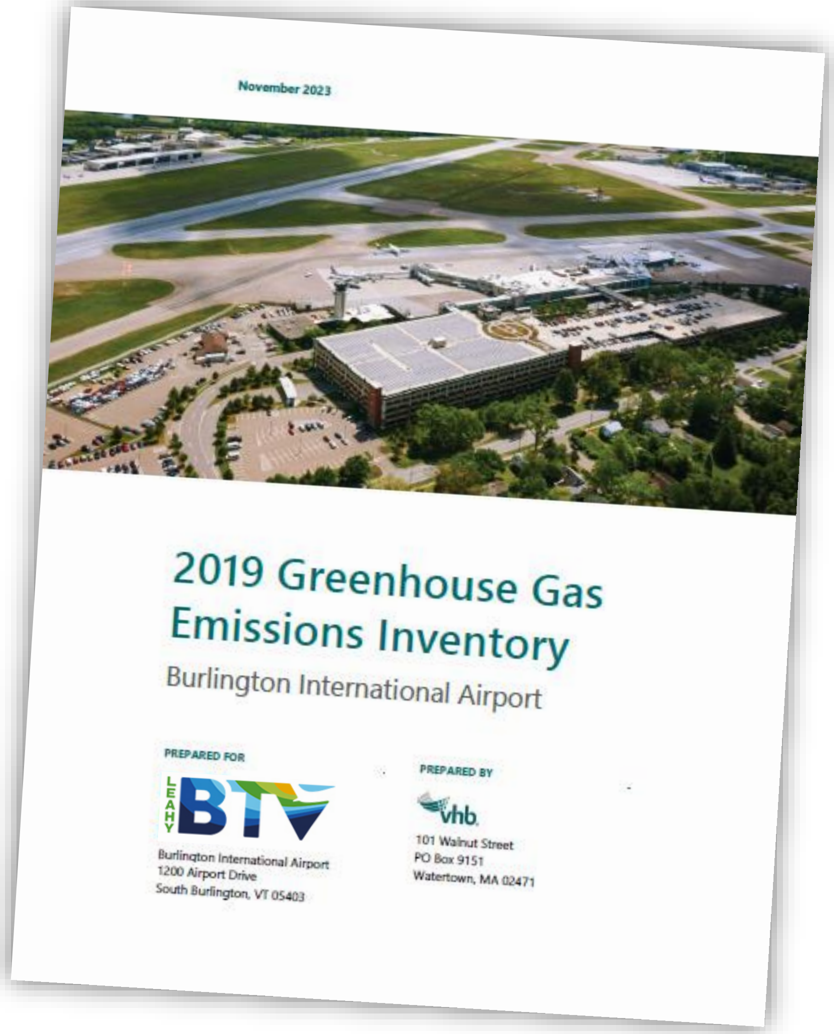


For Leahy BTV's Future

Leahy BTV's Sustainability Management Plan (SMP)

This report quantifies our carbon footprint and will be the baseline for how our performance in emissions reduction will be measured over time.

- The Airport will use this report to support Level 1 (Mapping) certification under the Airports Council International (ACI) Airport Carbon Accreditation(ACA) Program
- BTV is required by the accreditation program to measure and inventory Scope 1 and Scope 2 for initial accreditation
- **Scope 1**: direct emissions from sources that are owned and controlled by BTV, such as fuel used to power Airport vehicles and facilities
- **Scope 2**: Indirect emissions associated with purchased electricity for heating, cooling and powering facilities



2019 Greenhouse Gas Emissions Inventory found on our website here.

Leahy BTV’s Electric Vehicle Fleet is Growing!

The Airport has 2 Ford Lightning trucks, 1 Mach-E Mustang and an Electric Sweeper

Major Airport Projects in Fiscal Year 2025

Runway 15-33 Rehabilitation Project

This $15 million runway mill and overlay project will vastly improve the condition of our Airport's main runway. The plans are 100% completed and our grant application has been submitted to the FAA. This project will break ground in Spring 2025.

Project NexT

Breaking ground this year, this 25,000 square foot concourse replacement project will create a more streamlined experience for passengers, allowing for increased comfort and safety with the addition of (4) new gate replacements, (4) new passenger board bridge replacements and new hold room space. Designed with sustainability at its core, it will minimize environmental impact, reduce reliance on natural gas and harness renewable energy sources.

Project NEXT

By The Numbers

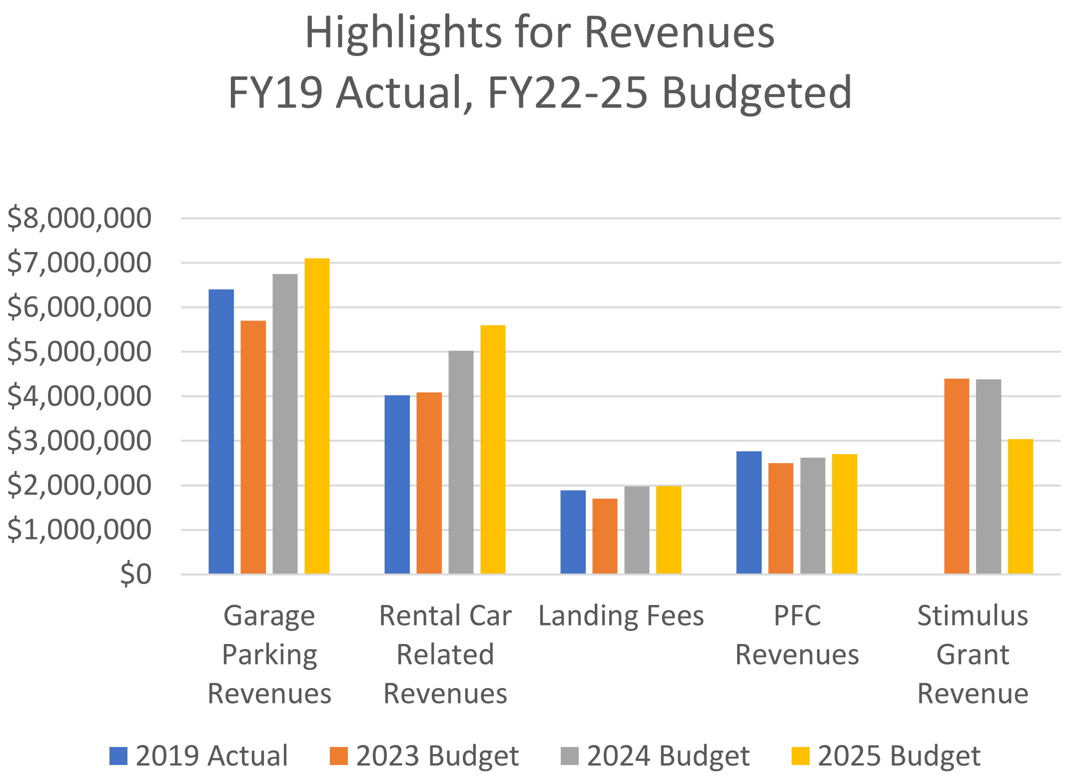
Revenues

- Airport Revenues:
  - Passengers prime driver of our revenues
  - Fixed revenues that do not change with passenger fluctuations.
  - Additional tenant revenues

- Assumptions:
  - Passengers likely to rebound to over 97% of 2019

- Highlights:
  - Parking garage revenues:
    - Budgeted at $7.1M versus actual YTD FY24 revenues of $7.08M (5.2% Increase over FY24 Budget)
  - Car rental concession revenues:
    - Budgeted at $5.6M versus actual FY19 revenues of $4.02M. Car rental concession revenues and CFC's revenues continuing to exceed FY 2019 and prior years revenues

Overall, a nominal decrease in revenues of 0.6% mostly related to less Federal Stimulus funding

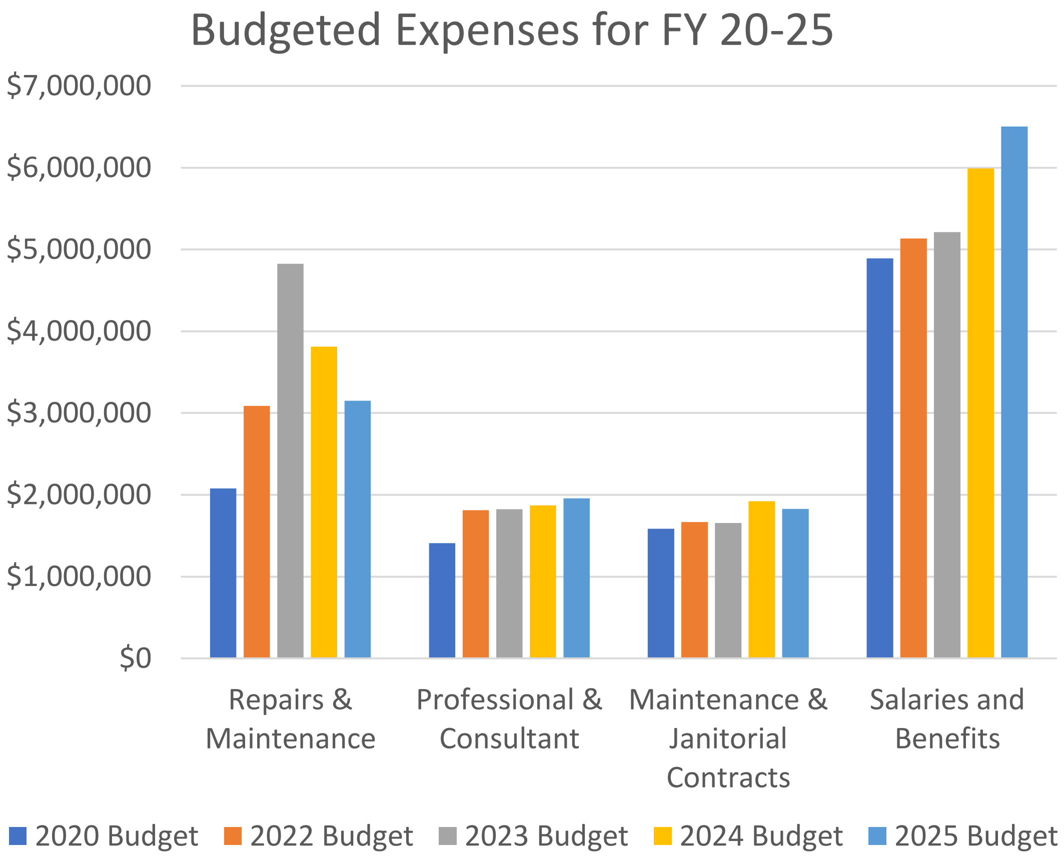


Revenues

	FY 2025 Proposed	FY 2024 Amended	Dollar Change	Percent change
Airline Generated Revenues	4,961,000	4,927,233	33,767	0.7%
General Airport Revenues	1,742,841	1,682,125	60,716	3.6%
Garage Parking Revenues	7,100,000	6,750,000	350,000	5.2%
Rental Car Related Revenues	5,600,000	5,025,000	575,000	11.4%
QTA Revenues	650,000	750,000	(100,000)	-13.3%
Concession Related Revenues	1,110,000	1,080,000	30,000	2.8%
Ground and Building Rent	1,805,409	1,688,250	117,159	6.9%
Investment Income	150,000	36,000	114,000	316.7%
Grants Federal Operating Direct	58,000	130,000	(72,000)	-55.4%
Total Operating Revenues	**23,177,250**	**22,068,608**	**1,108,642**	**5.0%**
CRRSA/American Rescue Grant	3,040,542	4,385,934	(1,345,392)	-30.7%
PFC Revenue and PFC Interest	2,710,000	2,635,000	75,000	2.8%
Total Non-Operating Revenues	**5,750,542**	**7,020,934**	**(1,270,392)**	**-18.1%**
Total Budgeted Revenues	**28,927,792**	**29,089,542**	**(161,750)**	**-0.6%**

Expenses

- Airport Expenses:
  - Salary/Benefits continue to be the largest increase in overall expense budget
- Highlights:
  - Repairs and maintenance:
    - Contracted Safety related repairs/runway repairs & markings/painting
    - Garage parking energy efficient lighting and fire alarm replacement will continue this year
  - Interfund Transfers reflects the Airport's local share cost on anticipated grants and apron construction.
    - The State of Vermont provides $500,000 contribution toward our grants local share. This amount is insufficient to cover the full 6% State portion of the grants
  - Fixed expenditures with increases:
    - Insurances, utilities and city cost allocations costs
  - Debt Service:
    - Revenue Bond principal payment was paused until July 1, 2023 due to refinancing, this budget, like last year, will include P&I on debt



Overall, a nominal decrease in expenses of 0.6%

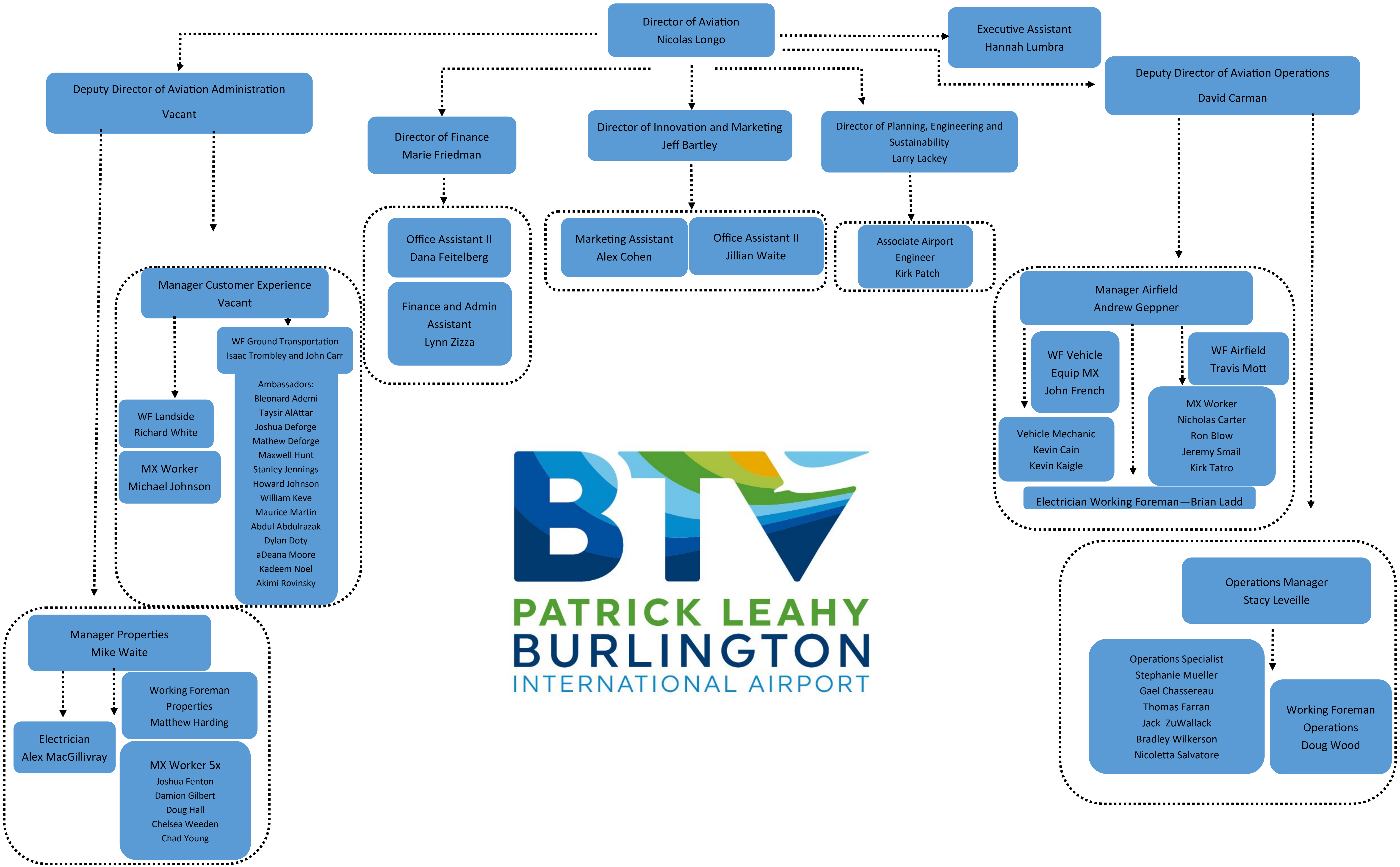
Expenses

EXPENDITURES	FY 2025 Proposed	FY 2024 Amended	Dollar Change	Percent change
Salaries & Benefits	6,504,457	5,887,384	617,073	10.5%
Office Expenses	405,550	490,400	(84,850)	-17.3%
6200 Accounts	537,065	509,330	27,735	5.4%
Fuel	138,000	151,650	(13,650)	-9.0%
Fuel - for Car Rental QTA operations	650,000	740,100	(90,100)	-12.2%
Energy Efficiency *	-	125,000	(125,000)	-
Runway De-Ice	350,000	422,000	(72,000)	-17.1%
Repairs & Maintenance Accounts	3,152,000	3,806,029	(654,029)	-17.2%
Utilities	1,760,400	1,668,600	91,800	5.5%
Professional and Consultant	2,061,550	1,868,027	193,523	10.4%
Maintenance Contracts	1,827,605	1,996,020	(168,415)	-8.4%
Travel & Training	91,800	114,800	(23,000)	-20.0%
Accounts Fees for Service	24,250	26,350	(2,100)	-8.0%
Other Expenses	10,000	14,000	(4,000)	-28.6%
Operating Lease Accounts	214,488	572,488	(358,000)	-62.5%
Insurance	437,932	410,116	27,816	6.8%
Regulatory and Bank Fees	225,000	231,000	(6,000)	-2.6%
Interest on GAN	75,000	75,000	-	0.0%
Real Estate Taxes	860,378	798,173	62,205	7.8%
Indirect Fees	662,050	618,109	43,941	7.1%
Airport Security	1,474,000	1,265,000	209,000	16.5%
Total Operating Expenditures	**21,461,525**	**21,789,576**	**(328,051)**	**-1.5%**
Debt Service	3,659,655	3,663,824	(4,169)	-0.1%
Capital Leases	501,005	631,639	(130,634)	-20.7%
Interfund Transfers	2,750,000	2,750,000	-	0.0%
Capital Accounts	555,607	254,503	301,104	118.3%
Total Budgeted Expenditures	**28,927,792**	**29,089,542**	**(161,750)**	**-0.6%**

**Energy Efficiency line item is now merged with Capital and the Repair & Maintenance subitems but has not decreased*

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

THANK YOU



Director of Aviation
Nicolas Longo
Executive Assistant
Hannah Lumbra
Deputy Director of Aviation Administration
Vacant
Director of Finance
Marie Friedman
Director of Innovation and Marketing
Jeff Bartley
Director of Planning, Engineering and Sustainability
Larry Lackey
Deputy Director of Aviation Operations
David Carman
Office Assistant II
Dana Feitelberg
Finance and Admin Assistant
Lynn Zizza
Marketing Assistant
Alex Cohen
Office Assistant II
Jillian Waite
Associate Airport Engineer
Kirk Patch
Manager Customer Experience
Vacant
WF Ground Transportation
Isaac Trombley and John Carr
Ambassadors:
Bleonard Ademi
Taysir AlAttar
Joshua Deforge
Mathew Deforge
Maxwell Hunt
Stanley Jennings
Howard Johnson
William Keve
Maurice Martin
Abdul Abdulrazak
Dylan Doty
aDeana Moore
Kadeem Noel
Akimi Rovinsky
WF Landside
Richard White
MX Worker
Michael Johnson
Manager Airfield
Andrew Geppner
WF Vehicle Equip MX
John French
WF Airfield
Travis Mott
Vehicle Mechanic
Kevin Cain
Kevin Kaigle
MX Worker
Nicholas Carter
Ron Blow
Jeremy Smail
Kirk Tatro
Electrician Working Foreman—Brian Ladd
PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT
Manager Properties
Mike Waite
Working Foreman Properties
Matthew Harding
Electrician
Alex MacGillivray
MX Worker 5x
Joshua Fenton
Damion Gilbert
Doug Hall
Chelsea Weeden
Chad Young
Operations Manager
Stacy Leveille
Operations Specialist
Stephanie Mueller
Gael Chassereau
Thomas Farran
Jack ZuWallack
Bradley Wilkerson
Nicoletta Salvatore
Working Foreman Operations
Doug Wood

FY 2025 Budget

Burlington Board of Finance

May 13, 2024

FY25 Budget Context

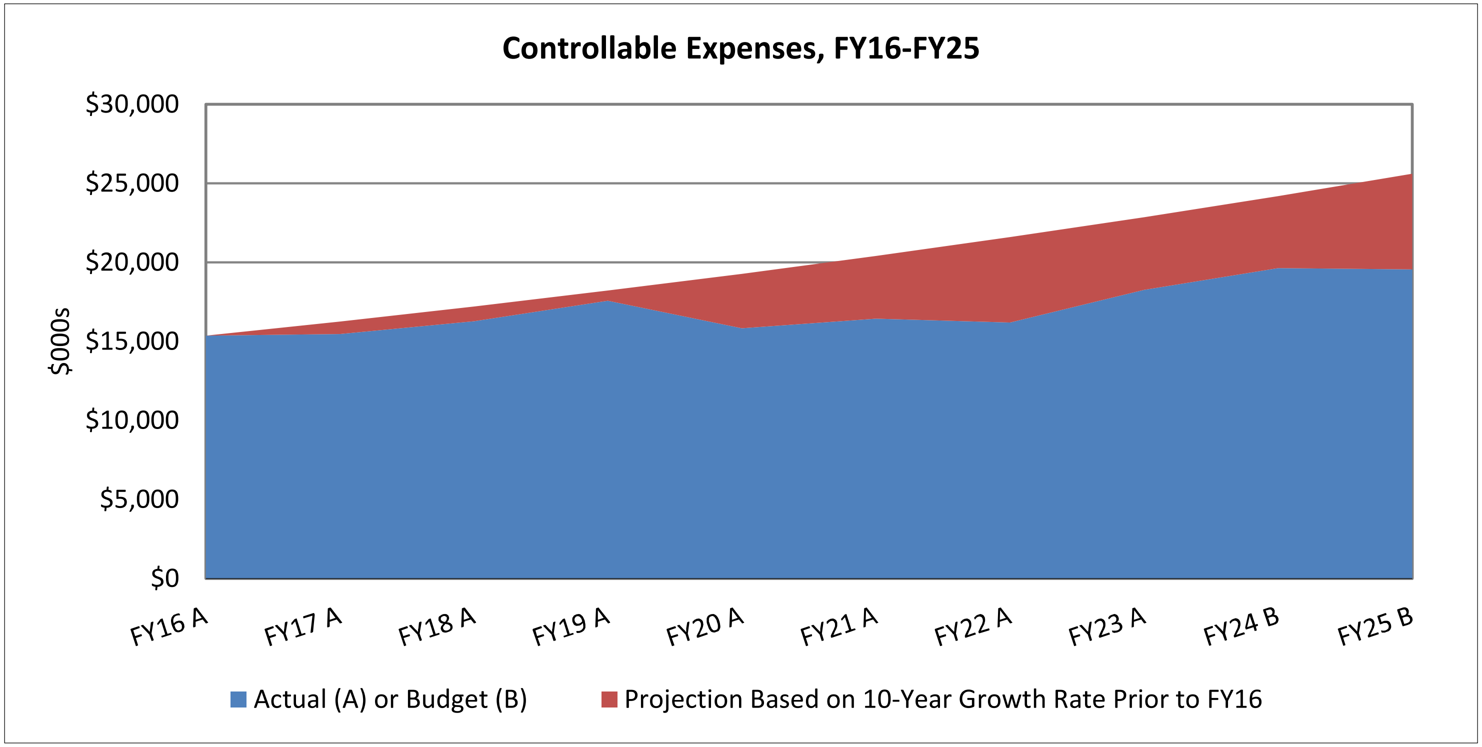
- Sales to customers flat; residential electrification gains outweighed by commercial efficiency and reduced SF
- 3 years of rate increases < demonstrated need
- Lower forward prices for sale of excess winter energy, increasing budget pressure, but reducing downside risk
- Continued inflationary pressures
- Level-funded controllable operating expenses
- Weak starting cash position for FY25 due to worse-than-budget results for REC revenues and excess winter energy sales in FY24
- Last year of 2022 Net Zero Revenue bond capital financing
- Goal is modest improvement in Moody’s rating metrics while minimizing rate increase

FY25 Budget Overview & Key Assumptions

- **Operating Revenues $67.6M –** 3.8% higher than FY24 budget
  - Rate increase of 5.5% effective Sept 1 to respond to inflation and other uncontrollable cost increases
  - Flat kWh sales to customers
  - REC sales revenue of $7.6M down 7.4% compared to FY24 budget due to lower production volumes in CY24
  - New conduit rental rates effective 7/1/24
- **Operating Expenses $68.2M –** 2% higher than FY24 budget
  - Sales of excess winter energy (offset to purchased power expense) down $3.5M or 78% due to lower forward prices and less excess energy
  - Assumed energy prices = $52.16/MWh full-year average; $72/$93/84 for Dec-Feb
    (FY24 = $73.60/MWh full-year average; $119/$155/$144 for Dec-Feb)
  - Transmission expense up $783K or 8%
  - Net power supply expense/MWh = $85.49 (54 cents higher than FY24 budget)
  - 4% COLA per IBEW contract
- **Grants/Capital Contributions** – $2.2M, $1.8M higher than FY24 based on construction activity
- **Net Income $3.4M** – $3M more than FY24 budget as passed | **6/30/25 Operating Cash $9.8M** ($8.8M in FY24)

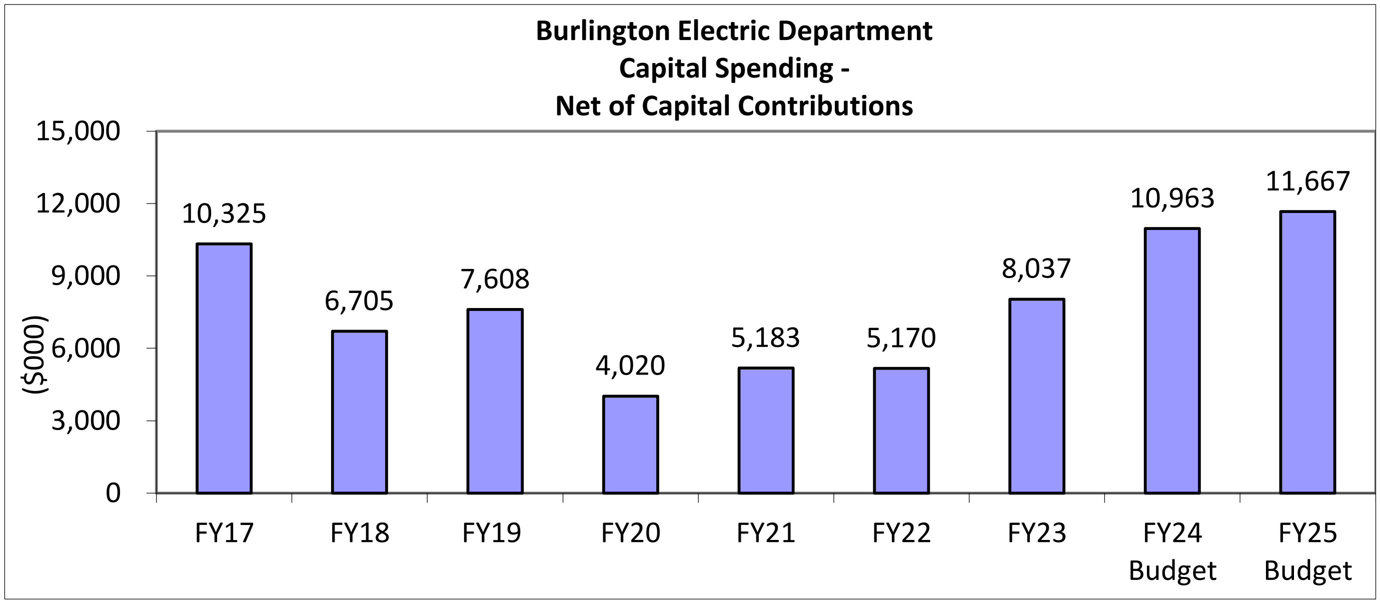
Holding Down Controllable Expenses

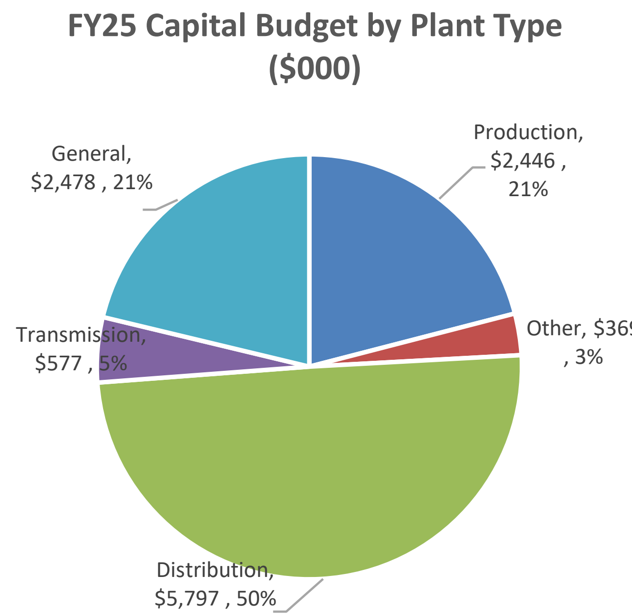
Controllable, non-power supply O&M expenses 0.4% or $80K lower than FY24 budget



Continued fiscal discipline since FY16 has moderated annual increases in controllable expenses to 3.3% on average, compared to 5.84% between FY07-FY16

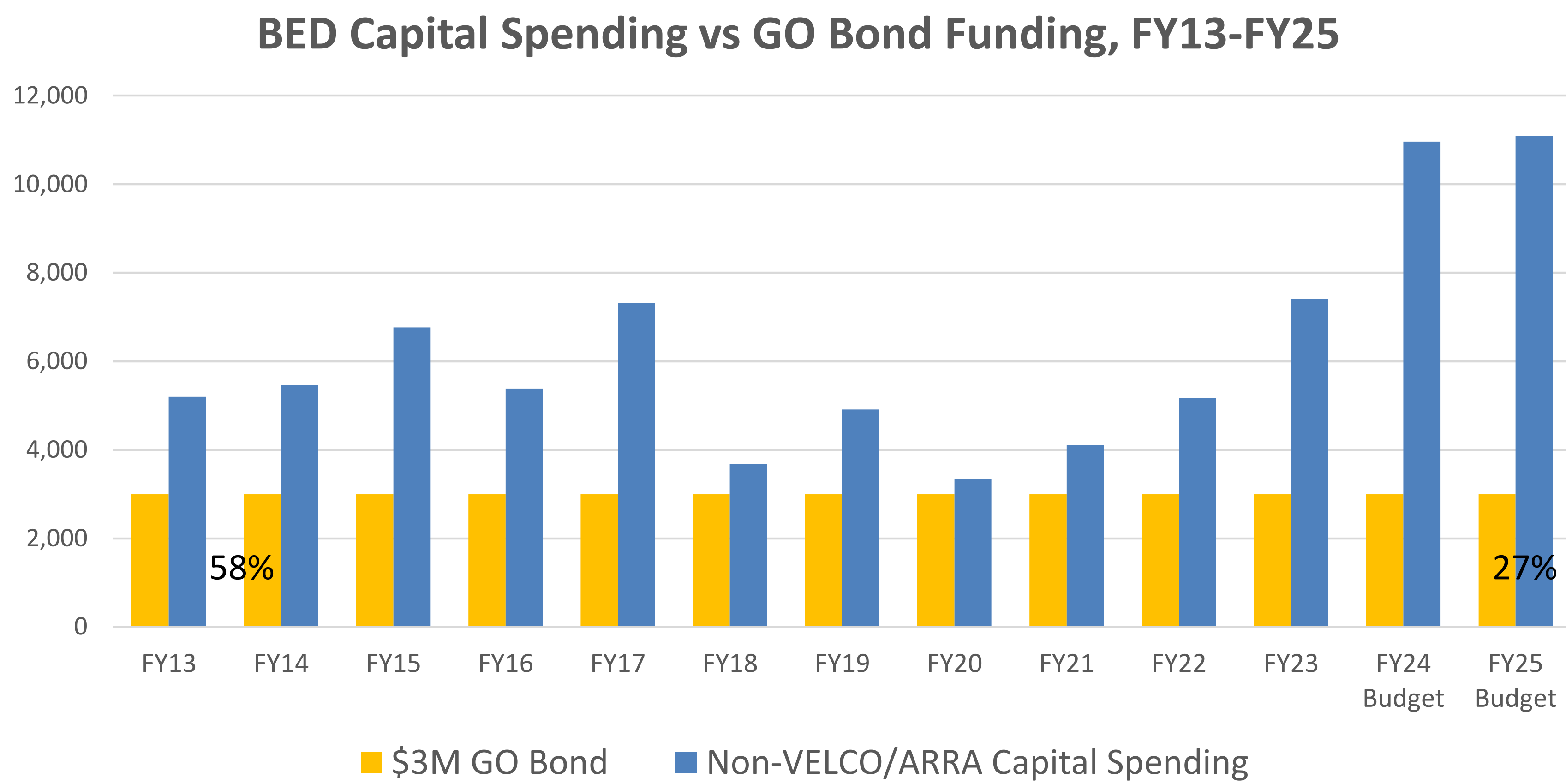
Continued Robust Capital Program





- $11M investment equates to 13.4% of net utility plant in service
- $577,000 VELCO equity investment
- Assumes $3M general obligation bond and $8.9M from 2022 NZE revenue bond
- Funds EV chargers, new fleet EVs, distribution and IT system upgrades, generation plant investments, and FERC relicensing of WinooskiOne

Erosion of GO bond funding value



FY25 Budget Continues Investment in Net Zero Energy

- 100% renewable electricity maintained
- Continued and enhanced incentives for heat pumps, EVs and “superusers,” e-mowers, e-bikes, e-transit buses, induction cooking, geothermal test wells, and multi-family building charging
- Continued funding for electrification rebates (Tier 3): $1.434 million
- BED energy efficiency programs/rebates: $2,084,858
- Matching funds for potential federal and state grants for dam replacement, grid infrastructure, battery storage, EV charging, demand response, and technology investments
- Level 3 and Level 2 public EV chargers – “reverse RFP” to seek community input on locations
- Continue electrifying BED fleet; seeking grant for a second all-electric bucket truck
- New heat pump rate pilot program pending PUC approval
- Planning for 2025 Net Zero Energy/Grid Reliability revenue bond issuance

McNeil/District Energy Resolution

- **Wood Chip Dryer RFI** (completed) – Wood chip dryer funding included in FY25 budget, subject to economic analysis, Joint Owners' agreement, and additional procurement process. Additional measures such as thermal coating and controls optimization also possible.
- **Third-Party Study on Forestry** – Included $25,000 in FY25 budget.
- **TEUC/Electric Commission/BED study on future of McNeil** – Included $25,000 in FY25 budget. (For comparison, this is more than the prior VEIC study on McNeil and more than the economic and carbon analyses prepared on McNeil by INRS.)

Continued Investments in Equity & Accessibility in FY25

- Energy Assistance Program providing 12.5% rate discount to income-qualified customers
- Project & Equity Analyst “office hours” at King St. Laundromat, Community Gardens, Family Room at ONE Community Center, BHA facilities, and community events
- Continued partnership with community organizations, including CVOEO, Legal Aid, AALV, Vermont Language Justice Task Force, and others
- Planned focus groups on energy, electricity use, and quality of life issues via CVOEO Ambassadors Program, which organizes “house parties” with various ethnic and cultural groups in Burlington
- Participation in community events including Earth Day, Juneteenth, Pride Celebration, Community Garden Work Day, Harvest Run, and others
- Communications efforts, including new Town Meeting TV program, new video explaining electric bills, and future videos on energy use translated into 9 languages

FY25 Budget Credit Rating Metrics

	Target	FY 2024 Budget	FY 2025 Budget
Days Cash on Hand	>90	90	94
Debt Service Coverage Ratio	1.25[1]	3.68	4.88
Adjusted Debt Service Coverage Ratio	1.50	1.11	1.20

(1) Minimum per General Bond Resolution

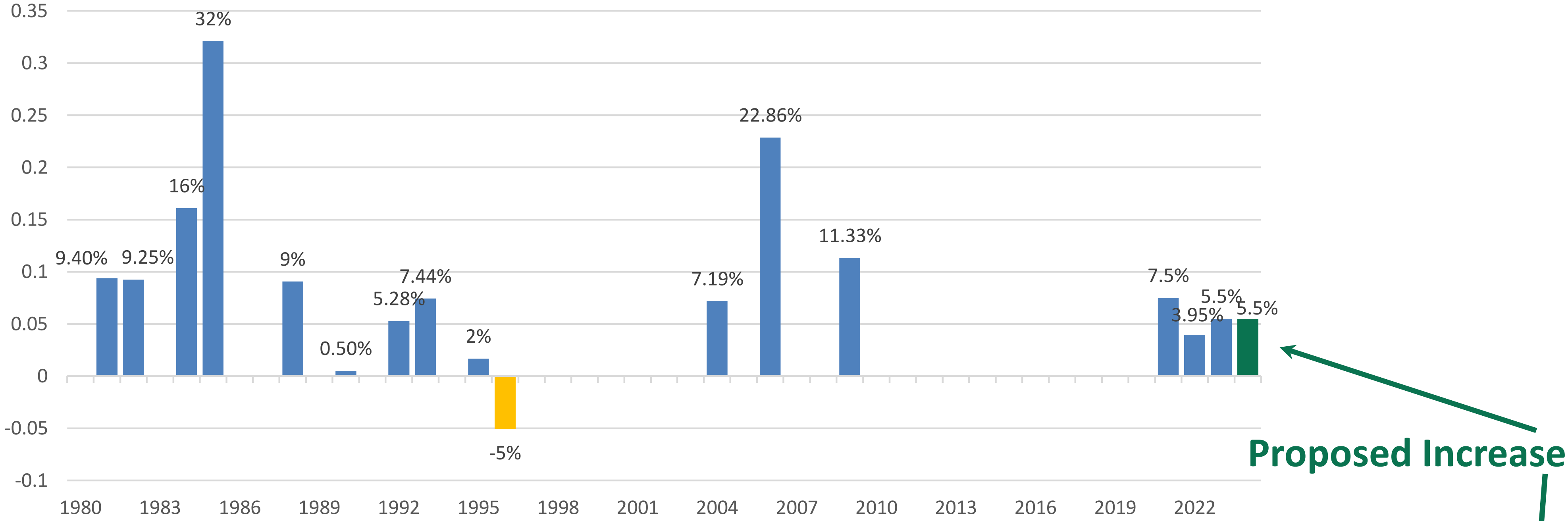
NET ZERO ENERGY
BURLINGTON VERMONT

Outlook for FY25

- FY25 budget assumptions more conservative for winter power supply
- Charter change to increase BED's line of credit to $10 million
  - Approved by voters, passed House, pending in Senate
- New 2-year line of credit approval request coming to Council 6/3
- Proposed updates to Misc. Service Fees coming to Council 6/3; then to PUC
- Future NZE/Grid Reliability revenue bond issuance during Cal Year 2025
  - 2024 Election Day ballot item likely
- H. 289/Renewable Energy Standard update could impact future budget planning around new renewables and changes to municipal rate approvals

FY25 Rate Case – 5.5%

BED Rate Changes Since 1980



Rate Increase	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BED	11.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.50%	3.95%	5.50%	5.50%
GMP	0.00%	0.00%	0.00%	0.00%	0.00%	0.40%	2.00%	-1.46%	0.73%	0.93%	5.43%	-0.50%	2.70%	4.69%	2.34%	5.29%
WEC	0.00%	0.00%	0.00%	0.00%	0.00%	4.00%	0.00%	0.00%	5.95%	4.00%	5.95%	0.00%	0.00%	14.19%	12.83%	0.00%
VEC	0.00%	0.00%	0.00%	0.00%	2.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.29%	0.00%	1.96%	8.19%	8.76%

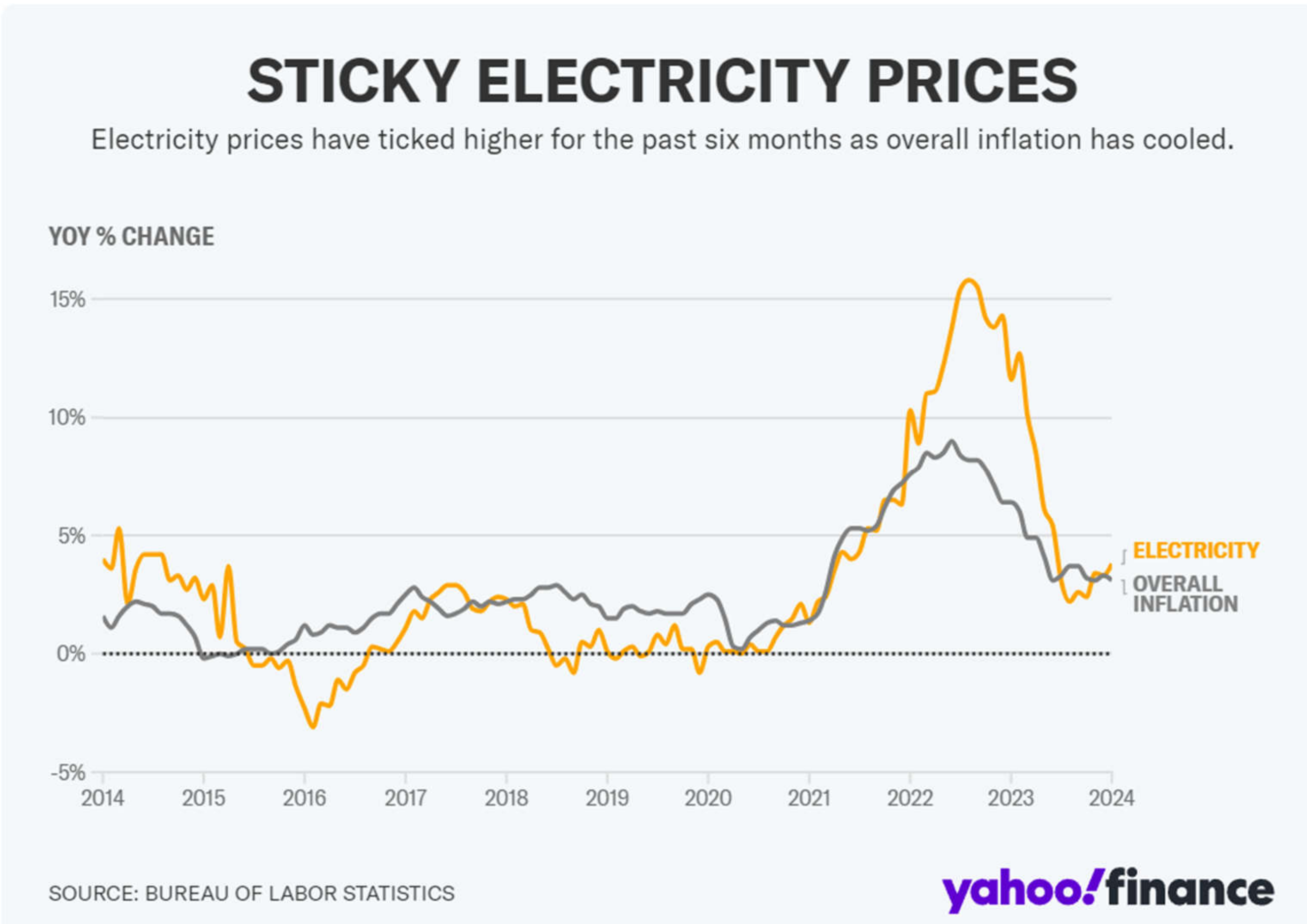
Rate Increase Drivers

Need to increase operating revenues commensurate with increased operating expenses to maintain strong credit rating and adequate cash reserves

- Flat sales to customers
- Flat/declining REC revenues due to relatively stable prices and variation in production across the portfolio
- Higher purchased power costs due to lower forward prices for sale of excess winter energy
- Increased transmission costs
- Continued inflationary pressures in other O&M expenses
- 3 years of rate increases < demonstrated need

BED Requested Rate Changes vs. Cost of Service since 2021

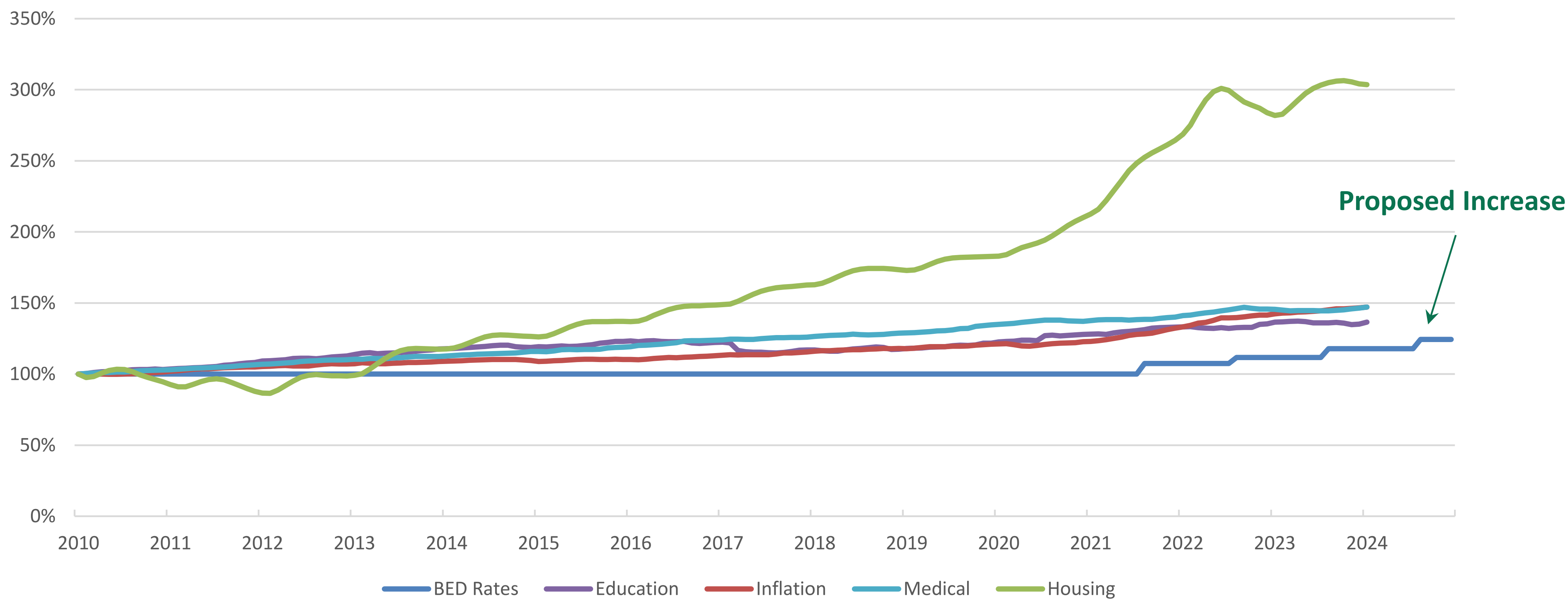
U.S. Electricity Prices Rising Faster than Inflation



- Nationally, electricity averaging 7.7% annual increases over past three years
- Transmission cost increases, volatility in fuel prices are drivers

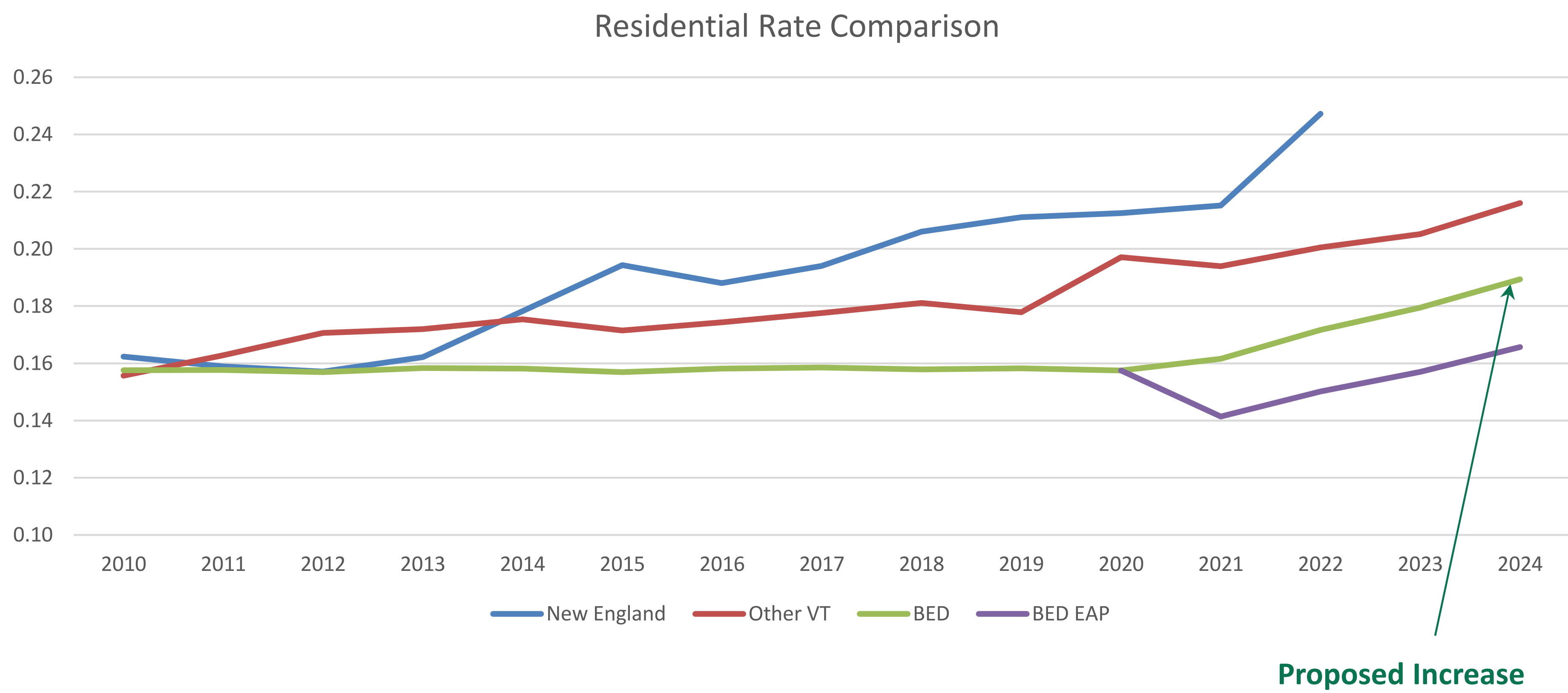
- https://www.utilitydive.com/news/us-electricity-prices-rise-customer-eia-outlook/710113/ and https://money.usnews.com/investing/articles/5-areas-where-inflation-is-highest

Change in Cost of BED Electricity vs. Other Goods/Services since 2010



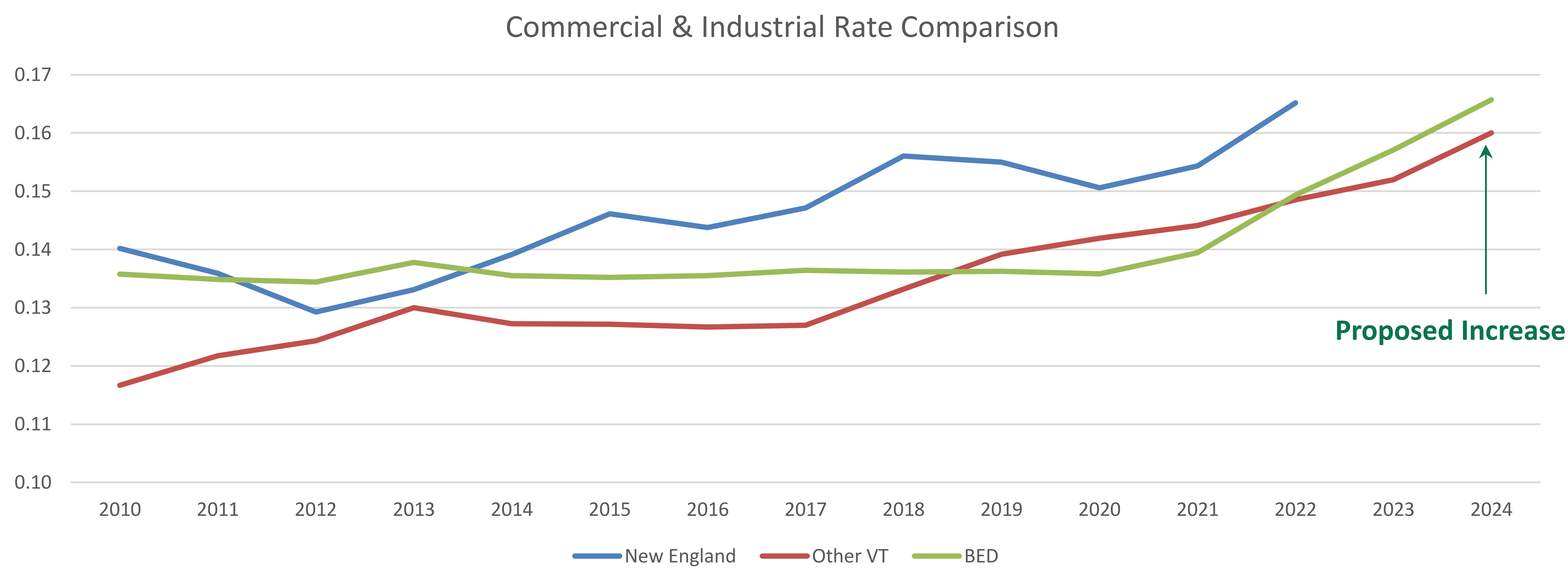
[1] Data sources from FRED Economic Data and BED sales

Rate Comparison: Residential, 2010-2024



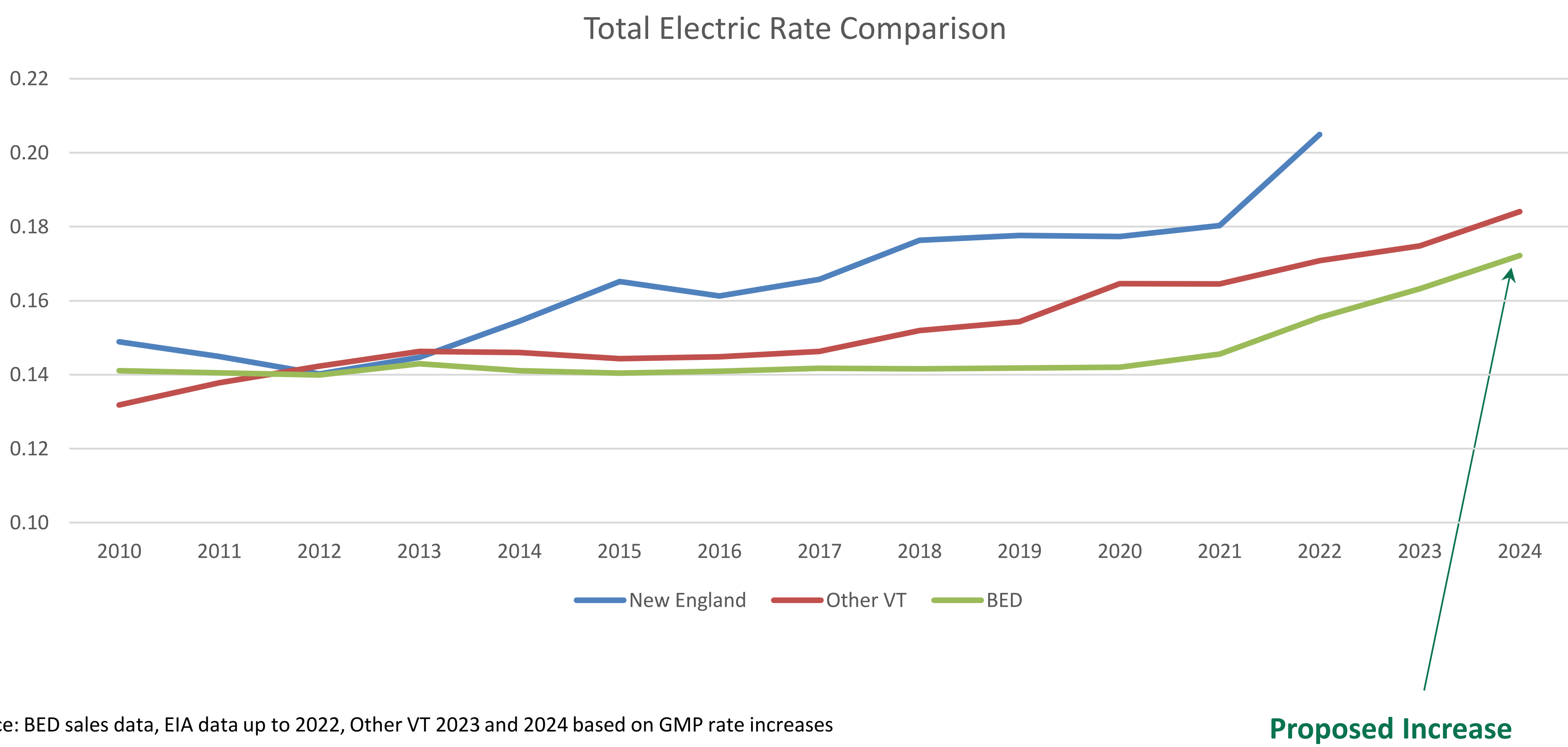
Source: BED sales data, EIA data up to 2022, Other VT 2023 and 2024 based on GMP rate increases

Rate Comparison: Commercial & Industrial, 2010-2024



Source: BED sales data, EIA data up to 2022, Other VT 2023 and 2024 based on GMP rate increases

Rate Comparison: Total Cost to Serve, 2010-2024



Source: BED sales data, EIA data up to 2022, Other VT 2023 and 2024 based on GMP rate increases

Effect on Customer Bills

Group	Average Monthly Use (kWh)	Average Monthly Bill[1]		
		At Current Rate	At Proposed Rate	Increase
Residential	410	$82.05	$86.56	$4.51
Small General	417	$103.73	$109.44	$5.71

[1] Accounting for Franchise Fee
[2] Calculations based on average monthly energy for rate classes. The rate increase will have larger bill impacts for customers with higher energy usage

Effect on Energy Assistance Program Customers

- Estimated bill impact is $5.33/month[1] on average
- EAP enrollment can mitigate the rate increase impact on the monthly bill

Period	LMI Bill (Before EAP Credit)	EAP Credit
Current Rate	$ 96.95	-$12.12 (12.5%)
Proposed Rate	$ 102.28	-$12.79 (12.5%)

- Eligibility: 185% of Federal Poverty Level & Current Participant in Vermont State Fuel Assistance Program
- 238 customers enrolled as of 4-30-24. Anticipated to help 800-1,500 residential customers based on enrollment of eligible customers for similar assistance programs[2]
- Pilot program still in effect – waiting for PUC to approve final tariff

[1] Low/Moderate-income usage modeled on customers currently enrolled in BED's Energy Assistance Program (489 kWh/month)
[2] Anticipated enrollment based on uptake of eligible customers in other Vermont Energy Assistance programs (VGS: 14%, GMP: 25%)

BURLINGTON ELECTRIC DEPARTMENT

May 2024

- Darren Springer, General Manager
  - Laurie Lemieux, Executive Project Coordinator
  - Munir Kasti, COO, Manager of Utility Services & Engineering
  - Emily Stebbins-Wheelock, CFO, and Manager of Strategy and Innovation
  - Paul Alexander, Manager of Safety & Risk Management
  - Mike Kanarick, Manager of Customer Care, Communications, and Energy Services

Center for Operations and Reliability

Munir Kasti, COO, Manager of Utility Services & Engineering

- Betsy Lesnikoski, Chief Forester
  - **Foresters**: Seth Clifford, Kevin Fink, Don Tobi
  - Wood Yard Operator: Duane Crowley
- Rodney Dollar, Director of Generation Operations
  - Jon Clark, Power Production Technician
  - **Shift Supervisors**: Frank Hall, Bob Mann, Damon Penney, Scott Smith, VACANT
  - **Senior Station Operators**: Corbin Bennett, James Kimball, Ben Langelier
  - **Station Operators**: Matthew Codling, Joseph Langelier
  - **Auxilary Operators**: Bhim Khadka, Dave LaDue, Hugh Valaitis, VACANT
  - **Yardworkers**: Jacob Martel, Michael Ploof, Dillon Sommer, Stephen Tonra, VACANT
- Paul Pikna, Director of Gen. Eng. & Maintenance
  - VACANT, Generation Engineer
  - Gary Charland, Senior Engineering Technician
  - Zach Allen, Generation Generalist
  - VACANT, Engineering Production Technician I
  - Michael Mercadante, Generation Generalist
  - VACANT, Mechanic 1st Class B
  - Justin Morse, Electrician 1st Class A Production
  - Marcel Trombley, Electrician 1st Class A Production
- Paul Nadeau, Director of Engineering
  - Jim Dutra, Working Crew Leader Engineering Technician I
  - Yvon Edades, Associate SCADA Engineer
  - Raquel Glass, GIS/CAD Technician
  - Alan Mayville, Electrician 1st Class A
  - Michael MacDuff, Engineering Technician Communications II
  - Stephen Scott, Associate Distribution Engineer
  - Bradley Williams, Senior Operations Engineer
  - VACANT, Senior Protection Engineer
- Bob Risley, Distribution Superintendent
  - **Working Crew Leader II**: Dennis Lockerby
  - **Working Crew Leaders I**: Ciaran Canavan, Andrew Watson
  - **Lineworker A**: Anthony Meyer, Russell Drown
  - **Lineworker 1st Class A**: VACANT
  - **Lineworker Apprentice**: Tyler Eastman, Jeffery Lareau, Cody Montross, Ryan Sabourin
  - VACANT, Chief of Field Services
  - Mark Delbeck, Utility Inspector
  - Dan Gokey, Troubleshooter
  - Jeremy Parent, UG Cable Locator
  - Matt Schroeder, Meter Technician
  - Alex Wheeler, Meter Technician B
- Bill Parizo, Director of System Operations
  - Seth Brownell, Senior Power System Coordinator
  - **Power System Coordinator II**: Peter Chen, Mike Giroux, Ken Mongeon
  - **Power System Coordinator I**: Matthew Allen, Alec Grant
  - Katie Morris, Utility Services Coordinator II
  - Colleen Rouille, Business Coordinator Generation

Union Position

Non-Union Position

Center for Innovation

Emily Stebbins-Wheelock, CFO, and Manager of Strategy and Innovation

- Erica Ferland, Director of IT
  - Tim Brisson, Senior Business Systems Analyst
  - Neil Charland, Systems and Network Engineer III
  - Jeff Clinton, Cybersecurity Engineer I
  - Katie Dorey, Project Manager/ Business Analyst CIS
  - Jessica Frank, Sr. Project Manager/ Business Analyst
  - Jake Kane, Systems & Network Engineer I
  - Larry Keyes, System and Support Analyst II
- James Gibbons, Director of Policy and Planning
  - VACANT, Resource Planner
  - Casey Lamont, Resource Planning Analyst I
  - Tom Lyle, Program and Policy Analyst
  - Amber Widmayer, Regulatory Specialist
- Amanda Hurlbut, Controller
  - **Accounting Administrator II**: Philo Brown-Gould, Patrick Campbell
  - Erin Cushing, Staff Accountant
  - Melissa Legg, Payroll Administrator II
  - Ying Liu, Sr. Staff Accountant, McNeil
  - Ann Reading, Staff Accountant Operating
  - Mike Leach, Supervisor Billing & Analytics
    - Jennifer Bouchard, Meter to Cash Analyst II
    - Heidi Groelinger, Meter to Cash Analyst I
- Jennifer Green, Director of Sustainability & Workforce Development
  - Ita Meno, Project and Equity Analyst
  - VACANT, Sr. Innovation Project Specialist / Customer Care Representative
- Cheryl Mitchell, Financial Analyst

Center for Safety

Paul Alexander, Manager of Safety & Risk Management

- Mike Flora, Director of Safety and Environmental
  - Ross Predom, Sr. Environmental Specialist
- Paul Charbonneau, Director of Purchasing and Facilities
  - Rob Barrett, Facilities Materials Specialist I
  - Shawn Lowell, Utility Generalist
  - VACANT, Facilities Materials Specialist I

Center for Customer Care and Energy Services

Mike Kanarick, Manager of Customer Care, Communications, and Energy Services

- Chris Burns, Director of Energy Services
  - VACANT, Energy Services Engineer
  - Bob Bolin, Energy Services Specialist
  - J.C.McCann, Energy Services Specialist
  - Brian Reilly, Residential Energy Services Engineer
  - Jake Yanulavich, C+I Energy Services Engineer
- Andi Higbee, Director of Customer Care
  - Suzanne Boomhover, Customer Care Representative
  - Ryan DeVinny, Customer Care Representative
  - Mary Griffin, Customer Care Specialist
  - Lisa Hartnett, Customer Care Representative
  - Darlene Symons, Customer Care Representative
- Adam Rabin, Communications and Technology Specialist

FY25 Draft General Fund Budget

Board of Finance
May 13, 2024

Budget Principles

- Committing to **affordability** for Burlington taxpayers
- Identifying **sustainable** financial practices that move us away from relying on one-time funds
- Working to **right-size** city government by providing what the community needs most now and into the future
- Being **fair** in raising new revenue across the entire community
- Reflecting the **priorities** of our city: community safety, maintaining city services, creating a good process for city employees, unions, and the public to engage in larger questions on how to right-size city government

Budget Assumptions

- All current staff included
- 7.5% attrition included for all departments (except BFD and BPD) based on historical data
- 23 currently vacant positions included in FY25 budget
- Increasing user fees, within reason, according to the study
- Using remaining unused ARPA funds, which must be obligated by 12/31/24, to help fill the gap

Overall General Fund Budget

	FY22	FY23	FY24	FY25
Revenues	$88.5M	$96.5M	$100.8M	$107.8M
Expenses	$88.5M	$96.5M	$100.8M	$107.8M

The Administration and department heads have identified several strategies to effectively resolved previously identified budget gap.

Police/Fire and Gross Receipt Tax Increase

Description	Amount
Implement voter-approved police/fire tax $.02 increase	$1.3M
Raise non-lodging gross receipts from 2% to 2.5%	$0.7M
Raise hotel tax from 2% to 4%	$1.0M
Total increased taxes	**$3.0M**

Property taxpayers will pay 28% of the approximately $13M budget gap.
The gross receipts tax increase will sunset after one year.

User Fee Increases

- User Fee Study RFP released in late 2023 and firm worked with departments to complete study which is just now concluding. Purpose of the study was to ensure that City understands the cost of the services it provides.

- Also to agree on a policy regarding cost recovery as well as associated issues related to subsidy, equity, scholarship, etc.

- Those conversations will continue into FY25 but based on the draft report we have found that the Clerk & Treasurer’s Office and Permitting & Inspection fees are recovering their costs.

- **For Fire, BPRW, DPW, and BCA there are opportunities to increase fees by at least the $1.3M originally forecast.**

Strategic Use of One-Time Funds

Description	Amount
Repurpose unused ARPA funds	$2.3M
Redirect ARPA funds	$0.6M
Use HTF money to free up ARPA funds	$0.3M
Use capital money to pay for capital salary work	$0.5M
Total use of strategic one-time funds	**$3.7M**

One-time funds represent only 3.4% of the overall general fund budget.

Rightsizing Budget

Description	Amount
Vacancy savings	$1.4M
Rightsize various programs	$0.7M
Enterprises picking up more eligible costs	$0.4M
Offer early retirement	TBD
Total rightsizing savings	**$2.5M**

Summary

Description	Amount
Increase Taxes (includes retirement and debt service taxes)	$5.6M
Increase Fees	$1.5M
Strategic Use of One-Time Funds	$3.7M
Right-Sizing of Budget	$2.5M
Increase Other Revenue	$0.5M
Approximate Total	**$13.8M**

- The team worked to find more than $13M to identify funds City can use for strategic investments in a comprehensive community safety system.
- This will include efforts within and outside the FY25 Police and Fire department budgets such as continuing CRT and supporting the library with additional safety services.

What’s Next

- City Council reviews each department’s budget over Marvelous Nights of May and asks questions or provides comments.

- Administration makes final tweaks based on Councilor feedback.

- Mayor submits detailed version of budget no later than June 15 and City Council approves no later than June 30 (dates governed by Charter).

- Receive operational analysis, discuss results, and implement changes in FY25.
- Continue analysis of franchise fees and PILOTs to ensure equitable and fair fees are borne appropriately.

FY25 General Fund Non-Departmental Budget

May 13, 2024

Big Picture

- Revenues include property taxes; payment in lieu of taxes (PILOT) and fee for service (FFS) agreements; local option taxes (LOT); gross receipts (GR) and franchise fees.

- Expenses include debt service payments; interfund transfers of tax money (to accounts such as Penny for Parks, street capital, housing trust, etc); and charges such as electricity costs for shared City buildings.

Category	FY24	FY25	Difference
Revenue	$69.8M	$75.5M	$5.7M
Expenses	$20.6M	$23.0M	$3.0M
Difference	$49.2M	$52.5M	

Revenues

Property taxes
- Growth and more accurate tracking of the Grand List $48.1M → $52.2M
- This includes the $.02 increase to the public safety tax
- $4.4M in FY24 and is expected to raise $5.8M in FY25 ($1.4M increase)

Payment in Lieu of Taxes (PILOT)
- $5.6M → $5.1M – payments have remained static
- Removed $0.5M misc grants line item not been historically achieved
- PILOTs governed by Charter which states that City receives payments from BED and water/wastewater/stormwater equal to what would be received in taxes if they were private utilities
- City also receives PILOT from State of Vermont for buildings it owns in the City

Fee for Services (FFS)
- $2.7M → $2.7M
- Agreements with organizations such as UVM, UVMMC, Champlain College, Burlington Housing Authority

Revenues

Franchise Fees

- $2.3M → 2.6M
- Governed by ordinance as 2.5% of gross receipts for use of the city streets.
- BED and Water are main payors.
- Reviewing for possible change in FY25.

Local Option Taxes (LOT)

- $3.2M → $3.4M
- Additional 1% destination-based sales tax to goods sold in Burlington
- Collected by State and reimbursed in a lump sum to City quarterly (no data available)

Gross Receipts (Meals & Rooms) Tax

- $4.9M → $6.6M
- Actually includes admissions, amusements, alcohol, meals, rooms (hotels), and short-term rentals
- Excluding short-term rentals, current rate is 2% and is collected directed by the City
- Includes an increase to the non-lodging gross receipts rate from 2% to 2.5% (this generates $0.7M) and an increase of the hotel rate from 2% to 4% (this generates $1M)

Revenues

It’s important to recognize that there is No Misc Rev, Misc Grants or Unassigned Fund Balance (UAFB) included in the FY25 budget.

In the FY24 budget this revenue totaled $1.9M.

Expenses

Interfund Transfers

- $11.3M → $12.5M
- Dedicated taxes including capital streets, penny for parks, housing trust fund, etc.

Debt Service

- $7.1M → 8.0M

Shared Costs

- $1.9M → $2.0M
- Utilities – electricity, data charges
- Bank fees

Trivia

The “Big Five” represent 70% of all of the City’s General Fund Revenue.

Four of the “Big Five” Revenues are represented in the Non-Departmental Budget:

- Property Taxes
- Payment In Lieu Of Taxes
- Fee For Service
- Franchise Fees

What is the fifth category that makes up the Big Five?

Questions and Discussion