Board of Finance

Monday, June 24, 2024, 6:00 PM, Bushor Conference Room 1st Floor, City Hall

Please click the link below to join the webinar:
https://zoom.us/j/98653723824

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

1. Agenda

Subject	**1.1. Motion to amend/adopt agenda**
Meeting	June 24, 2024 - Special Board of Finance Meeting - Monday, June 24, 2024, 6:00 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	June 24, 2024 - Special Board of Finance Meeting - Monday, June 24, 2024, 6:00 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. Consent Agenda

Subject	**3.1. Motion to adopt the consent agenda and take the actions indicated**
Meeting	June 24, 2024 - Special Board of Finance Meeting - Monday, June 24, 2024, 6:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	3. Consent Agenda
Department	Council and Board
Type	Action (Consent) Procedural
Recommended Action	Motion to adopt the consent agenda and take the actions indicated

Subject	**3.2. June 10, 2024 Board of Finance Meeting Minutes, Draft**
Meeting	June 24, 2024 - Special Board of Finance Meeting - Monday, June 24, 2024, 6:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	3. Consent Agenda
Department	Clerk/Treasurer's Office
Type	Action (Consent) Information Minutes
Recommended Action	approve the minutes

4. Deliberative Agenda

Subject	**4.1. Resolution: Annual Appropriation And Budget For Fiscal Year Beginning July 1, 2024, And Ending June 30, 2025**
Meeting	June 24, 2024 - Special Board of Finance Meeting - Monday, June 24, 2024, 6:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	4. Deliberative Agenda
Department	Clerk/Treasurer's Office
Type	Action Resolution
Recommended Action	to recommend that the City Council approve the attached resolution

Subject	**4.2. Resolution: Annual Tax Assessments On The Property Grand List Of The City For The Fiscal Year Beginning July 1, 2024 And Ending June 30, 2025**
Meeting	June 24, 2024 - Special Board of Finance Meeting - Monday, June 24, 2024, 6:00 PM, Bushor Conference Room 1st Floor, City Hall

Category	4. Deliberative Agenda
Department	Clerk/Treasurer's Office
Type	Action Resolution
Recommended Action	to recommend that the City Council approve the attached resolution

5. Adjournment

Subject	**5.1. Motion to adjourn**
Meeting	June 24, 2024 - Special Board of Finance Meeting - Monday, June 24, 2024, 6:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	5. Adjournment
Department	Council and Board
Type	Action Procedural
Recommended Action	Motion to adjourn

BURLINGTON BOARD OF FINANCE
BUSHOR CONF. ROOM, FIRST FLOOR, CITY HALL *OR*
REMOTE MEETING WITH CALL-IN NUMBER
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
June 10, 2024

MEMBERS PRESENT:	Ben Traverse Mark Barlow Sarah E Carpenter Joe Kane Emma Mulvaney-Stanak
OTHERS PRESENT:	Katherine Schad Nic Longo Dave Carman Marie Friedman Larry Lackey Zoe Richards Sophie Sauve Kara Alnasrawi

1.0 CALL TO ORDER and AGENDA

1.1 Motion to amend/adopt the agenda
Mayor Mulvaney-Stanak called the Board of Finance meeting to order at 5:03 PM

MOTION by Councilor Barlow, SECOND by City Council President Traverse, to adopt the agenda.

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM

2.1 Verbal Comments
Caryn Long spoke in support of the potential proposal to tax vacant properties, which will raise revenue and improve the City. She also noted that she has never seen this many empty storefronts downtown in her four decades of living in Burlington. She spoke about the number of students moving out at the end of May in her neighborhood and how it negatively impacts how the neighborhood looks because they leave it in a poor condition. She spoke about the number of finable violations, such as parking on lawns, that student tenants carry out.

Sharon Bushor asked about the Open Space Plan contract, saying that the information about the other four proposals that bid for this contract were not included in the information for this agenda item. She said that she has a strong interest in the Open Space Protection Plan, since she brought this item to the Council many years ago and wants a strong candidate and organization to carry out this work.

3.0 CONSENT AGENDA

3.1 Motion to adopt the consent agenda and take the actions indicated.
3.2 Request to Accept and Execute a Federal Aviation Administration (FAA) Reimbursable Agreement (RA) Grant for the FA Technical Operations (Tech Ops) administrative oversight and review of design and construction related to a FAA-owned electrical conduit relocation required for the Airport's Development of a new Snow Removal Equipment (SRE) Building – Airport – approve and recommend that the City Council approve and authorize the Director of Aviation to execute a grant from the Federal Aviation Administration, to accept an amount up to $32,086.00, with a 25% contingency, totaling up to $36,898.90, as allowed under the grant, for FAA Technical Operations administrative oversight and review of design and construction aspects related to a FAA-owned electrical conduit relocation, subject to the review and approval by the City Attorney's Office.
3.3 Microsoft Licensing Agreement – BED – approve and recommend that the City Council approve and authorize the BED General Manager or their designee to execute the three-year licensing agreement between BED and Microsoft commencing on July 15, 2024, subject to final review and approval of the City Attorney's Office.
3.4 Use of Vendor Space at A-Dog Skatepark – BPRW **AGENDA ITEM REMOVED**

MOTION by Councilor Carpenter, SECOND by City Council President Traverse, to adopt the consent agenda and take the actions indicated for items 3.1-3.4.

VOTING: unanimous; motion carries.

4.0 DELIBERATIVE AGENDA

4.1 Request to Accept and Execute a Federal Aviation Administration (FAA) Grant for design and construction of one additional automated exit lane (exit lane breach control systems) at both the North and South Terminal areas – Airport
Deputy Director of Aviation Carman said that these automated exit doors prevent passengers from going back into the concourses after they exit them, and this item requests approval for a grant to increase the number of automated exit lanes in each concourse to two.

MOTION by Councilor Barlow, SECOND by City Council President Traverse, to approve and recommend that the City Council approve and authorize the Director of Aviation to execute a grant from the Federal Aviation Administration to accept an amount up to $232,243, with a 15% contingency, totaling up to $267,079.45, as allowed under the grant, for design and construction of one additional automated exit lane (exit lane breach control systems) at both the North and South Terminal areas, subject to review and approval by the City Attorney's Office.

VOTING: unanimous; motion carries.

4.2 Request to Accept and Execute a Federal Aviation Administration (FAA) Grant for the Terminal Integration Project (TIP) additional eligible items – Airport
Chief Financial Officer Friedman said that this relates to additional items in the Terminal Integration Project that were not previously eligible for grant funding from the FAA but are eligible now, so the request is to approve these additional grant amounts.

MOTION by City Council President Traverse, SECOND by Councilor Carpenter, to approve and recommend that the City Council approve and authorize the Director of Aviation to execute a grant from the Federal Aviation Administration to accept an amount up to $349,248.00, for the Terminal Integration Project (TIP) additional eligible items, subject to review and approval by the City Attorney's Office.

VOTING: unanimous; motion carries.

4.3 Request to accept a Federal Aviation Administration (FAA) Grant for the Residential Sound Insulation Project (RSIP) Phase 4 Project and Execute Contracts for Construction and Inspection Services for this Project with Strong Tower Construction, Inc. and Jones Payne Group, Inc. (JPG), respectively – Airport
Deputy Director of Aviation Carman said that Phase 4 of this project consists of construction improvements for 16 homes of the 50 that were designed in Phase 3. He said that the homes will be constructed by Strong Tower Construction and inspected by the Jones Payne Group. He said that this also includes outreach to 50 more homeowners to begin the design phase for them. He said that this item seeks approval for the grant funding to cover these costs.

Aviation Director Longo noted that there is a dedicated website about this project and its phases, and that the website is regularly updated by Airport.

MOTION by City Council President Traverse, SECOND by Councilor Barlow, to 1. Approve and recommend that the City Council approve and authorize the Director of Aviation to accept and execute a grant from the Federal Aviation Administration in an amount up to $3,563,164.00 with a 15% contingency totaling up to $4,097,638.60, as allowed under the grant subject to review and approval by the City Attorney's Office; 2. Approve and recommend that the City Council approve and authorize the Director of Aviation to execute a contract with Strong Tower in the amount of up to $1,954,186.00 with a 15% contingency totaling up to $2,247,313.90, as allowed by the grant for construction activities for 16 homes, subject to review and approval by the City Attorney's Office; and 3. Approve and recommend that the City Council approve and authorize the Director of Aviation to execute a contract with Jones Payne Group in the amount of up to $1,542,568.82 with a 15% contingency totaling $1,773,954.14 for noise program oversight, subject to the review and approval of the City Attorney's Office.

VOTING: unanimous; motion carries.

4.4 Request to accept a Federal Aviation Administration (FAA) Grant for the Runway 15-33 Rehabilitation Project and Execute Contracts for Construction and Inspection Services for this Project with S.D. Ireland, Inc. (SDI) and Stantec Consulting, Inc. (Stantec), respectively – Airport
Planning Director Lackey said that this is for rehabilitation maintenance of the Airport's main runway. He said that it is a mill and overlay of three inches, which will be conducted at night between 11:30 PM and 5:30 AM, so as to not interfere with commercial activity. He noted that this was last done 13 years ago. Director Longo added that this is a complex project that requires significant oversight from the Airport team. He noted that this project will not occur this year, but the Airport is seeking to prepare by obtaining grant acceptance. He said that they anticipate the project beginning next spring, and that they will be conducting significant outreach to airport users, given that they will be closing the main runway every evening for construction once the project commences.

Councilor Barlow asked how this impacts commercial users in terms of airline schedules. Director Longo replied that because there is a hard closure at 11:30 PM, this will impact the airline schedules for the Airport and that they are working with airlines to accomplish an earlier arrival time for those late flights for the duration of the anticipated 60 days of construction for this project.

Councilor Kane noted that one of the contractors, S.D. Ireland, is involved in an issue with tree clearing in one of the City's parks where they'd acted inappropriately. He said that the City should be aware of this when selecting contractors, given that they actively working on this issue with this contractor. City Council President Traverse said that while he recognizes the ongoing work being done with S.D. Ireland and the Parks Department to rectify the situation that Councilor Kane referenced, he also expressed appreciation for S.D. Ireland's partnership, particularly around the CityPlace development.

MOTION by Councilor Carpenter, SECOND by City Council President Traverse, to 1. Approve and recommend that the City Council approve and authorize the Director of Aviation to accept and execute a grant from the Federal Aviation Administration in an amount up to $10,445,434.00 with a 15% contingency totaling up to $12,012,249.10 for Runway 15-33 Rehabilitation, subject to review and approval of the City Attorney's Office; 2. Approve and recommend that the City Council approve and authorize the Director of Aviation to execute a contract with S.D. Ireland, Inc. in the amount of up to $10,227,000.00 with a 15% contingency totaling up to $11,761,050.00 for the Runway 15-33 Rehabilitation construction, subject to review and approval of the City Attorney's Office; and 3. Approve and recommend that the City Council approve and authorize the Director of Aviation to execute a contract with Stantec Consulting in the amount of up to $534,651.00 with a 15% contingency totaling $614,848.65, as allowed by the grant for project scope that includes project inspection fees, subject to review and approval of the City Attorney's Office.

VOTING: unanimous; motion carries.

4.5 Open Space Plan Contract – DPI
Conservation Board Chair Richards said that this seeks approval to execute a contract with the selected consultant for a rewrite of the Open Space Plan. She noted that the original Open Space Plan was released in 2000 and has not been updated since 2014. She said that the original plan created the City's Conservation Legacy Fund, which helps the City purchase valuable natural areas for conservation uses. She said that it also created the Conservation Team within the Parks Department. She said that they would also incorporate the Urban Forestry Plan into this plan, as well as incorporate additional content related to combatting climate change.

Parks Comprehensive Planner Sauve said that five proposals were submitted during the RFP process. She said that out of these five, Agency Landscape + Planning was the successful bidder based on the criteria outlined in the RFP (including budget, schedule, experience, and qualifications). She noted that this contractor has also worked with the City on projects before, including the siting of the Perkins Pier project. She noted that their cost proposal came in at the stated budget, and that two of the proposals came in below budget and two came in above budget.

Councilor Barlow asked how the budget for the project was set at $100,000. Parks Comprehensive Planner Sauve replied that based on the current comprehensive plan for Roosevelt Park, for example, which was $55,000, and Leddy Park, which was around $62,000, they estimated that a much larger, Citywide plan like this proposal would cost more than that.

MOTION by Councilor Barlow, SECOND by City Council President Traverse, to approve and recommend that the City Council approve and authorize the DPI Director or their designee, subject to final review and approval by the City Attorney's Office, to execute the contract with Agency Landscape + Planning for a comprehensive rewrite of the Open Space Plan.

VOTING: unanimous; motion carries.

4.6 Resolution: Allocation Method and Standards for Common Area Fee Formula, and Establishment of Common Area Fees for the Church Street Marketplace for Fiscal Year 2025 (Board of Finance)
Executive Director Alnasrawi began by noting that charter regulations require annual updates to the Common Area Fees for the Church Street Marketplace. She said that the Church Street Marketplace Commission issues to the Board of Finance and City Council a recommendation for the Common Area Fees for the Marketplace. She said that for FY25, the fees were raised by 5% for the first time in six years. She said that the Commission is recommending that the fees remain at FY24 levels for FY25. She said that there will be a public hearing during the City Council meeting on this recommendation. She noted that all property-owners have been notified and that there was a published warning in Seven Days for the meeting. She noted that the Common Area Fees are assessed on the ground floor square footage that abuts the 4 blocks that make up the Church Street Marketplace (between Main and Pearl Streets). She said that current fees are $3.02 per square foot, which equals around $730,000 annually and comprises three quarters of the Church Street Marketplace budget. She said that the fees are used for full maintenance of the street, including brickwork, street plowing, salting, repair work, utilities, and water. She said that they also cover advertising and branding, as well as cover staff time.

Councilor Barlow expressed support for not increasing the fees.

City Council President Traverse asked about feedback from businesses around the fees being level-funded, or other feedback. Executive Director Alnasrawi replied that there are some street-level challenges in the downtown, including retail theft, which is negatively impacting businesses. She said that by not raising fees, they are raising the fundraising goal that the Church Street Marketplace has. She said that many merchants wish that this funding did not go toward maintenance of the street but rather toward enhanced street maintenance and decoration, but said that this is required by charter.

MOTION by Councilor Barlow, SECOND by Councilor Carpenter, to recommend that the City Council approve the attached resolution.

VOTING: unanimous; motion carries.

5.0 ADJOURNMENT
5.1 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 5:42 PM.

RScty: AACoonradt

Resolution Relating to

ANNUAL APPROPRIATION AND BUDGET FOR FISCAL YEAR BEGINNING JULY 1, 2024, AND ENDING JUNE 30, 2025

RESOLUTION________

Sponsor(s): Board of Finance & Mayor
Introduced: ____________________
Referred to: ____________________
____
Action: ________________________
Date: __________________________
Signed by Mayor: ________________

CITY OF BURLINGTON

In the year Two Thousand Twenty-Four……………………………………………………………………

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, Section 157 of the City Charter requires the Mayor, on or before June 15 of each year, provide to the City Council an estimate of the necessary appropriations to cover the expenses of each department and branch of the City government for the next fiscal year to be known as the "budget"; and

WHEREAS, the Administration discussed summaries of proposed department budgets for the fiscal year starting on July 1, 2024, and ending on June 30, 2025 ("FY25") with the Board of Finance and City Council at public sessions on May 13, May 15, May 22, and May 29, 2024, and then publicly presented a CAO-reviewed FY25 general fund budget to the Board of Finance on June 3 and June 10; and

WHEREAS, on June 10, the Mayor provided the Board of Finance and the City Council the Mayor's Recommended Budget for FY25, which is an estimate of the necessary appropriations to cover the expenditures of each fund, department, and branch of City government; an estimate of the revenues from sources other than property taxes, including certain operating transfers; and an estimate of the amount to be raised by taxation upon real and personal property within the City of Burlington (the "Mayor's Budget"); and

WHEREAS, it is now appropriate to make cost of living compensation adjustments for FY25 for eligible City employees, including Burlington Electric Department employees, who are not covered by a collective bargaining agreement; and

WHEREAS, the City has received federal funding through the American Rescue Plan Act ("ARPA") and intends to use those funds in FY25 to help the City recover from the COVID crisis; and

WHEREAS, the City of Burlington receives interdepartmental revenues and employee contributions to fund Workers' Compensation, Health, Dental, Life, and Liability Insurances, and the City recognizes that these revenues are for the sole purpose of funding these expenditures; and

WHEREAS, the City remains committed to racial justice, equity, inclusion, and belonging, it is undergoing a re-design and re-envisioning process with its REIB department to better support and integrate across departments the City's equity and inclusion work;

WHEREAS, on October 18, 2021, the City Council adopted Resolution No. 7.075, which set a target sworn officer headcount of eighty-seven (87) (inclusive of eight (8) sworn officers at the airport), based upon an operational assessment conducted by CNA Analysis & Solutions; and

WHEREAS, the City realistically anticipates being able to hire ten (10) sworn officers in FY25, and currently the Burlington Police Department has 67 sworn officers on staff, so that a total of seventy-seven (77) sworn officers have been included in the budget; and

WHEREAS, the City remains committed to staffing its police department fully, and the Mayor will endeavor to find funding if the City is successful in recruiting more than ten (10) sworn officers during FY25, in furtherance of the target of eighty-seven (87) officers set in 2021; and

WHEREAS, the City realistically anticipates being able to hire in FY25 additional Community Service Officers (CSOs) up to the authorized number of eleven (11), so that a total of eleven (11) CSOs have been included in the budget; and

WHEREAS, the City is committed to recruiting and retaining police officers using evidence-based strategies, so that $100,000 has been included in the FY25 budget to support these efforts; and

WHEREAS, the City is committed to community safety, the City is implementing a voter-approved 2-cent increase in the public safety tax, which will generate an estimated 1.35 million dollars in additional revenues in order to fund its Police and Fire Departments adequately so as to ensure the viability of both its traditional public safety services, as well as its new and innovative community response programs; and

WHEREAS, the City is committed to a comprehensive approach to community safety, the City is creating in FY25, and including in the FY25 budget funding for year one, a two-year, temporary Senior Advisor on Community Safety position in the Mayor’s Office to advise the Mayor and work across Departments and across the City to effectuate the City’s health and safety goals; and

WHEREAS, the City is committed to improving the safety of the library environment, it is authorizing additional security staffing and a social worker position at the downtown Fletcher Free Library in the FY25 budget; and

WHEREAS, the City is committed to the health and safety of all, including the unhoused, it is authorizing 50,000 dollars in FY25 to support basic human services like portable toilets, handwashing, and trash removal in strategic locations on City land; and

WHEREAS, the City’s police department budget grows by approximately $2.47 million in the FY25 budget and its fire department by $1.4 million, the City intends to use revenue generated by the increase in the consumption taxes for improving the safety of our community, including through efforts of the BPD and the BFD, as well as for additional contracts for security services, the hiring of an in-house social worker at the library, and a temporary Senior Advisor on Community Safety to help design and implement data-informed, immediate and long-term responses to the City's safety challenges; and

WHEREAS, the City has determined to fill the currently-vacant Housing Administrator Position in the Department of Permitting and Inspections, which is a revenue-generating position; and

WHEREAS, the City is aiming to improve community safety and affordability for residents, the City is raising consumption taxes by increasing the hotel-motel tax from 2 cents to 4 cents and the non-lodging gross receipts tax from 2% to 2.5%, subject to further approval of the City Council by ordinance; and

WHEREAS, subject to further approval of the City Council by ordinance, the non-lodging gross receipts tax increase will sunset at the end of FY25 but the hotel-motel tax increase will not; and

WHEREAS, the City wishes to realize vacancy by leaving currently-vacant positions unfilled for FY25, but not eliminating any positions this year until City officials can conduct a more deliberative review of all positions; and

WHEREAS, the City will engage in a review of its fees and fines related to out-of-compliance rental units to ensure fairness and habitability for tenants while also increasing revenue generation;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Burlington, that the estimates of the revenues and expenditures shown, the schedules, and the accompanying narrative and tables of the Mayor's Budget are hereby adopted as the annual appropriation and budget of the City of Burlington for FY25 (the "FY25 Budget"); and

BE IT FURTHER RESOLVED that for all departments or programs other than the General Fund departments or programs noted in the previous paragraph ("non-General-Fund departments"), including but not limited to all Special Revenue Funds and all Enterprise Funds, the appropriations in the budget are not available for expenditure until a corresponding revenue amount is received or unless additional revenues are reasonably expected to be received within six (6) months of the expenditure; and

BE IT FURTHER RESOLVED that the unexpended balances from prior years' appropriations made for any non-General-Fund departments, as well as all reserve funds, debt service reserves, and insurance reserves, except as otherwise provided below, shall be carried over to the FY25 Budget upon determination by the Chief Administrative Officer of the availability of such unexpended balances; and

BE IT FURTHER RESOLVED that Two Million Four Hundred Thousand Dollars and No Cents ($2,400,000.00) in previously allocated ARPA funds shall be reallocated as set forth in the FY25 Budget; and

BE IT FURTHER RESOLVED that it has been determined that the entirety of Two Hundred Sixty-four Thousand Three Hundred Eighty-eight Dollars and No Cents ($264,388.00) assigned for REIB staffing in

Fiscal Year 2023 has not been used for this purpose, and the Chief Administrative Officer is hereby authorized to transfer said amount for REIB staffing in FY25; and

BE IT FURTHER RESOLVED that it has been determined that the entirety of the Two Hundred Thousand Dollars and No Cents ($200,000) assigned as a development reserve many years ago but has not yet been needed, and the Chief Administrative Officer is hereby authorized to transfer said amount for community safety in FY25; and

BE IT FURTHER RESOLVED that it has been determined that the entirety of the Forty-Nine Thousand One Hundred Seventy-two Dollars and No Cents ($49,172) assigned as the Burlington Telecom escrow many years ago is the amount leftover after the transaction has concluded so it is no longer needed, and the Chief Administrative Officer is hereby authorized to transfer said amount for community safety in FY25; and

BE IT FURTHER RESOLVED that it has been determined that the entirety of the Twenty-five Thousand Dollars and No Cents ($25,000) assigned for a Human Resources consultant and this assignment was already concluded and the money was paid from the general fund so amount is no longer needed, and the Chief Administrative Officer is hereby authorized to transfer said amount for community safety in FY25; and

BE IT FURTHER RESOLVED that it has been determined that the entirety of the Twenty-six Thousand Two Hundred and Fifty Dollars and No Cents ($26,250) assigned for Regional Arts Programs was already spent and the money was paid from the general fund so amount is no longer needed, and the Chief Administrative Officer is hereby authorized to transfer said amount for community safety in FY25; and

BE IT FURTHER RESOLVED that it has been determined that the entirety of the Fifteen Thousand Dollars and No Cents ($15,000) assigned for the bystander training project was already spent and the money was paid from the general fund so amount is no longer needed, and the Chief Administrative Officer is hereby authorized to transfer said amount for community safety in FY25; and

BE IT FURTHER RESOLVED that it has been determined that the entirety of the Fifty Thousand Dollars and No Cents ($50,000) assigned for Indigenous People was already spent and the money was paid from the general fund so amount is no longer needed, and the Chief Administrative Officer is hereby authorized to transfer said amount for community safety in FY25; and

BE IT FURTHER RESOLVED that the FY25 budget assigns One Hundred Thousand Dollars and No Cents ($100,000) to the Burlington Police Department for recruitment and retention, and about which the police department will report to the City Council in July 2024 and quarterly thereafter, detailing its plans, strategies, efforts, and expenditures to recruit and retain officers the Chief Administrative Officer is hereby authorized to transfer said amount for said purpose in FY25; and

BE IT FURTHER RESOLVED that the employee positions and grade levels authorized for FY25 shall be as set forth in the section of the FY25 Budget entitled "Personnel Listing", except that because the budgeted positions are based on attrition and anticipated staff efficiencies, any determination to reclassify any existing staff position is subject to appropriate approvals according to the City's Personnel Policies and any applicable union contract; and

BE IT FURTHER RESOLVED that effective July 1, 2024, all eligible regular employees not covered by a collective bargaining agreement that provides otherwise shall receive a cost of living adjustment equal to that which has been negotiated for FY25 with AFSCME, except for Burlington Electric and Burlington Fire Department employees not covered by a collective bargaining agreement, who shall receive a cost of living adjustment equal to that which has been negotiated for FY25 with IBEW and BFFA, respectively; and

BE IT FURTHER RESOLVED that effective July 1, 2024, all eligible employees, except those who have opted out legally of the City's health insurance program, shall contribute six and 111/1,000 percent (6.111%) of their annual salary to the City's Health Insurance Fund (Fund 150) to achieve the target of having employees contribute twenty percent (20%) of the total cost of the City providing health benefits; and

BE IT FURTHER RESOLVED that the City Council hereby agrees that effective July 1, 2024, all Class B employees not covered by a collective bargaining agreement that provides otherwise shall contribute four and 340/1,000 percent (4.340%) of their annual salary, and all Class A employees not covered by a collective bargaining agreement that provides otherwise shall contribute fourteen percent (14%) of their annual salary (fire) or seventeen and 610/1,000 percent (17.610%) of their annual salary (police), to the City's Retirement Fund (Fund 125) to achieve the target of having employees contribute thirty percent (30%) of the total retirement contributions required; and

BE IT FURTHER RESOLVED that within the General Fund Budget there is an account line noted as "Contingency", with an amount of One Hundred Thousand Dollars and No Cents ($100,000.00), none of which shall be expended without prior approval of the City Council; and

BE IT FURTHER RESOLVED to establish Internal Service Funds, Fund 150, for self-insured Health and Dental, and fund 175 for self-insured Workers' Compensation and Liability and Life Insurance, and that any excess revenue or deficit be carried forward and used in future budgets within these funds; and

BE IT FURTHER RESOLVED that monthly COBRA premiums for Health and Dental insurance shall be as follows:

	Health	Dental
Single	$1,284.00	$34.82
Single +1	$2,388.00	$64.39

Family	$3,197.00	$117.56; and

BE IT FURTHER RESOLVED that any unspent funds from the Department of Public Works' FY24 Repair & Maintenance budget for purchase of salt, account number 101-19-152-481.6300_140, up to One Hundred Thousand Dollars and No Cents ($100,000.00), will be allocated to FY25 fleet lease payments, account number 101-19-151.7900_116; and

BE IT FURTHER RESOLVED that Three Hundred Thousand dollars and No Cents ($300,000.00) of ARPA funds that were previously allocated to the Champlain Housing Trust for supporting affordable housing are reallocated in the FY25 budget to support community safety; and

BE IT FURTHER RESOLVED that Three Hundred Thousand dollars and No Cents ($300,000.00) of Housing Trust Fund funds, a dedicated tax, shall be allocated directly to Champlain Housing Trust for supporting affordable housing, in replacement of previously allocated ARPA funds; and

BE IT FURTHER RESOLVED that any unspent funds from CEDO's FY24 Language Access Plan funding, up to Twenty Thousand Dollars and No Cents ($20,000.00), will be allocated to FY25 for the Language Access Program (LAP) to avoid a gap in available LAP assistance while the City secures alternative funding from the State of VT; and

BE IT FURTHER RESOLVED that any unspent funds from REIB's FY24 Empowerment Fund, up to Forty-four Thousand Dollars and No Cents ($44,000.00), will be allocated to FY25 for the same purpose; and

BE IT FURTHER RESOLVED that the REIB Office is hereby reorganized as follows: there shall be one (1) Interim Director, a market-factored position, in place of Director, a market-factored position, and one (1) Limited Term Administrative Coordinator at Grade 15 in place of one (1) Program Manager at Grade 19, in accordance with the attached job descriptions and organizations chart; and

BE IT FURTHER RESOLVED that the Chief Administrative Officer may, from time to time, make expenditures, from the General Fund of the City, for the purpose of acquisition, construction, and installation of certain capital improvements or other obligations. The City may intend that such expenditures, including but not limited to parking and terminal improvements at the Burlington International Airport, downtown parking, and street capital improvements, to be reimbursed through the issuance of tax-exempt bonds or other obligations, and pursuant to Treasury Regulations Section 1.150-2, the City must declare an intent to reimburse such expenditure with the proceeds of bonds or other obligations. The Chief Administrative Officer is hereby authorized and designated as a representative of the City to adopt an official intent, on behalf of the City, to determine, in each case, whether an approved expenditure for capital improvements will be reimbursed with the proceeds of bonds or other forms of obligation; and

BE IT FURTHER RESOLVED that the fees charged by the Department of Permitting & Inspections shall be set as outlined in the attached FY25 Fee Schedule; and

BE IT FURTHER RESOLVED that effective July 1, 2024, the fees charged for water and wastewater shall be set as provided on the three attached schedules entitled FY25 Private Fire Protection Fee Schedule, FY25 Water and Wastewater Fixed Charge by Meter Size Schedule, and FY25 Water and Wastewater Volumetric Rate Schedule; and

BE IT FURTHER RESOLVED that effective July 1, 2024, the fees charged for stormwater shall be set at $3.33 per ISU (1,000 square feet of impervious surface) so that the flat rate for a single-family residence shall be $8.89 per month, for a duplex $8.82 a month, and for a triplex $10.19; and

BE IT FURTHER RESOLVED that effective July 1, 2024, the Solid Waste Generation Tax shall increase from Five Dollars and Sixty-six Cents ($5.66) to Six Dollars and Ninety Cents ($6.90) per month per residential dwelling unit; and

BE IT FURTHER RESOLVED that a department head may authorize recurring purchases for routine operational costs that are included within the department’s annual budget, such as treatment chemicals for water or wastewater operations, postage, filing, or licensing fees, or replacement equipment, without the requirement of additional approval, if there is no contractual obligation to make the purchase; and

BE IT FURTHER RESOLVED that investment management fees and related administrative expenditures of the Burlington Employees Retirement System must be funded from the investment returns of the Retirement Fund and shall not exceed $1,000,000 in FY25, but other operating expenses, including retirement employee wages, shall be paid by appropriation of the retirement tax revenue to the System; and

BE IT FURTHER RESOLVED that the FY25 budget includes an allocation of One Hundred Thousand Dollars and No Cents ($100,000) to the Burlington Police Department for recruitment and retention expenditures and efforts, about which the police department will report quarterly to the City Council beginning in July 2024; and

BE IT FURTHER RESOLVED that the FY25 budget includes an allocation of One Hundred Twenty-five Thousand Dollars and No Cents ($125,000.00) to the Mayor’s Office for year one of a two-year Senior Advisor on Community Safety position; and

BE IT FURTHER RESOLVED that the FY25 budget includes an allocation of One Hundred Fifty Thousand Dollars and No Cents ($150,000.00) to the Fletcher Free Library for additional security and the hiring of an in-house social worker; and

BE IT FURTHER RESOLVED that the FY25 budget includes two allocations of expected opioid settlement funds: Two Hundred and Fifty-one Thousand Dollars and No Cents ($251,000) to the Fire

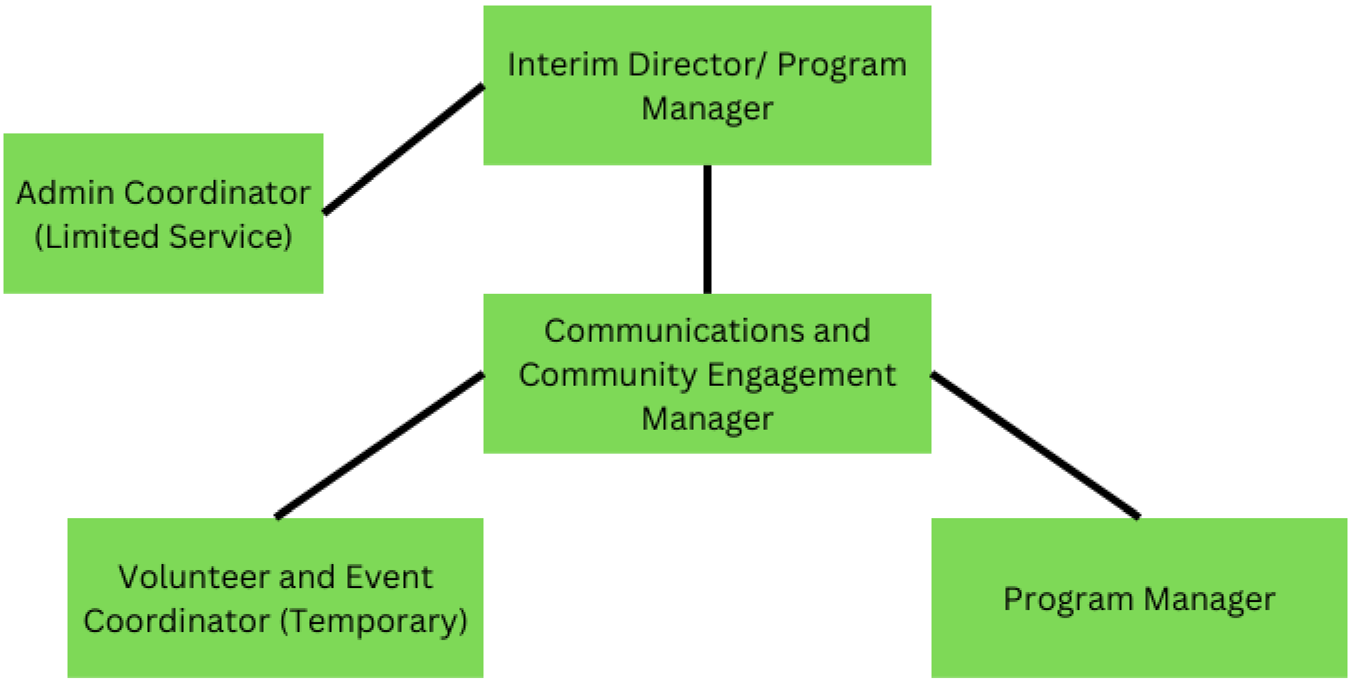
Department for the continuation of the Community Response Team; and One Hundred and Eighteen Thousand One Hundred Forty-Nine Dollars and No Cents ($118,149) to CEDO for the salary and benefits of the Substance Use Policy Analyst; and

BE IT FURTHER RESOLVED with respect to the proposed additional hotel and motel and non-lodging gross receipts taxes as outlined in the recitals, that the Chief Administrative Officer will report updated revenue figures to the Board of Finance monthly and will track the City's gross receipts taxes' alignment with local option tax revenue patterns in surrounding communities to the Board of Finance so that the City can respond by making budget adjustments if necessary.

KS/ER/Resolutions 2024/FY25 Budget Resolution
June 24, 2024

REIB Organizational Chart

June 21, 2024



City of Burlington, Vermont
Department of Permitting & Inspections
FY2025 Fee Schedule

<u>Unless otherwise noted all fees are non-refundable</u>

Development Applications and Permits	Applicable Fee
Administrative Review	
Administrative pre-application conference	No charge
Administrative Time Extension	No charge
Administrative Determinations	1. $15 filing fee + 2. $140
Awning Permit (no signage) **Basic Zoning Permit** (non-design control RL) **Fence Permit** **Certificate of Appropriateness Level I (COA I)** Change of use or projects with an estimated construction cost (ECC) of less than $28,000[F]	1. $15 filing fee + 2. $107
Sign Permit	1. $15 filing fee + 2. $118 for one sign 3. + $80 for each additional sign 4. 1/2 price per sign if part of an approved Master Sign Plan.
Certificate of Appropriateness (COA) Level II For projects with an estimated construction cost (ECC) of greater than or equal to $28,000. [F] Administrative review as allowed under Section 3.2.7 (b) of the Comprehensive Development Ordinance. A. Application Fee B. Development Review Fee (due prior to release of permit)	1. $15 filing fee + 2. $140 + 2. $2.20 per $1,000 of ECC. $4.50 per $1,000 of ECC.
Certificate of Appropriateness (COA) Level III Lot Line Adjustments and Lot Merger – no new lots created	1. $15 filing fee + 2. $140

Development Review Board Review	
Sketch Plan Review A. Initial Review B. Subsequent Review	 $300 per Board per visit $250 per Board per visit
Certificate of Appropriateness (COA) Level III **<u>Preliminary Plat</u>** A. Application Fee	1. $200 + 2. $2 per $1,000 of ECC; **<u>or</u>** $300 per

B. Development Review Fee Due prior to release of the DRB approval	lot if subdivision only. $3 per $1,000 of ECC.
Certificate of Appropriateness (COA) Level III **<u>Final Plat</u>** A. Application Fee	1. $15 filing fee + 2. $250 + 3. $2.20 per $1,000 of ECC, **<u>or</u>** $330 per lot if subdivision only.
B. Development Review Fee Due prior to release of the DRB approval	$3.00 per $1,000 of ECC.
<u>Preliminary/Final Combination</u> A. Application Fee	1. $15 filing fee + 2. $250 + 3. $4.40 per $1,000 of ECC, **or** $330 per lot if subdivision only.
B. Development Review Fee Due prior to release of the permit	$3.00 per $1,000 of ECC.
Conditional Use, Variance, Major Impact, Public Hearings and Appeals	
Conditional Use or Variance In addition to any applicable COA fees	$195
Major Impact Review In addition to any applicable COA fees	1. $250 + 2. $1.21 per $1,000 of ECC.
Other Matters requiring an action by the DRB Time extensions, Master Sign Plan, etc.	$155
Appeals to the DRB Appeals of Administrative and Enforcement decisions to the DRB.	$250

Other Fees	
Impact Fees	**Visit:** https://www.burlingtonvt.gov/PZ/Impact-Fees
Documents, Copies, etc. **a. Audio Tapes** **b. File research** **c. Planning documents** **i. Municipal Development Plan** **ii. Comprehensive Development Ordinance** **d. Postage and Handling** **e. Photocopies** **f. Paper zoning map** **g. Digital Maps**	$3.50/tape $20.00/hour Actual cost of publication (hardcopy or CD) $4.00 in-state $5.00 out-of-state $0.10 per page (black-and-white) $1.00 per page (color) $15.00 per map (24 x 36, color) No charge

Other Related Fees	
Zoning Compliance Report A. Standard B. Expedited (within 2 weeks) C. Renewal (if within 2 years of prior compliance report)	 $35 $70 $17
Zoning Certificate of Occupancy A. Final Certificate of Occupancy B. Temporary Certificate of Occupancy C. “After the fact” Zoning Certificate of Occupancy	 Included in application fees above, the fee is $30 + 10% of the total application fees and may be refunded if the permit is not enacted. $150 each See attached schedule

Appeals of DRB Decision to the Vermont Superior Court Environmental Division	Visit: https://www.vermontjudiciary.org/fees

Fee Schedule Notes

A. All fees are non-refundable and are due at the time of application unless otherwise noted.
B. All revenue generated by this Fee Schedule, with the exception of Impact Fees, is deposited into the City's General Fund. Therefore, this Fee Schedule shall not apply when any fees would also be paid out of the City's General Fund, with the exception of the payment of Impact Fees, in order to eliminate the duplicative and unnecessary accounting for payments and deposits within the same City fund. For any application submitted by a municipal entity listed as a City Department by the City of Burlington that is not fully funded by the City's General Fund, the application and development review fee shall together be capped at $165,000. The payment of Impact Fees out of the City's General Fund and/or other funds shall continue to apply.
C. Permit fees include a $15 filing fee assessed by the Burlington Clerk/Treasurer's office as required by state statute unless otherwise noted.
D. Checks should be made payable to the "City of Burlington." Credit cards are accepted (Visa, MasterCard, and American Express) for a $3 processing fee plus 2.65% for transactions over $123.00.
E. Permit applications resulting from a zoning Notice of Violation are subject to double, triple or triple plus up to $500 the application fee as specified under Section 2.7.9 of the *Burlington Comprehensive Development Ordinance.*
F. "ECC" is the Estimated Construction Cost as specified under Section 3.2.4 (a) of the *Comprehensive Development Ordinance*. Fees are calculated for every $1,000 of ECC.
G. The Administrative Officer shall make the determination if an application shall be administered as an amendment to an existing permit or a new project entirely based on the relationship between what is being proposed and the original permit. Applications for an amendment to modify an active permit will be assessed based on the net difference in ECC from the original permit or actual area affected by the proposed amendment.
H. The ECC threshold between COA Level I and COA Level II applications is annually adjusted based on the Consumer Price Index pursuant to Section 3.2.4 (a) of the *Burlington Comprehensive Development Ordinance*. For Fiscal Year 2024, this amount is $28,000.

FY25 WATER RESOURCES RATE SCHEDULES

FY 25 Private Fire Protection Fee Schedule	
Fire Service Size/Type	**Monthly Charge**
1.5"	$37.20
2"	$37.20
3"	$37.20
4"	$37.20
6"	$108.00
8"	$230.16
10"	$413.92
Private Fire Hydrant	$108.00

FY 25 Water and Wastewater Fixed Charge by Meter Size Schedule		
	Water	**Wastewater**
Meter Size	**Monthly Charge**	
5/8"	$3.93	$5.69
3/4"	$5.90	$8.53
1"	$9.81	$14.22
1.5"	$19.59	$28.44
2"	$31.34	$45.49
3"	$58.75	$85.29
4"	$97.90	$142.14
6"	$195.79	$284.26
8"	$313.23	$454.79
10"	$450.29	$812.84

FY 25 Water and Wastewater Volumetric Rate Schedule		
	Water	**Wastewater**
Meter Type and Usage Tiers	**Rate per 100 Cubic Feet (CF) per month**	
Single Unit Residential		
Tier 1 (0 - 400 CF)	$2.93	$7.28

Tier 2 (401 CF and higher)	$7.31	$7.28
Duplex		
Tier 1 (0 - 600 CF)	$2.93	$7.28
Tier 2 (601 CF and higher)	$7.31	$7.28
Triplex		
Tier 1 (0 - 900 CF)	$2.93	$7.28
Tier 2 (901 CF and higher)	$7.31	$7.28
Multi-Family Residential	$5.01	$7.28
Mixed Residential & Commercial	$5.01	$7.28
Commercial	$5.01	$7.28
City	$5.01	$7.28
Irrigation	$8.76	-
Process Water for Heating or Cooling	$5.66	-

FY 25 Stormwater Rate Schedule		
Stormwater Monthly Fee	**$3.33**	**per ISU per month**
1 ISU = 1,000 square feet of impervious		
The Council sets the ISU fee which is then multiplied by the flat rate multipliers in the ordinance to establish the Flat Fees for Single Family, Duplex and Triplex customers.		
Single Family	$8.89	per month
Duplex	$8.82	per month
Triplex	$10.19	per month

Office of Mayor Emma Mulvaney-Stanak

MEMORANDUM

To:	City Council
From:	Mayor Emma Mulvaney-Stanak
CC:	Katherine Schad, CAO
Date:	June 24, 2024
Re:	Proposed Fiscal Year 2025 Budget

I am pleased to present a balanced fiscal year 2025 (FY25) budget to the City Council for your consideration. In this budget you will see our collective commitment to community safety, affordability for residents, and sustainability of City operations. I set these priorities early in my administration, and I am grateful to all who worked diligently, steadily, and collaboratively to help us craft a budget that moves us closer to achieving these goals.

This budget also reflects the challenges of budgeting in a post-pandemic era in which we must move away from using one-time funds for ongoing needs. The City's budget grew by approximately 7.3% in FY23 and by 9.1% in FY24. This year's budget represents a 7.0% increase, so though we are heading in the right direction, our financial challenges will not be solved upon the passage of this year's budget. However, I am confident that by starting work on the FY26 budget this summer and by implementing long-range budgeting practices, we will be better prepared for what lies ahead while also making further strides toward improving community health and safety, making our city more affordable, and right-sizing our city government.

Budget Process

In January 2024, Councilors and the public were told to anticipate a $9 million gap between revenue and expenses for the upcoming fiscal year. Shortly after I took office in April 2024, we learned that the gap was an estimated $13.1 million. In mid-April, I shared this information with City Staff, the Council, and the public. This budget gap required us to make difficult decisions, and from the beginning, I was committed to being transparent about these challenges and the solutions we would pursue to address them.

In mid-April, I convened my Budget Advisors, a diverse group of community partners who provided expertise, analysis, and recommendations for the FY25 budget. That team met four times over the course of this Spring, and they helped me ensure that this budget aligns with the City's priorities and financial requirements.

In late April, I asked Department Heads to conduct a comprehensive review of their budgets to find additional areas for cost-savings, including identifying projects that could be paused, one-time funds that could be reallocated, or vacancies that could be held open in FY25. I also asked for creative solutions to generate revenue. I am grateful to this leadership team; they each rose to this challenge and worked collaboratively to help us close this gap.

In early May, I met with several Department Heads and city staff about community-safety-related budget priorities. That meeting generated dozens of ideas, both immediate and longer-term, and directly informed the community safety-related expenditures that are reflected in this year's budget.

In mid-May, I shared with the community and City Council an update on our work to balance the FY25 budget. In that communication, I shared that we not only closed the $13.1 million gap, but we identified an additional $325,000 in the general fund and $250,000 in opioid settlement funds. These additional funds were allocated to support immediate community safety solutions developed from the early May city staff recommendations.

On June 3rd, I presented a budget overview to the Board of Finance, and on June 7th, I learned from our CAO that the budget gap was actually $1.1 million larger than as calculated in April. The CAO and her team then worked quickly to find solutions, and on June 10th, I presented the budget with updated information to the City Council. Leading up to the June 3rd and June 10th presentations, and over the past few weeks, my office has been working collaboratively with both the Progressive and Democratic City Council Caucuses, and that collaboration has led to this final budget proposal for FY25.

Finally, I would be remiss if I did not emphasize the hundreds of hours of hard work by CAO Schad and her team; I am deeply grateful for their expertise and unwavering commitment, as I am to everyone who so ably confronted these challenges and helped identify solutions.

Budget Pressures

A number of factors contributed to this year's $14.2 million budget gap: the drying up of one-time, Covid-related federal funding; unsustainable use of the City's fund balance; and less money in our capital budget that can be used for capital-related salaries—all while personnel and operational costs continue to rise due to cost of living adjustments, increased healthcare costs, a growing City government, and inflation. As well, due to timing and inaccurate assumptions about the city's fee schedules, we were unable to implement most of the savings or additional revenue recommendations from two consultant studies, which proposed approximately $4 million in operational efficiencies and user fees. In sum, this meant we had to find solutions for approximately $6.5 million fewer dollars in revenue in the coming year, while facing increased expenses totaling around $6.6 million.

In addition, the City does not currently engage in long-term budget planning. We know that our current budget pressures will persist in future fiscal years and that we need to take steps now to right-size and modernize our City government. My administration intends to immediately begin planning for FY26 by examining the long-awaited findings from the Operational Efficiency study that was commissioned by the prior administration; by further examining the recently-completed User Fee study; by meeting with Department Heads at our August "budget summit;" and by initiating processes for proactive budgeting that allow us to innovate, while also emphasizing inclusion and affordability for residents.

Reduction in Revenues:
The City has been relying on unsustainable revenue sources, and we had to find solutions for replacing $4.6 million of our fund balance, $1.4 million in ARPA monies; and $.5 million in capital money that was used to fund general fund salaries.

Increased Personnel and Operational Costs:
As with last year, public safety costs make up the most significant portion of the increases in personnel and operational costs in our FY25 budget. The prior administration proposed the public safety tax increase to maintain the operational costs of the police and fire budgets, not to fund new public safety initiatives. In turn, the only two departments that I did not ask to find cost savings are police and fire, and their budgets grow by a total of $3.87 million ($2.47 million for police and $1.4 million for fire) in FY25. These budgets reflect my community safety priorities and the will of the voters who both approved increasing our public safety tax and elected a Mayor whose community safety solutions go beyond just increasing numbers of sworn officers. (*See below for more details about my community safety investments in this year's budget.*)

Solutions for closing the Gap
We have identified a number of solutions to close the $14.2 million gap, while also ensuring we have some additional funding for strategic investments in community safety. Broadly, these include through increasing tax revenue; increasing user fees as well as our efforts to collect outstanding fees owed to the City; strategic use of one-time funds; and various budget reductions such as not filling current vacancies and reducing programmatic expenses. *Please see the below table for a more detailed breakdown of these approaches, with estimated savings amounts.*

Increased Tax Revenue:
In all, the below tax increases are forecasted to bring in approximately $5.8 million in new revenue this fiscal year.

Public Safety Tax:
Voters approved an up-to 3-cent increase in the public safety tax, and I am implementing a 2-cent increase this year. Because our City charter allows revenue from the public safety tax to be spent only on the police and fire departments, and because my community safety investments include expenditures beyond those two departments (e.g., funding additional security and a social worker at the Library), I decided to rely on other revenue sources beyond the public safety tax to help address our safety challenges. As well, this provides some flexibility for next

year's budget should we determine we need to implement the full 3 cents authorized, while also keeping in mind affordability for residents in this year's budget.

Gross receipts taxes (Hotels, Restaurants and Amusements):
In order to balance investing in community safety and affordability, I am increasing two consumption taxes so that some of the tax burden will fall not just on property owners. I am increasing the hotel-motel tax from 2% to 4%, and the non-lodging gross receipts tax from 2% to 2.5%. The non-lodging tax increase will sunset at the end of this fiscal year; the hotel tax will not sunset. CAO Schad will closely track gross receipts revenues and report monthly to the Board of Finance.

Retirement and Debt Service Taxes:
These two taxes increase annually in an amount based on the value of the grand list. The retirement tax is governed by ordinance, and the debt service tax is governed by Charter. The retirement tax is estimated to bring in $1.93 million in revenue in FY25, and the debt service tax $800,000.

<u>Non-tax Revenue: Increasing Fees</u>
I will be implementing several fee increases in FY25. These fee increases are informed by the User Fee study, which found that several of our fees are far below market rates, and in many cases were not covering expenses. The Fire Department, Parks Department, and Burlington City Arts will all be making upward adjustments in fees. In all cases, we maintain access to services for residents who cannot afford the fees, and in many cases, we did not increase fees this year to the full amount recommended by the fee study report. We will examine our fee structures and the user fee study again when crafting the FY26 budget.

<u>Vacancy savings</u>:
As the below table shows, keeping current vacancies open is a high-yield strategy, amounting to approximately $1 million in savings for the FY25 budget. Department Heads identified 18 vacancies in FY25 we can hold open without significant impact on the core functions of their departments for one year. None of these positions are being eliminated this year, but looking ahead to FY26, I will be working with Departments to take a more strategic, thorough, and fair approach to vacancies and identifying efficiencies in our city government. We unfortunately did not have time to do that careful work this year, and nor did we have the benefit of a finalized Operational Efficiency study, the findings of which I look forward to considering as we look ahead to FY26 budget planning, beginning this summer.

I also look forward to doing strategic and thoughtful work with the REIB office this year, which will retain several vacancies in FY25. That Department was funded primarily by one-time ARPA funds, and with those funds drying up, the REIB office will be focusing on strategic planning and re-envisioning to ensure its work is sustainable, mission-based, and integrated across the City. I am wholly committed to supporting the REIB in this process and in helping ensure that equity and inclusion informs the work not just of the REIB, but of all city Departments, including the Mayor's Office.

Reducing Expenses:

One of the budget savings measures is identifying services that no longer require General Fund dollars because there are reliable sources of federal and/or state funding. Examples include language access services and childcare—services which are certainly crucial, but which need not be supported by General Fund dollars.

Budget Solutions - Updated as of 6/21/24	Approx. Amount
Tax Revenue	
Implement voter-approved public safety tax $.02 increase	$ 1,350,000
Raise non-lodging gross receipts from 2% to 2.5%	$ 770,000
Raise hotel tax from 2% to 4%	$ 950,000
Retirement Tax	$ 1,930,000
Debt Service Tax	$ 800,000
Subtotal	$ 5,800,000
Increase Fees (including credit card)	
Fire Dept fee increase per report	$ 289,428
BCA fee increase per report	$ 150,700
BPRW fee increase per report	$ 218,759
Increased vacant buildings fee	$ 10,000
Subtotal	$ 668,887
Strategic Use of One-Time Funds	
Repurpose unused ARPA funds	$ 2,100,000
Using HTF $ to free up more ARPA	$ 300,000
Repurposed unused or already used assigned funds	$ 365,125
Unassigned fund balance	$ 100,000
Opioid Settlement Funds (State and City)	$ 256,000
BRPW one-time fund use	$ 42,000
REIB assigned fund balance unused from FY23	$ 264,000
Subtotal	$ 3,427,125
Budget Savings	
Vacancy savings from 18 FTEs	$ 1,045,000
Cut expenses from various programs	$ 900,000
Offer early retirement	TBD
Additional funds from Water to GF	$ 122,000
Additional funds from Airport for additional police	$ 210,000
Use capital money to pay for capital salaries	$ 500,000
Subtotal	$ 2,777,000
Increase Other Revenues and CT Office Solutions	
PILOT-related	$ 690,000
Increased gross receipts collection	$ 700,000
Increase investment income	$ 100,000
Increase bond premiums	$ 200,000
Increase financial services	$ 50,000
Increase recording fees	$ 50,000
Increased accounts receivable	$ 197,537
Delay ambulance payment	$ 115,000
Reduce CT consulting	$ 50,000
Updated interest on taxes	$ 50,000
Subtotal	$ 2,202,537
Tentative Total	**$ 14,875,549**
Strategic Investments in Community Safety	**$ 675,000**

Investments in Community Safety
My administration is deeply committed to responding to Burlington's health and safety challenges with a collaborative, compassionate, and data-informed approach. We are proposing new strategies, while responding to direct requests from city departments, City Councilors, and the community to continue what is working while also making some additional strategic investments.

Community safety priorities are reflected in the FY25 budget as follows:

- Approximately $3.87 million more in the Police ($2.47M) and Fire ($1.4M) operating budgets from FY24 to FY25;
- $344,000 to fund and commence BTV CARES;
- Hiring 10 new sworn officers and a policy commitment to work to hire up to the authorized limit of 87 officers based on workforce recruitment realities;
- Hiring up to the authorized limit of 11 Community Support Officers (up from 6 currently on staff);
- Additional $100,000 for the police department to support recruitment and retention with quarterly reporting on our progress and adaptability to workforce hiring challenges;
- Fully staffing fire fighters at the authorized limit;
- Fully funding the Fire Department's Community Response Team (CRT);
- $500,000 continued funding to supplement city departments with private security services;
- $150,000 additional funding for the Library to hire more security and an in-house social worker;
- $50,000 to fund services and supports on City land near encampments;
- Funding for year one of a Senior Advisor on Community Safety, a temporary, two-year position;
- Continued stable funding of the Howard Street Outreach Team, Rape Crisis Center, Steps to End Domestic Violence, and Turning Point Center when we slightly reduced funding to other area non-profits to help balance the significant budget gap.

In my short time as Mayor, it has become clear to me that our City's community safety response system has developed in silos. Important work is underway, but we lack coordination and efficient use of limited resources. We need to examine our approach and identify new and data-informed ways to address complex issues, so that we can better deliver critical services to our City. This work must come from the Mayor's Office, as it will be focused on our entire City, including departments, stakeholders, and partners. To do this critical work well, my office needs more capacity. The proposed Senior Advisor on Community Safety would be a temporary two-year position to advance this work by making policy recommendations, engaging with the community; and crafting plans for implementation that modernizes our current community safety system to better meet the needs of our City. The FY25 budget includes funding for this position, but our office is seeking Congressionally-directed spending to support this position, and should we secure that funding, we will adjust the budget accordingly.

FY25 Municipal Tax Rates

The City's municipal tax rates for FY25, and as presented by CAO Schad to the Board of Finance on June 3d, are as follows:

- FY24's tax rate was $.7523
- FY25's tax rate is $.8326
- This is a $0.08 or 10.7% increase
- This increase includes $.02 increase to police and fire tax as approved by voters.
- It also includes the ordinance- and Charter- required increases, specifically $.0238 for debt tax and $.035 for retirement tax.

		FY24		FY25	
	Grand List / $100		**$56,544,085**		**$56,331,627**
		Budget Tax Rate	**Projected Taxes**	**Budget Tax Rate**	**Projected Taxes**
REVENUE NEUTRAL RATES:					
	General City	0.1952	**$ 11,037,405**	0.1952	**$10,995,934**
	Police/Fire	0.0785	4,438,711	0.0985	5,548,665
RATES CAPPED BY VOTERS:					
	Parks	0.0450	2,544,484	0.0450	2,534,923
	Penny for Parks	0.0100	565,441	0.0100	563,316
	Highway	0.0312	1,764,175	0.0312	1,757,547
	Street Capital and Greenbelt	0.0550	3,109,925	0.0550	3,098,239
	Library Tax	0.0050	282,720	0.0050	281,658
	Housing Trust	0.0100	565,441	0.0100	563,316
	Open Space - Conservation Legacy	0.0100	565,441	0.0100	563,316
BUDGET DRIVEN RATES:					
	GMT	0.0328	1,852,861	0.0342	1,928,561
	County Tax	0.0041	231,831	0.0041	231,940
	Retirement	0.1578	8,925,470	0.1928	10,861,619
	Debt Service	0.1177	6,654,154	0.1416	7,975,125
		=====	==========	=====	==========
TOTAL		**0.7523**	**$ 42,538,059**	**0.8326**	**$46,904,160**

Looking Ahead to FY26 and beyond

I will be implementing proactive budgeting practices that allow the City to plan not just for FY26, but also beyond. My administration will continue to prioritize affordability, sustainability, and the health and safety of our community. I look forward to meeting with Departments in August for our budget summit and to continue the work we started on right-sizing our government. We made some important strides this year by reducing our budget growth by 2.1% over last year's budget, and I intend to continue this downward trend. Some of the approaches I will employ in FY26 are as follows, with more ideas certainly to come.

- Examining the recommendations from the Operational Efficiency Study and working with City staff, the City Council, advisory groups, and the community to determine steps for modernizing and making more sustainable our city government structure;
- Further examining the recommendations from the User Fee Study to determine whether more can be done to ensure fees align with costs while also maintaining equitable access to City programs and services;
- Collecting outstanding fees owed to the City and making sure we are effectively enforcing our housing code to ensure both habitability and fee sanctions for violations of that code;
- Creating a policy on the amount of capital funds that can be spent on salaries and seeking sources of revenue for capital other than through bonding;
- Creating fair and transparent processes for our regional programs and empowerment fund grants;
- Working with City Staff and our grants office to seek outside funding sources, while avoiding seeking one-time funding for ongoing needs;
- Examining whether we need to move away from a self-insured health care model;
- Working with our state and federal delegations to ensure effective communication and collaboration with City government so that needs of Burlington are well-represented.
- Beginning to create multi-year budget planning models so we can better forecast and plan for our city's needs, including when we need to raise revenue through municipal tax increases and/or utility rate increases and coordination of bonding and debt service payments.

Office of Mayor Emma Mulvaney-Stanak

MEMORANDUM

To:	City Council
From:	Mayor Emma Mulvaney-Stanak
CC:	Katherine Schad, CAO
Date:	June 24, 2024
Re:	Proposed Fiscal Year 2025 Budget

I am pleased to present a balanced fiscal year 2025 (FY25) budget to the City Council for your consideration. In this budget you will see our collective commitment to community safety, affordability for residents, and sustainability of City operations. I set these priorities early in my administration, and I am grateful to all who worked diligently, steadily, and collaboratively to help us craft a budget that moves us closer to achieving these goals.

This budget also reflects the challenges of budgeting in a post-pandemic era in which we must move away from using one-time funds for ongoing needs. The City's budget grew by approximately 7.3% in FY23 and by 9.1% in FY24. This year's budget represents a 7.0% increase, so though we are heading in the right direction, our financial challenges will not be solved upon the passage of this year's budget. However, I am confident that by starting work on the FY26 budget this summer and by implementing long-range budgeting practices, we will be better prepared for what lies ahead while also making further strides toward improving community health and safety, making our city more affordable, and right-sizing our city government.

Budget Process

In January 2024, Councilors and the public were told to anticipate a $9 million gap between revenue and expenses for the upcoming fiscal year. Shortly after I took office in April 2024, we learned that the gap was an estimated $13.1 million. In mid-April, I shared this information with City Staff, the Council, and the public. This budget gap required us to make difficult decisions, and from the beginning, I was committed to being transparent about these challenges and the solutions we would pursue to address them.

In mid-April, I convened my Budget Advisors, a diverse group of community partners who provided expertise, analysis, and recommendations for the FY25 budget. That team met four times over the course of this Spring, and they helped me ensure that this budget aligns with the City's priorities and financial requirements.

In late April, I asked Department Heads to conduct a comprehensive review of their budgets to find additional areas for cost-savings, including identifying projects that could be paused, one-time funds that could be reallocated, or vacancies that could be held open in FY25. I also asked for creative solutions to generate revenue. I am grateful to this leadership team; they each rose to this challenge and worked collaboratively to help us close this gap.

In early May, I met with several Department Heads and city staff about community-safety-related budget priorities. That meeting generated dozens of ideas, both immediate and longer-term, and directly informed the community safety-related expenditures that are reflected in this year's budget.

In mid-May, I shared with the community and City Council an update on our work to balance the FY25 budget. In that communication, I shared that we not only closed the $13.1 million gap, but we identified an additional $325,000 in the general fund and $250,000 in opioid settlement funds. These additional funds were allocated to support immediate community safety solutions developed from the early May city staff recommendations.

On June 3rd, I presented a budget overview to the Board of Finance, and on June 7th, I learned from our CAO that the budget gap was actually $1.1 million larger than as calculated in April. The CAO and her team then worked quickly to find solutions, and on June 10th, I presented the budget with updated information to the City Council. Leading up to the June 3rd and June 10th presentations, and over the past few weeks, my office has been working collaboratively with both the Progressive and Democratic City Council Caucuses, and that collaboration has led to this final budget proposal for FY25.

Finally, I would be remiss if I did not emphasize the hundreds of hours of hard work by CAO Schad and her team; I am deeply grateful for their expertise and unwavering commitment, as I am to everyone who so ably confronted these challenges and helped identify solutions.

Budget Pressures

A number of factors contributed to this year's $14.2 million budget gap: the drying up of one-time, Covid-related federal funding; unsustainable use of the City's fund balance; and less money in our capital budget that can be used for capital-related salaries—all while personnel and operational costs continue to rise due to cost of living adjustments, increased healthcare costs, a growing City government, and inflation. As well, due to timing and inaccurate assumptions about the city's fee schedules, we were unable to implement most of the savings or additional revenue recommendations from two consultant studies, which proposed approximately $4 million in operational efficiencies and user fees. In sum, this meant we had to find solutions for approximately 6.5 million fewer dollars in revenue in the coming year, while facing increased expenses totaling around $6.6 million.

In addition, the City does not currently engage in long-term budget planning. We know that our current budget pressures will persist in future fiscal years and that we need to take steps now to right-size and modernize our City government. My administration intends to immediately begin planning for FY26 by examining the long-awaited findings from the Operational Efficiency study that was commissioned by the prior administration; by further examining the recently-completed User Fee study; by meeting with Department Heads at our August "budget summit;" and by initiating processes for proactive budgeting that allow us to innovate, while also emphasizing inclusion and affordability for residents.

<u>Reduction in Revenues</u>:
The City has been relying on unsustainable revenue sources, and we had to find solutions for replacing $4.6 million of our fund balance, $1.4 million in ARPA monies; and $.05 million in capital money that was used to fund general fund salaries.

<u>Increased Personnel and Operational Costs</u>:
As with last year, public safety costs make up the most significant portion of the increases in personnel and operational costs in our FY25 budget. The prior administration proposed the public safety tax increase to maintain the operational costs of the police and fire budgets, not to fund new public safety initiatives. In turn, the only two departments that I did not ask to find cost savings are police and fire, and their budgets grow by a total of $3.87 million ($2.47 million for police and $1.4 million for fire) in FY25. These budgets reflect my community safety priorities and the will of the voters who both approved increasing our public safety tax and elected a Mayor whose community safety solutions go beyond just increasing numbers of sworn officers. (*See below for more details about my community safety investments in this year's budget.*)

Solutions for closing the Gap
We have identified a number of solutions to close the $14.2 million gap, while also ensuring we have some additional funding for strategic investments in community safety. Broadly, these include through increasing tax revenue; increasing user fees as well as our efforts to collect outstanding fees owed to the City; strategic use of one-time funds; and various budget reductions such as not filling current vacancies and reducing programmatic expenses. *Please see the below table for a more detailed breakdown of these approaches, with estimated savings amounts.*

<u>Increased Tax Revenue</u>:
In all, the below tax increases are forecasted to bring in approximately $5.8 million in revenue this fiscal year.

Public Safety Tax:
Voters approved an up-to 3-cent increase in the public safety tax, and I am implementing a 2-cent increase this year. Because our City charter allows revenue from the public safety tax to be spent only on the police and fire departments, and because my community safety investments include expenditures beyond those two departments (e.g., funding additional security and a social worker at the Library), I decided to rely on other revenue sources beyond the public safety tax to help address our safety challenges. As well, this provides some flexibility for next

year's budget should we determine we need to implement the full 3 cents authorized, while also keeping in mind affordability for residents in this year's budget.

Gross receipts taxes (Hotels, Restaurants and Amusements):
In order to balance investing in community safety and affordability, I am increasing two consumption taxes so that some of the tax burden will fall not just on property owners. I am increasing the hotel-motel tax from 2% to 4%, and the non-lodging gross receipts tax from 2% to 2.5%. The non-lodging tax increase will sunset at the end of this fiscal year; the hotel tax will not sunset. CAO Schad will closely track gross receipts revenues and report monthly to the Board of Finance.

Retirement and Debt Service Taxes:
These two taxes increase annually in an amount based on the value of the grand list. The retirement tax is governed by ordinance, and the debt service tax is governed by Charter. The retirement tax is estimated to bring in $1.93 million in revenue in FY25, and the debt service tax $800,000.

<u>Non-tax Revenue: Increasing Fees</u>
I will be implementing several fee increases in FY25. These fee increases are informed by the User Fee study, which found that several of our fees are far below market rates, and in many cases were not covering expenses. The Fire Department, Parks Department, and Burlington City Arts will all be making upward adjustments in fees. In all cases, we maintain access to services for residents who cannot afford the fees, and in many cases, we did not increase fees this year to the full amount recommended by the fee study report. We will examine our fee structures and the user fee study again when crafting the FY26 budget.

<u>Vacancy savings</u>:
As the below table shows, keeping current vacancies open is a high-yield strategy, amounting to approximately 1.4 million in savings for the FY25 budget. Department Heads identified 21 vacancies in FY25 we can hold open without significant impact on the core functions of their departments for one year. None of these positions are being eliminated this year, but looking ahead to FY26, I will be working with Departments to take a more strategic, thorough, and fair approach to vacancies and identifying efficiencies in our city government. We unfortunately did not have time to do that careful work this year, and nor did we have the benefit of a finalized Operational Efficiency study, the findings of which I look forward to considering as we look ahead to FY26 budget planning, beginning this summer.

I also look forward to doing strategic and thoughtful work with the REIB office this year, which will retain several vacancies in FY25. That Department was funded primarily by one-time ARPA funds, and with those funds drying up, the REIB office will be focusing on strategic planning and re-envisioning to ensure its work is sustainable, mission-based, and integrated across the City. I am wholly committed to supporting the REIB in this process and in helping ensure that equity and inclusion informs the work not just of the REIB, but of all city Departments, including the Mayor's Office.

Reducing Expenses:

One of the budget savings measures is identifying services that no longer require General Fund dollars because there are reliable sources of federal and/or state funding. Examples include language access services and childcare—services which are certainly crucial, but which need not be supported by General Fund dollars.

Budget Solutions - Updated as of 6/21/24	Approx. Amount
Tax Revenue	
Implement voter-approved public safety tax $.02 increase	$ 1,350,000
Raise non-lodging gross receipts from 2% to 2.5%	$ 770,000
Raise hotel tax from 2% to 4%	$ 950,000
Retirement Tax	$ 1,930,000
Debt Service Tax	$ 800,000
Subtotal	$ 5,800,000
Increase Fees (including credit card)	
Fire Dept fee increase per report	$ 289,428
BCA fee increase per report	$ 150,700
BPRW fee increase per report	$ 218,759
Increased vacant buildings fee	$ 10,000
Subtotal	$ 668,887
Strategic Use of One-Time Funds	
Repurpose unused ARPA funds	$ 2,100,000
Using HTF $ to free up more ARPA	$ 300,000
Repurposed unused or already used assigned funds	$ 365,125
Unassigned fund balance	$ 100,000
Opioid Settlement Funds (State and City)	$ 256,000
BRPW one-time fund use	$ 42,000
REIB assigned fund balance unused from FY23	$ 264,000
Subtotal	$ 3,427,125
Budget Savings	
Vacancy savings from 18 FTEs	$ 1,045,000
Cut expenses from various programs	$ 900,000
Offer early retirement	TBD
Additional funds from Water to GF	$ 122,000
Additional funds from Airport for additional police	$ 210,000
Use capital money to pay for capital salaries	$ 500,000
Subtotal	$ 2,777,000
Increase Other Revenues and CT Office Solutions	
PILOT-related	$ 690,000
Increased gross receipts collection	$ 700,000
Increase investment income	$ 100,000
Increase bond premiums	$ 200,000
Increase financial services	$ 50,000
Increase recording fees	$ 50,000
Increased accounts receivable	$ 197,537
Delay ambulance payment	$ 115,000
Reduce CT consulting	$ 50,000
Updated interest on taxes	$ 50,000
Subtotal	$ 2,202,537
Tentative Total	**$ 14,875,549**
Strategic Investments in Community Safety	**$ 675,000**

Investments in Community Safety

My administration is deeply committed to responding to Burlington's health and safety challenges with a collaborative, compassionate, and data-informed approach. We are proposing new strategies, while responding to direct requests from city departments, City Councilors, and the community to continue what is working while also making some additional strategic investments.

Community safety priorities are reflected in the FY25 budget as follows:

- Approximately $3.87 million more in the Police ($2.47M) and Fire ($1.4M) operating budgets from FY24 to FY25;
- $344,000 to fund and commence BTV CARES;
- Hiring 10 new sworn officers and a policy commitment to work to hire up to the authorized limit of 87 officers based on workforce recruitment realities;
- Hiring up to the authorized limit of 11 Community Support Officers (up from 6 currently on staff);
- Additional $100,000 for the police department to support recruitment and retention with quarterly reporting on our progress and adaptability to workforce hiring challenges;
- Fully staffing fire fighters at the authorized limit;
- Fully funding the Fire Department's Community Response Team (CRT);
- $500,000 continued funding to supplement city departments with private security services;
- $150,000 additional funding for the Library to hire more security and an in-house social worker;
- $50,000 to fund services and supports on City land near encampments;
- Funding for year one of a Senior Advisor on Community Safety, a temporary, two-year position;
- Continued stable funding of the Howard Street Outreach Team, Rape Crisis Center, Steps to End Domestic Violence, and Turning Point Center when we slightly reduced funding to other area non-profits to help balance the significant budget gap.

In my short time as Mayor, it has become clear to me that our City's community safety response system has developed in silos. Important work is underway, but we lack coordination and efficient use of limited resources. We need to examine our approach and identify new and data-informed ways to address complex issues, so that we can better deliver critical services to our City. This work must come from the Mayor's Office, as it will be focused on our entire City, including departments, stakeholders, and partners. To do this critical work well, my office needs more capacity. The proposed Senior Advisor on Community Safety would be a temporary two-year position to advance this work by making policy recommendations, engaging with the community; and crafting plans for implementation that modernizes our current community safety system to better meet the needs of our City. The FY25 budget includes funding for this position, but our office is seeking Congressionally-directed spending to support this position, and should we secure that funding, we will adjust the budget accordingly.

FY25 Municipal Tax Rates

The City's municipal tax rates for FY25, and as presented by CAO Schad to the Board of Finance on June 3d, are as follows:

- FY24's tax rate was $.7523
- FY25's tax rate is $.8326
- This is a $0.08 or 10.7% increase
- This increase includes $.02 increase to police and fire tax as approved by voters.
- It also includes the ordinance- and Charter- required increases, specifically $.0178 for debt tax and $.0268 for retirement tax.

		FY24		FY25	
	Grand List / $100		**$56,544,085**		**$56,331,627**
		Budget	**Projected**	**Budget**	**Projected**
		Tax Rate	**Taxes**	**Tax Rate**	**Taxes**
REVENUE NEUTRAL RATES:					
	General City	0.1952	**$ 11,037,405**	0.1952	**$ 10,995,309**
	Police/Fire	0.0785	4,438,711	0.0985	5,795,609
RATES CAPPED BY VOTERS:					
	Parks	0.0450	2,544,484	0.0450	2,647,740
	Penny for Parks	0.0100	565,441	0.0100	588,387
	Highway	0.0312	1,764,175	0.0312	1,835,767
	Street Capital and Greenbelt	0.0550	3,109,925	0.0550	3,236,127
	Library Tax	0.0050	282,720	0.0050	294,193
	Housing Trust	0.0100	565,441	0.0100	588,387
	Open Space - Conservation Legacy	0.0100	565,441	0.0100	588,387
BUDGET DRIVEN RATES:					
	GMT	0.0328	1,852,861	0.0342	1,928,561
	County Tax	0.0041	231,831	0.0041	231,940
	Retirement	0.1578	8,925,470	0.1928	10,861,619
	Debt Service	0.1177	6,654,154	0.1415	7,970,125
		=====	==========	=====	==========
TOTAL		**0.7523**	**$ 42,538,059**	**0.8326**	**$46,899,160**

Looking Ahead to FY26 and beyond

I will be implementing proactive budgeting practices that allow the City to plan not just for FY26, but also beyond. My administration will continue to prioritize affordability, sustainability, and the health and safety of our community. I look forward to meeting with Departments in August for our budget summit and to continue the work we started on right-sizing our government. We made some important strides this year by reducing our budget growth by 2.1% over last year's budget, and I intend to continue this downward trend. Some of the approaches I will employ in FY26 are as follows, with more ideas certainly to come.

- Examining the recommendations from the Operational Efficiency Study and working with City staff, the City Council, advisory groups, and the community to determine steps for modernizing and making more sustainable our city government structure;
- Further examining the recommendations from the User Fee Study to determine whether more can be done to ensure fees align with costs while also maintaining equitable access to City programs and services;
- Collecting outstanding fees owed to the City and making sure we are effectively enforcing our housing code to ensure both habitability and fee sanctions for violations of that code;
- Creating a policy on the amount of capital funds that can be spent on salaries and seeking sources of revenue for capital other than through bonding;
- Creating fair and transparent processes for our regional programs and empowerment fund grants;
- Working with City Staff and our grants office to seek outside funding sources, while avoiding seeking one-time funding for ongoing needs;
- Examining whether we need to move away from a self-insured health care model;
- Working with our state and federal delegations to ensure effective communication and collaboration with City government so that needs of Burlington are well-represented.
- Beginning to create multi-year budget planning models so we can better forecast and plan for our city's needs, including when we need to raise revenue through municipal tax increases and/or utility rate increases and coordination of bonding and debt service payments.

COMMUNITY & ECONOMIC DEVELOPMENT OFFICE
149 CHURCH STREET • ROOM 32 • CITY HALL • BURLINGTON, VT 05401
(802) 865-7144 • (802) 865-7024 (FAX)
www.burlingtonvt.gov/cedo

To: Board of Finance
City Council
From: Sarah Russell, Special Asst. to End Homelessness
Date: June 24, 2024
Subject: Budget Justification: FY25 Seasonal Health Response to Encampments

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Background

A cross-department working group led by CEDO, and including Parks, Recreation and Waterfront, Public Works, the City Attorney's Office, Human Resources, Burlington Police and Fire Departments, and Mayor's Office has met weekly since April to identify strategies to support unsheltered Vermonters, while the administration advocates for long-term supportive shelter solutions at both the regional and state levels. This working group has identified several locations where access to resources should be available for the public.

City staff continue to work to strengthen coordination across departments to connect with individuals at campsites, identify where additional cross-departmental collaboration is necessary, and conduct legal review of our temporary responses to seasonal camping. As presented previously to City Council, we recommend focusing on three strategies to help to mitigate the environmental and health concerns for those forced to live outside and ensure sense of safety for all community members and staff:

Strategy #1: Identify resources that could be strategically placed to help meet basic needs and mitigate health and environmental concerns.
Strategy #2: Engagement. Continue and expand the coordinated response by City staff and community partners to connect campers with supportive services, manage conflict, and utilize housing-focused and trauma-informed practices.
Strategy #3: Proactive Planning. Our City team is immediately beginning to examine options for shelter expansion in the fall. This includes exploring the City's role in building capacity for emergency shelter.

Budget

During the May 29th Board of Finance meeting, the Mayor proposed $50,000 as part of the FY25 Community Safety budget to support unsheltered members of our community. The attached draft budget represents a break-down of anticipated costs associated with **Strategy #1**. The City plans to provide the following resources in three locations:

- Toilets
- Refuse removal
- Access to handwashing and potable water
- Sharps receptacles

Note: An additional $20,000 has been set aside for remediation when necessary.

Location	Resource Type	Quantity	Cost (Freq.)	# of months	Item Totals
City Land/Dog Park					
	Dumpster (3 yd)	1	$149	3	$447.00
	Portable Toilets	2	$210	3	$1,260.00
	Potable Water Tank	1	$769	-	$769.00
	Sharps Container	1	$1,600	-	$1,600.00
	Handwashing Station	1		-	
Urban Reserve					
	Dumpster (3 yd)	1	$149	3	$447.00
	Portable Toilets	2	$210	3	$1,260.00
	Sharps Container	1	$1,600	-	$1,600.00
	Handwashing Station	1		-	
Manhattan Drive Bike Path	Dumpster (3 yd)	1	$149	3	$447.00
	Portable Toilets	2	$210	3	$1,260.00
	Potable Water Tank	1	$769	-	$769.00
	Sharps Container	1	$1,600	-	$1,600.00
Other Items					
	Remediation				$20,000.00
	Contingency				$18,541.00
Current Est. Totals					**$50,000.00**

Current resources include portable toilet and dumpster located near the dog park. Additional resources will be installed following approval of FY25 Community Safety Budget. Prior to deployment of resources at Manhattan Drive, community engagement, led by CEDO, will take place.

Updates from the June 10th City Council Seasonal Health Response to Encampments Working Session will be provided prior to the July 15th City Council meeting.

Final Presentation of FY25 Mayor’s Budget

June 24, 2024

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

General Fund Overview

FY22 Actuals	FY23 Actuals	Y over Y Increase	FY24 Amended Budget	Y over Y Increase	FY25 Proposed Budget	Y over Y $ Increase
$86.1M	$92.4M	$6.3M 7.3%	$100.8M	$8.4M 9.1%	$107.8M	$7.0M 6.9%

FY25 Municipal Tax Rate

		FY24		FY25	
	Grand List / $100		$56,544,085		$56,331,627
		Budget Tax Rate	Projected Taxes	Budget Tax Rate	Projected Taxes
REVENUE NEUTRAL RATES:					
	General City	0.1952	$ 11,037,405	0.1952	$10,995,934
	Police/Fire	0.0785	4,438,711	0.0985	5,548,665
RATES CAPPED BY VOTERS:					
	Parks	0.0450	2,544,484	0.0450	2,534,923
	Penny for Parks	0.0100	565,441	0.0100	563,316
	Highway	0.0312	1,764,175	0.0312	1,757,547
	Street Capital and Greenbelt	0.0550	3,109,925	0.0550	3,098,239
	Library Tax	0.0050	282,720	0.0050	281,658
	Housing Trust	0.0100	565,441	0.0100	563,316
	Open Space - Conservation Legacy	0.0100	565,441	0.0100	563,316
BUDGET DRIVEN RATES:					
	GMT	0.0328	1,852,861	0.0342	1,928,561
	County Tax	0.0041	231,831	0.0041	231,940
	Retirement	0.1578	8,925,470	0.1928	10,861,619
	Debt Service	0.1177	6,654,154	0.1415	7,970,125
		=====	==========	=====	==========
TOTAL		0.7523	$ 42,538,059	0.8326	$46,899,160

- FY24 $.7523
- FY25 $.8326
- $0.08 or 10.7% increase

- Includes $.02 increase to police and fire tax as approved by voters.

- Also includes Charter-required increases, specifically $.0238 for debt tax and $.0350 for retirement tax.

Estimated Impact of FY25 Increases

Type of Tax or Fee	FY25 Monthly Increase $300,000 home	FY25 Monthly Increase $500,000 home	FY25 Monthly Increase $700,000 home
Property Tax – Education *	**$34.92**	**$58.08**	**$81.29**
Property Tax – Municipal	**$20.08**	**$33.46**	**$46.84**
Electricity – Avg Consumer **	**$4.51**	**$4.51**	**$4.51**
Water – Avg Consumer ***	**$4.24**	**$4.24**	**$4.24**
Recycling	**$1.24**	**$1.24**	**$1.24**
Total Monthly Increase	**$64.99**	**$101.53**	**$138.12**

* Qualifying taxpayers will actually pay less than this rate through the Vermont Property Tax Credit.

** Those electricity consumers who qualify for the energy income assistance program, pay an average of $3.95/month instead of $4.51/month.

** Those water consumers who qualify for the water income assistance program, pay an average of $3.56/month instead of $4.24/month.

Principles

Committing to affordability for Burlington taxpayers

- Implement $.02 of the $.03 of voter-approved public safety tax
- Reducing rate of growth of general fund budget

Y to Y	Budget Change
FY22-23	7.3%
FY23-24	9.1%
FY24-25	6.9%

Principles

Identifying sustainable financial practices that move us away from relying on one-time funds

- Implementing several fee increases informed by the User Fee study
- Study found that several of our fees are far below market rates, and in many cases were not covering expenses.
- The Fire Department, Parks Department, and Burlington City Arts are all making upward adjustments in fees. In all cases, we maintain access to services for residents who cannot afford the fees.

Principles

Working to right-size city government by providing what the community needs most now and into the future

- $1 million in savings for the FY25 budget from 18 vacancies City is holding open without significant impact on core functions
- Implement Operational Efficiency Study, when received to ensure that departments are appropriately sized for now and the future

Principles

Being fair in raising new revenue across the entire community

- To balance investing in community safety and affordability, increase two consumption taxes so that some of the tax burden will fall beyond property owners.
- Increasing the hotel-motel tax from 2% to 4%, and non-lodging gross receipts tax from 2% to 2.5% (sunset at end of fiscal year)

Principles

Reflecting the <u>priorities</u> 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

- Approximately $3.87 million more in the Police ($2.47M) and Fire ($1.4M) operating budgets from FY24 to FY25
- $344,000 to fund and commence BTV CARES
- Hiring 10 new sworn officers and up to the authorized limit of 11 Community Support Officers (up from 6 currently on staff)
- Additional $100,000 for the police department to support recruitment and retention
- City services retained amidst budget gap
- Slowed budget growth and avoided layoffs

Looking Ahead to FY26 and Beyond

- Many of the FY25 budget challenges are likely to intensify in future years so City leadership meeting end of August to begin FY26 planning.
- Begin robust community discussions on rightsizing government to make it affordable after operational analysis received. Report on progress quarterly.
- Continue to implement user fee study, monitoring effects of increased fees, and providing regular updates.
- Develop Capital Financing Plan to meet City's needs as current bond funds are fully expended.
- Actively investigate increasing non-property tax sources of revenue including franchise fees and payment in lieu of taxes/fee for service agreements.
- Will continue to report out monthly to BOF on revenues and expenses, including gross receipts and user fees so we can adjust as needed and plan for FY26.

Questions and Discussion

Resolution Relating to

ANNUAL TAX ASSESSMENTS ON THE PROPERTY GRAND LIST OF THE CITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2024 AND ENDING JUNE 30, 2025

RESOLUTION_______
Sponsor(s): Mayor Mulvaney-Stanak; Bd. of Finance
Introduced: ____________________
Referred to: ____________________
____
Action: ________________________
Date: __________________________
Signed by Mayor: ________________

CITY OF BURLINGTON

In the year Two Thousand Twenty-Four …………………………………………………………………

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the taxes on the Property Grand List of the City made up in 2024 (the “Grand List”) hereby are levied and assessed for the fiscal year beginning July 1, 2024, and ending June 30, 2025 (“the Fiscal Year ending June 30, 2025” or “FY 25”), as follows:

FIRST: that a tax of nineteen and fifty-two one-hundredths cents ($.1952), one-half cent ($.0050) of which is dedicated to the Bike Path Maintenance and Improvement Fund, on the dollar of said Grand List is levied and assessed for City purposes to meet the accrued and accruing liabilities of the City for the Fiscal Year ending June 30, 2025; and

SECOND: that a tax of five and fifty-one-hundredths cents ($.0550), thirty-two-hundredths of a cent ($.0032) of which is dedicated to tree and green belt improvements, on the dollar of said Grand List is levied and assessed to pay for keeping the streets of the City in repair during the Fiscal Year ending June 30, 2025; and

THIRD: that a tax of nine and eight-five one-hundredths cents ($.0985) on the dollar of said Grand List is levied and assessed to meet the facility and other needs of the City Police Department and the City Fire Department for the Fiscal Year ending June 30, 2025; and

FOURTH: that a tax of one cent ($.0100) on the dollar of said Grand List is levied and assessed to provide funding for open space land conservation for the Fiscal Year ending June 30, 2025; and

FIFTH: that a tax of one cent ($.0100) on the dollar of said Grand List is levied and assessed to provide funding for the Housing Trust Fund for the Fiscal Year ending June 30, 2025; and

SIXTH: that a tax of four and fifty-one-hundredths cents ($.0450) on the dollar of said Grand List is levied and assessed for the care and improvement of park property and expenses of the parks and recreation department for the Fiscal Year ending June 30, 2025; and

SEVENTH: that a tax of one cent ($.0100) on the dollar of said Grand List is levied and for the funding of the “Penny for Parks” program administered by the Parks and Recreation Department for the Fiscal Year ending June 30, 2025; and

EIGHTH: that a tax of three and twelve one-hundredths cents ($.0312) on the dollar of said Grand List is levied and assessed to pay for keeping the highways of the City in repair during the Fiscal Year ending June 30, 2025; and

NINTH: that a tax of fifty one-hundredths of a cent ($.0050) on the dollar of said Grand List is levied and assessed for the purchase of books and other media and other book acquisition related expenses for the Fletcher Free Library for the Fiscal Year ending June 30, 2025; and

TENTH: that a tax of three and forty-two one-hundredths cents ($.0342) on the dollar of said Grand List is levied and assessed to pay for transportation (Green Mountain Transit) for the Fiscal Year ending June 30, 2025; and

ELEVENTH: that a tax of forty-one one-hundredths of a cent ($.0041) on the dollar of said Grand List is levied and assessed to pay the County tax against the City for the Fiscal Year ending June 30, 2025; and

TWELFTH: that a tax of nineteen and twenty-eight one-hundredths cents ($.1928) on the dollar of said Grand List is levied and assessed to provide the funds required for the appropriations to be paid to the Burlington Employees' Retirement system for the Fiscal Year ending June 30, 2025 under the provision of the Ordinance relating thereto; and

THIRTEENTH: that a tax of fourteen and sixteen one-hundredths cents ($.1416) on the dollar of said Grand List is levied and assessed for payments of bonds due for general City purposes for the Fiscal Year ending June 30, 2025; and

FOURTEENTH: that a tax of three- and fifty one-hundredth cents ($.0350) on the dollar of non-residential properties located in the downtown improvement district of said Grand List is levied and assessed for the purposes of a downtown parking program for the Fiscal Year ending June 30, 2025; and

FIFTEENTH: that the total Municipal Tax Rate for the year ending June 30, 2025, which includes all elements set forth above (except paragraph Fourteenth) is eighty-three and twenty-six one-hundredths cents ($.8326) on the dollar of said Grand List for the Fiscal Year ending June 30, 2025;

NOW, THEREFORE, BE IT RESOLVED that the City Clerk-Treasurer’s office is directed to include in the preparation of tax bills for the year ending June 30, 2025, the Local Agreement Tax Rate required by 32 V.S.A. §5404a (d), which shall be of eleven one-hundredth cents on the dollar ($.0011), and this tax rate shall be shown as a separate and distinct tax rate; and

BE IT FURTHER RESOLVED that the City Clerk Treasurer's office is directed to include in the preparation of tax bills the annual tax assessment for the Burlington School Department as directed by the Board of School Commissioners in accordance with the City Charter and State law; and

BE IT FURTHER RESOLVED that the Chief Administrative Officer is directed to make out tax rate bills of all the foregoing taxes as soon as can be completed for the collection properly certified according to law.

ER/KS/Resolutions 2024/Treasurer - Annual Tax Assessments on the Property Grand List of the City for the Fiscal Year Beginning July 1, 2024 (Tax Assessment)
6/20/2024