City Council

Wednesday, May 7, 2025, 5:30 PM, Contois Auditorium, 149 Church Street, 2nd Floor

Join from PC, Mac, iPad, or Android:
https://zoom.us/j/99189293123
Phone one-tap:
+13052241968,,99189293123# US
Join via audio:
+1 305 224 1968 US
Webinar ID: 991 8929 3123
International numbers available: https://zoom.us/u/aysvm5LCM

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

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

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

1. Agenda

Subject	**1.1. Motion to amend/adopt agenda**
Meeting	May 7, 2025 - FY26 Budget Presentations - Wednesday, May 7, 2025, 5:30 PM, Contois Auditorium, 149 Church Street, 2nd Floor
Category	1. Agenda
Department	Council and Board
Type	Action Procedural
Recommended Action	Motion to amend/adopt agenda

2. Public Forum: **See above for signup instructions**

Subject	**2.1. Verbal Comments**
Meeting	May 7, 2025 - FY26 Budget Presentations - Wednesday, May 7, 2025, 5:30 PM, Contois Auditorium, 149 Church Street, 2nd Floor
Category	2. Public Forum: **See above for signup instructions**

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

3. Airport

Subject	**3.1. Airport**
Meeting	May 7, 2025 - FY26 Budget Presentations - Wednesday, May 7, 2025, 5:30 PM, Contois Auditorium, 149 Church Street, 2nd Floor
Category	3. Airport
Department	Council and Board
Type	Information Presentation

4. Burlington Electric Department

Subject	**4.1. Burlington Electric Department**
Meeting	May 7, 2025 - FY26 Budget Presentations - Wednesday, May 7, 2025, 5:30 PM, Contois Auditorium, 149 Church Street, 2nd Floor
Category	4. Burlington Electric Department
Department	Council and Board
Type	Information Presentation

5. Adjournment

Subject	**5.1. Motion to adjourn**
Meeting	May 7, 2025 - FY26 Budget Presentations - Wednesday, May 7, 2025, 5:30 PM, Contois Auditorium, 149 Church Street, 2nd Floor
Category	5. Adjournment
Department	Council and Board
Type	Action Procedural
Recommended Action	Motion to adjourn

6. Informational and Non-Discrimination Statements

Subject	**6.1. This agenda is available in alternative formats upon request. For more information on access, call Lori Olberg, Council and Licensing Coordinator (802-865-7136)(TTY 802-865-7142). Persons with disabilities who require assistance or special arrangements to participate are encouraged to contact 802-865-7000 (voice) or 802-865-7142 (TTY) at least 72 hours in advance so**

	that proper arrangements can be made. This meeting will also air on Town Meeting TV the Wednesday after the meeting, starting at 8:00 pm and repeating at 1:00 am and 7:00 am the following day. The City of Burlington will not tolerate unlawful harassment or discrimination on the basis of political or religious affiliation, race, color, national origin, place of birth, ancestry, age, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status, crime victim status or genetic information.
Meeting	May 7, 2025 - FY26 Budget Presentations - Wednesday, May 7, 2025, 5:30 PM, Contois Auditorium, 149 Church Street, 2nd Floor
Category	6. Informational and Non-Discrimination Statements
Department	Council and Board
Type	Information

BTV
PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

May 7, 2025

Fiscal Year 2026 Budget Presentation

A Leahy BTV Overview

FEDERAL GOVERNING

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

FAA - Air Traffic Control (Local Tower)

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

TSA - Safety & Security

CBC - Customs

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

STATE GOVERNING

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

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

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

LOCAL GOVERNING BURLINGTON

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

LOCAL GOVERNING SOUTH BURLINGTON

Land use/re-use
DRB

FREE MARKETING AGENTS

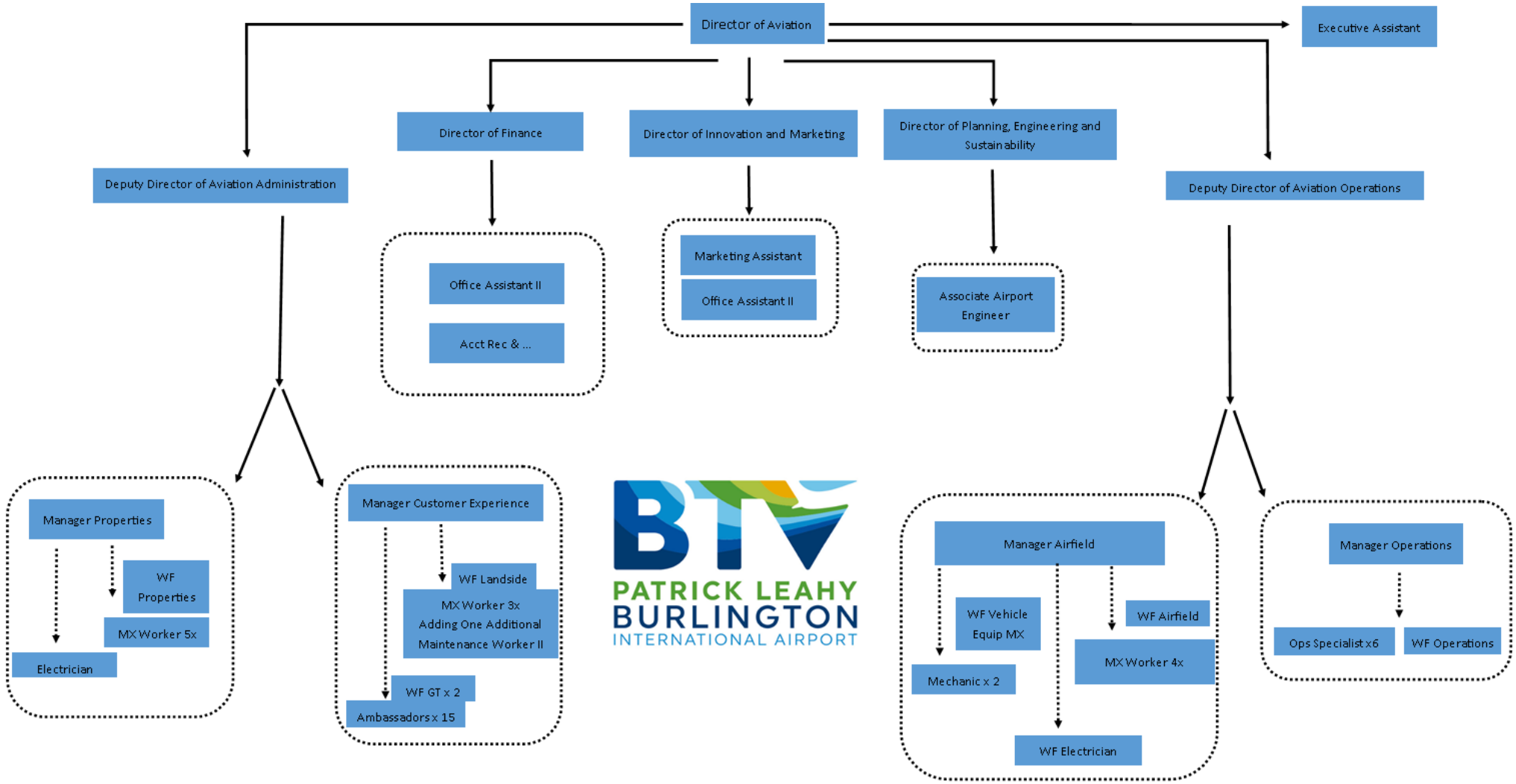
Companies that have contracts and/or leases in place, as approved by Leahy BTV Airport Commission, Burlington's Board of Finance and City Council.

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

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

BTV
PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

Department Organizational Chart



WF = Working Foreman

MX Worker = Maintenance Worker II

April 2025

FY25 Highlights

Boundless! **T**ranscendent! **V**isionary!

- Level One Airport Carbon Accreditation
- New Concessionaire – Kestrel Coffee Roasters
- Launched Sunflower Program
- Moody's Credit Rating Upgrade – Baa1 Stable Outlook
- Community Involvement: Aero the Griffin, SoBu Block Party, Lake Champlain Chamber Breakfast, Vermont Chamber Speaker Series
- New Airline Introductions – Breeze and Frontier
- Aero Pass Program for travelers
- Project NexT construction began
- Skyline Soiree on June 4, 2025

Cost Savings and Revenue Changes for FY2026

Expenses:

- Airport was able to reduce repairs and maintenance due to several multi-year repair projects finishing up in early July 2025 – savings of over $550,000

- Worked hard to manage our expenses with growing escalation of costs, only seeing a 1.2% increase in operating expenses or only $269,424 increase over FY25 on a over $22 Million annual budget

Revenues:

- Parking Garage Revenues increased with demand and a new budgeted Garage rate of $14 per day, first change in over 15 years, increasing revenues by over $500,000

- Healthy growth of revenues through consistent passenger demand, driving many of our revenue categories

Operating Revenues

AIRPORT FUND 400 Fiscal Year 2026 BUDGET REVENUES	FY 2026 Proposed	FY 2025 Amended	Dollar Change	Percent change
Airline Generated Revenues	5,150,228	5,276,000	(125,772)	-2.4%
General Airport Revenues	1,754,484	1,822,841	(67,357)	-3.7%
Garage Parking Revenues	8,135,000	7,181,600	953,400	13.3%
Rental Car Related Revenues	6,000,000	5,600,000	400,000	7.1%
QTA Revenues	650,000	650,000	-	0.0%
Concession Related Revenues	1,225,000	1,110,000	115,000	10.4%
Ground and Building Rent	1,742,341	1,805,409	(63,068)	-3.5%
Investment Income	100,000	150,000	(50,000)	-33.3%
Grants State Operating	217,000	58,000	159,000	274.1%
Total Operating Revenues	**24,974,053**	**23,653,850**	**1,320,203**	**5.6%**

Operating Expenses

AIRPORT FUND 400 Fiscal Year 2026 BUDGET EXPENDITURES	FY 2026 Proposed	FY 2025 Amended	Dollar Change	Percent change
Salaries & Benefits	7,143,454	6,541,120	602,334	9.2%
Office Expenses	604,125	580,700	23,425	4.0%
6200 Accounts	600,900	498,575	102,325	20.5%
Fuel	138,000	128,177	9,823	7.7%
Fuel - for Car Rental QTA operations	650,000	643,428	6,572	1.0%
Runway De-Ice	275,000	310,097	(35,097)	-11.3%
Repairs & Maintenance Accounts	2,813,556	3,371,052	(557,496)	-21.1%
Utilities	1,872,725	1,790,650	82,075	4.6%
Professional and Consultant	1,976,000	2,063,074	(87,074)	-4.2%
Maintenance Contracts	1,796,309	1,867,291	(70,982)	-3.8%
Travel & Training	102,800	105,990	(3,190)	-3.0%
Accounts Fees for Service	24,500	25,350	(850)	-3.4%
Special Events/Projects	38,500	-	38,500	100.0%
Other Expenses	4,000	12,500	(8,500)	-68.0%
Operating Lease Accounts	718,763	572,488	146,275	25.6%
Insurance	439,686	402,071	37,615	9.4%
Regulatory and Bank Fees	225,000	225,000	-	0.0%
Interest on GAN	75,000	75,000	-	0.0%
Real Estate Taxes	905,661	852,670	52,991	6.2%
Indirect Fees	700,000	664,499	35,501	5.3%
Airport Security	1,370,477	1,474,000	(103,523)	-7.0%
Total Operating Expenditures	**22,473,156**	**22,203,732**	**269,424**	**1.2%**

Non-Operating Revenues, Expenses and Use of Fund Balance

NON-OPERATING REVENUES	FY 2026 Proposed	FY 2025 Amended	Dollar Change	Percent change
CRRSA/American Rescue Grant	**870,000**	**3,040,542**	**(2,170,542)**	**-71.4%**
CRRSA	-	390,000	(390,000)	-100.0%
American Rescue Grant	870,000	2,650,542	(1,780,542)	-67.2%
PFC Revenue and PFC Interest	**2,810,000**	**2,710,000**	**100,000**	**3.7%**
PFC Revenue	2,800,000	2,700,000	100,000	3.7%
Interest Income PFC	10,000	10,000	-	0.0%
Total Non-Operating Revenues	**3,680,000**	**5,750,542**	**(2,070,542)**	**-36.0%**
Use of Fund Balance on Capital Infrastructure projects	1,994,867	-	1,994,867	100.0%
Total Non-Operating Revenues and Use of Fund Balance	**5,674,867**	**5,750,542**	**(75,675)**	**-1.32%**

NON-OPERATING EXPENDITURES	FY 2026 Proposed	FY 2025 Amended	Dollar Change	Percent change
Debt Service	**3,647,214**	**3,659,655**	**(12,441)**	**-0.3%**
Capital Leases	**808,550**	**501,005**	**307,545**	**61.4%**
Interfund Transfers	**3,500,000**	**2,750,000**	**750,000**	**27.3%**
Local share for AIP grants and Airport funded construction	3,500,000	2,750,000	750,000	27.3%
Capital Accounts	**220,000**	**290,000**	**(70,000)**	**-24.1%**
Capital	220,000	290,000	(70,000)	-24.1%
Airline Surplus Spending	-	-	-	
Total Non-Operating Expenditures	8,175,764	7,200,660	**975,104**	**13.5%**

Threats and Opportunities

Threats:

- Risks associated with federal grant program changes i.e. delays in cash flow, delays in grant terms, risks of reduced airport grants.
  - While there is no indication that these are being reduced, we continuously monitor for Federal grant changes and updates
- Airline volatility is always a conversation at the airport and changes to the industry occur quickly
- Reduction in Canadian travelers is an ongoing concern – while we are anecdotally seeing less Canadian cars, we have not seen a reduction in total revenues.

Opportunities:

- Continued opportunities to rent additional new spaces for increased revenues.
- New leases are being developed for new hangars and tenants
- New garage/service lot opportunities to increase revenue control and increased parking

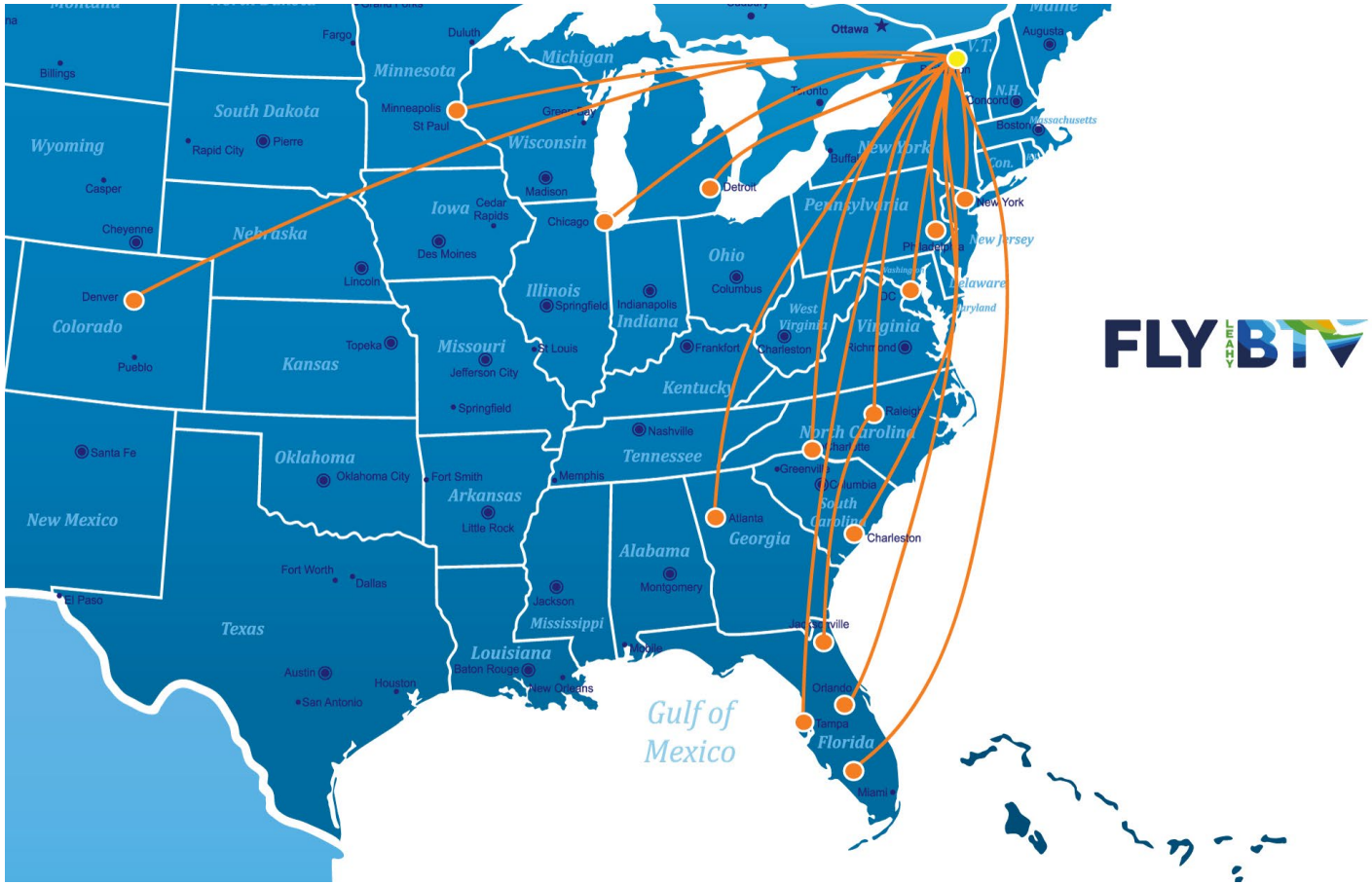
Summary

- Operating Expense Budget increased only 1.2% while operating revenues increased 5.6%
- Largest budgeted expense is associated with Salaries and benefits, almost 10%
- Staffing is maintained at current levels
- Airport is building the largest terminal project in its history, without any need for revenue bonds. The majority of this project is funded with Federal grant funds, while a portion being constructed with internal accumulated funds to support this long term investment.
- The Airport is in a great position today with increased projected passenger and operational traffic

PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

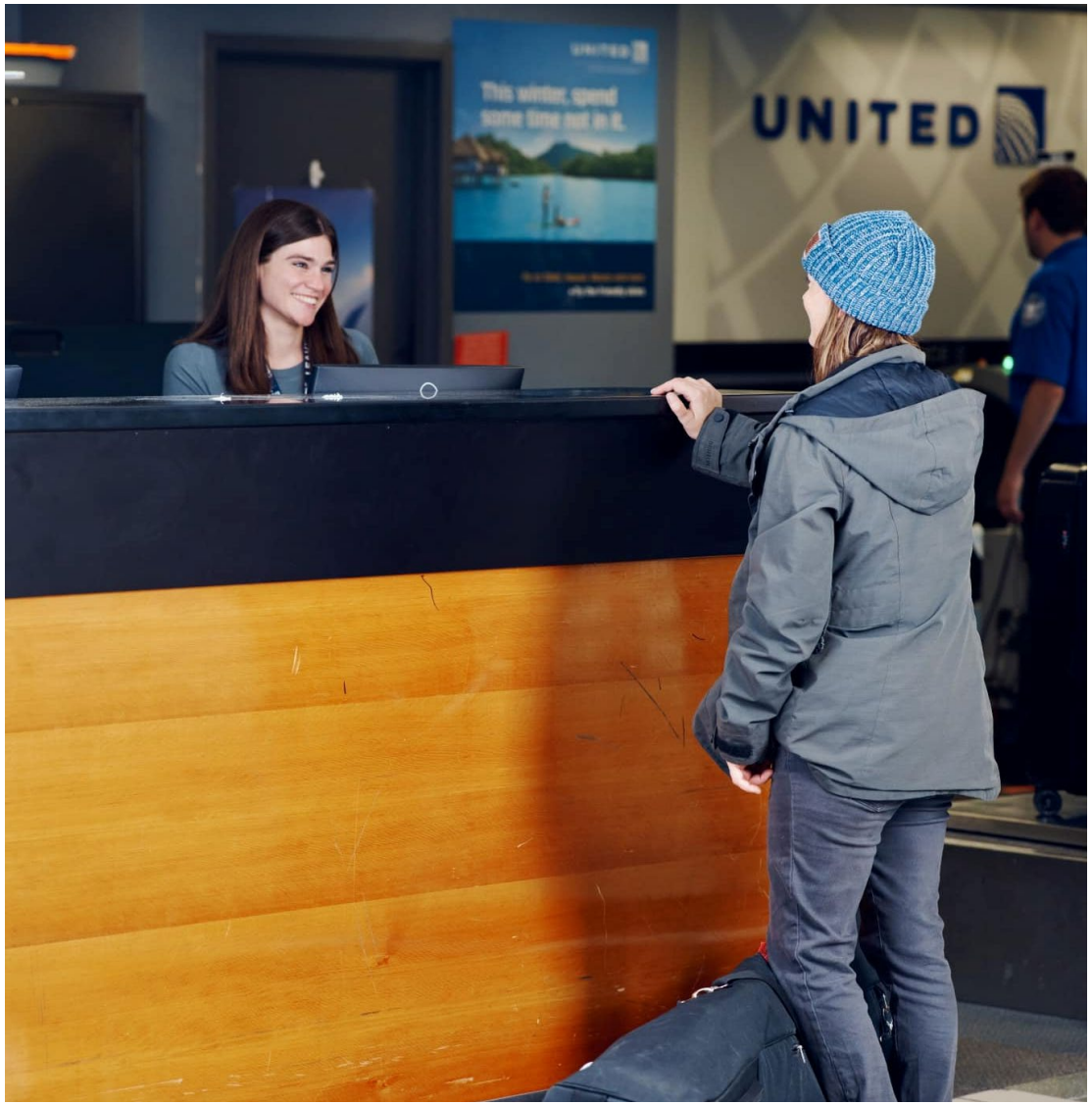
THANK YOU

The most destinations dating back to 1990!



- Atlanta (ATL) via Delta
- Charlotte (CLT) via American Airlines
- Chicago (ORD) via United
- Detroit (DTW)* via Delta
- Denver (DEN)* via United
- Fort Myers (RSW) via Breeze
- Jacksonville (JAX)* via Breeze
- Minneapolis - St. Paul (MSP)* via Sun Country Airlines or Delta
- Newark (EWR) via United
- New York (JFK) via Delta
- New York (LGA) via Delta or American Airlines
- Orlando (MCO) via Breeze or Frontier
- Philadelphia (PHL) via American Airlines
- Raleigh-Durham (RDU) via Breeze
- Tampa (TPA) via Breeze or Frontier
- Washington DC (IAD) via United
- Washington DC (DCA) via American Airlines

*Seasonal



Economic Impact*

Valuation

- The overall value of the Airport to the region is **$1.04 billion**
- The annual economic activity generated by the airport is **$481 million**
- The current asset value of the airport is **$562 million**

Jobs

- The airport supports **4,935 jobs –** only 50-60 are direct employees of Leahy BTV.
- The airport provides Vermonters with **$170.3 million** in salaries annually

Taxes

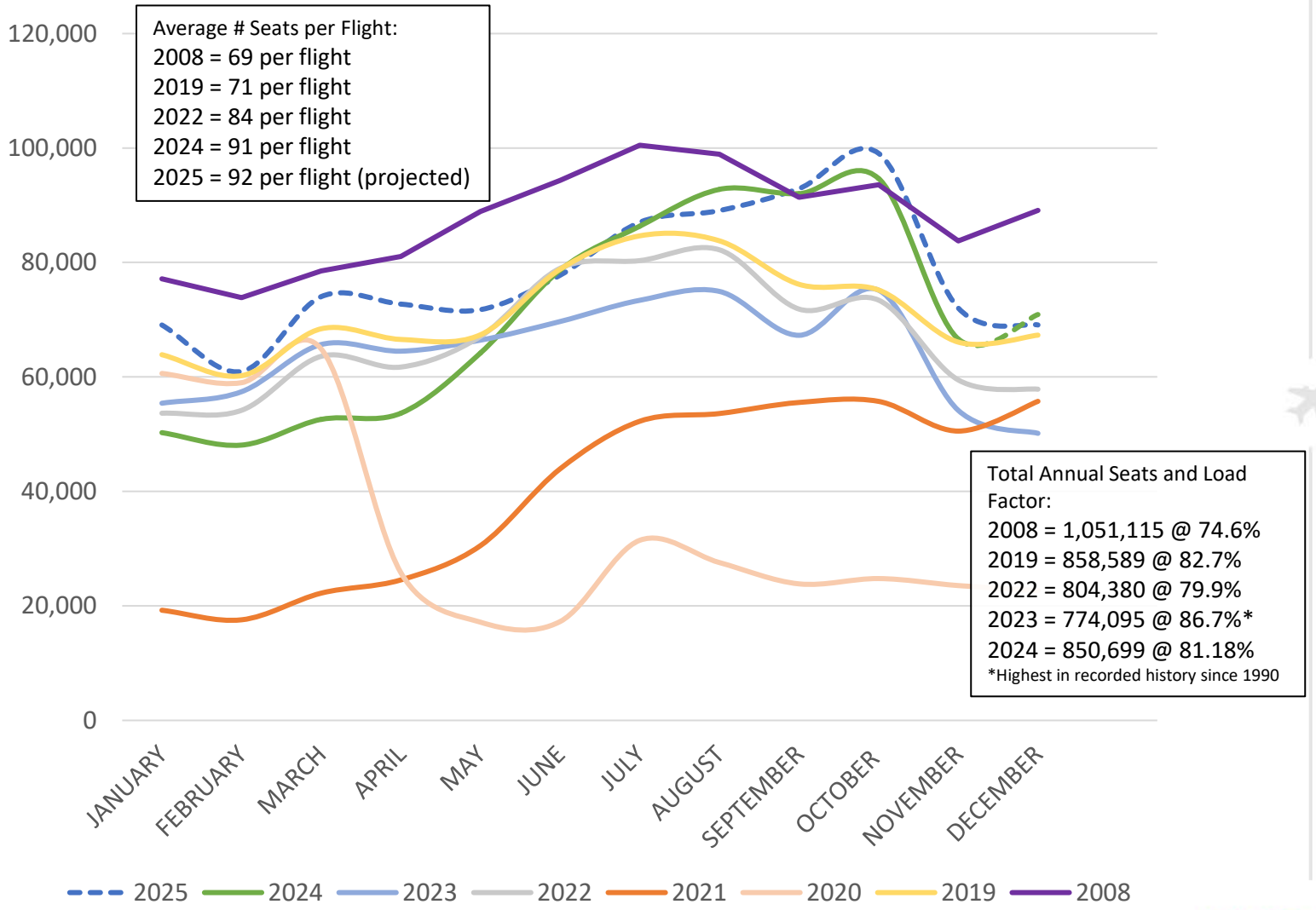
- The airport generates approximately **$29 million** in state taxes and **$6 million** in local taxes annually
- Estimated **$2 million** in airport fuel revenue generated at Leahy that must be re-invested in an aviation program. Leahy BTV receives $**500,000**

**2017 economic impact study.*

Scheduled Seats; Past and Projections

	2025	2024	2023	2022	2021	2020	2019
JAN	69,073	50,245	55,401	53,680	19,243	60,623	63,905
FEB	60,958	48,066	57,412	54,187	17,571	59,004	60,240
MAR	74,030	52,577	65,656	63,612	22,229	64,908	68,428
APR	*72,724*	53,671	64,497	61,736	24,541	25,790	66,566
MAY	*71,754*	64,163	66,423	67,070	30,532	17,126	67,379
JUN	*77,772*	78,672	69,679	78,974	43,954	17,236	78,828
JUL	*87,025*	86,352	73,387	80,312	52,270	31,442	84,658
AUG	*89,067*	92,765	74,942	82,198	53,620	27,551	83,786
SEP	*92,914*	92,016	67,270	71,852	55,555	23,823	76,194
OCT	*99,057*	94,651	75,143	73,411	55,743	24,753	75,193
NOV	*72,028*	66,633	54,148	59,481	50,552	23,524	66,096
DEC	*69,079*	70,888	50,137	57,867	55,753	22,648	67,316
TOTAL	*935,481*	850,699	774,095	804,380	481,563	398,428	858,589

*Italicized and Underlined numbers are estimates



Scheduled Departures; Projections

	2025	2024	2023	2022	2021	2020	2019
JAN	730	542	694	716	307	861	910
FEB	656	541	677	654	286	819	851
MAR	808	613	764	799	385	931	970
APR	*815*	654	758	782	399	398	991
MAY	*848*	717	753	858	524	246	944
JUN	*890*	854	779	902	663	264	1,071
JUL	*940*	901	809	900	732	439	1,127
AUG	*956*	946	814	905	762	403	1,122
SEP	*973*	970	773	806	799	349	1,067
OCT	*1,060*	1,015	832	813	811	382	1,038
NOV	*795*	741	607	699	765	375	942
DEC	*780*	758	554	679	770	351	962
TOTAL	*10,251*	9,341	8,814	9,513	7,203	5,818	11,995

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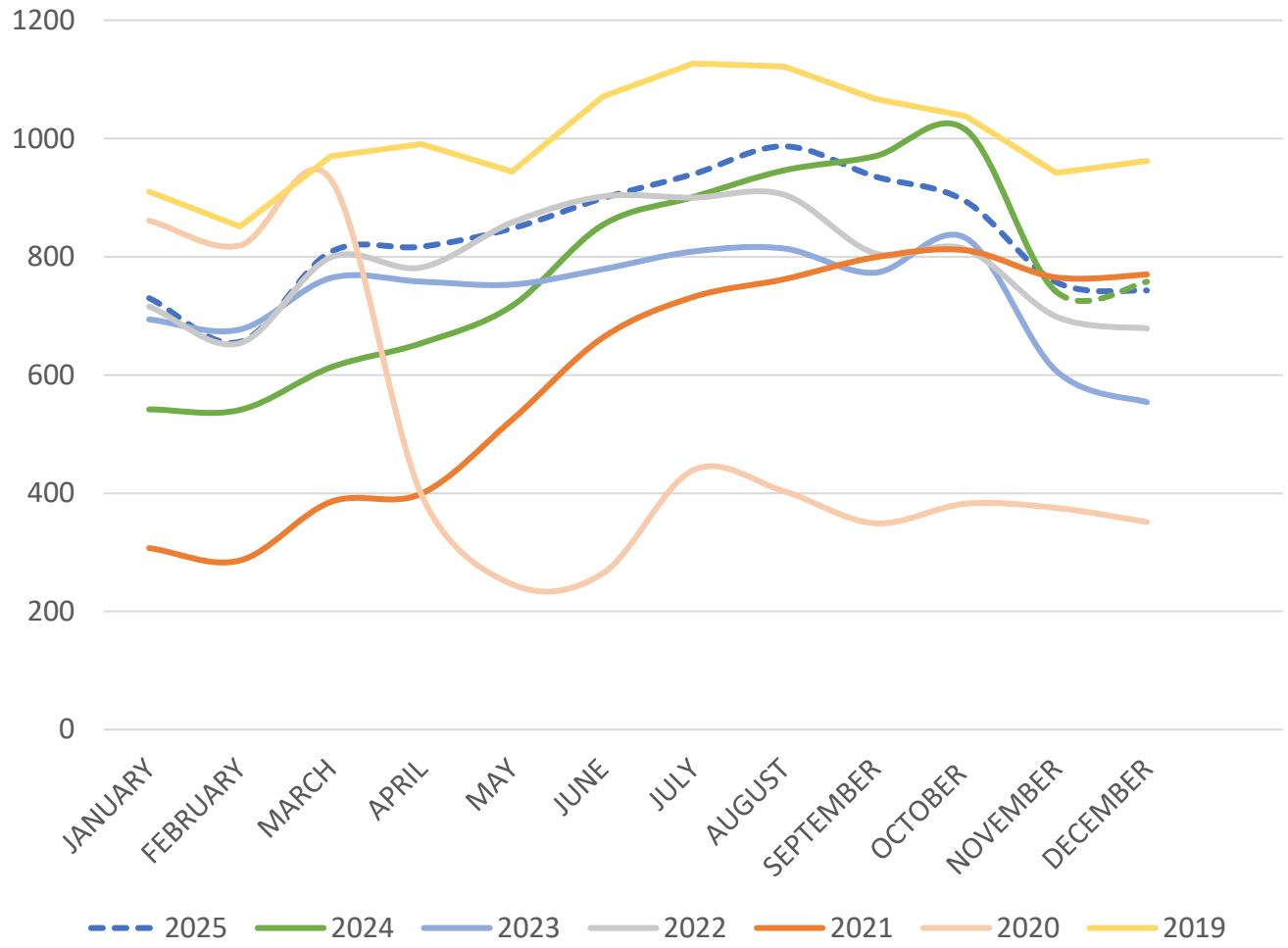
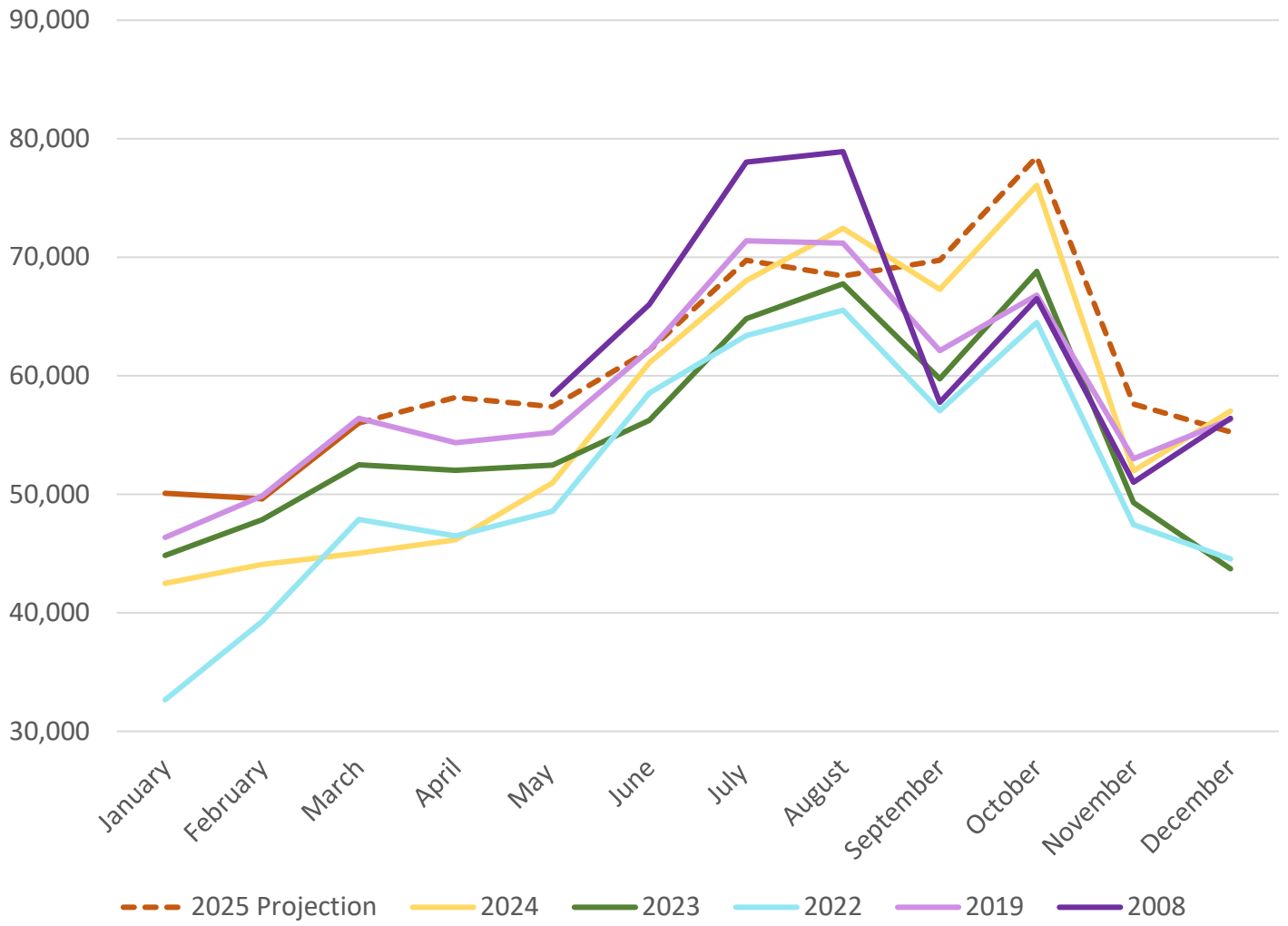


Passenger Statistics

	2025	2024	2023	2022	2021	2020	2019
Jan	50,093	42,691	44,848	32,652	8,979	50,750	46,356
Feb	49,619	44,133	47,864	39,291	11,696	49,341	49,867
Mar	56,029	45049	52,484	47,878	13,491	26,158	56,400
April	*58,179*	46,158	52,018	46,485	19,563	1,448	54,340
May	*57,389*	50,972	52,471	48,564	26,325	3,911	55,209
June	*62,138*	61136	56,241	58,546	37,229	7,458	62,180
July	*69,734*	68,026	64,807	63,402	46,344	12,119	71,381
Aug	*68,409*	72,448	67,763	65,535	47,059	12,823	71,200
Sept	*69,635*	67,296	59,751	57,037	43,072	11,292	62,116
Oct	*67,749*	76,054	68,823	64,490	50,618	14,416	66,795
Nov	*57,622*	51,977	49,302	47,452	41,572	10,211	53,007
Dec	*55,263*	57,012	43,725	44,545	42,886	9,393	56,314
TOTALS	***732,698***	**681,925**	**660,097**	**615,877**	**388,834**	**209,320**	**705,165**

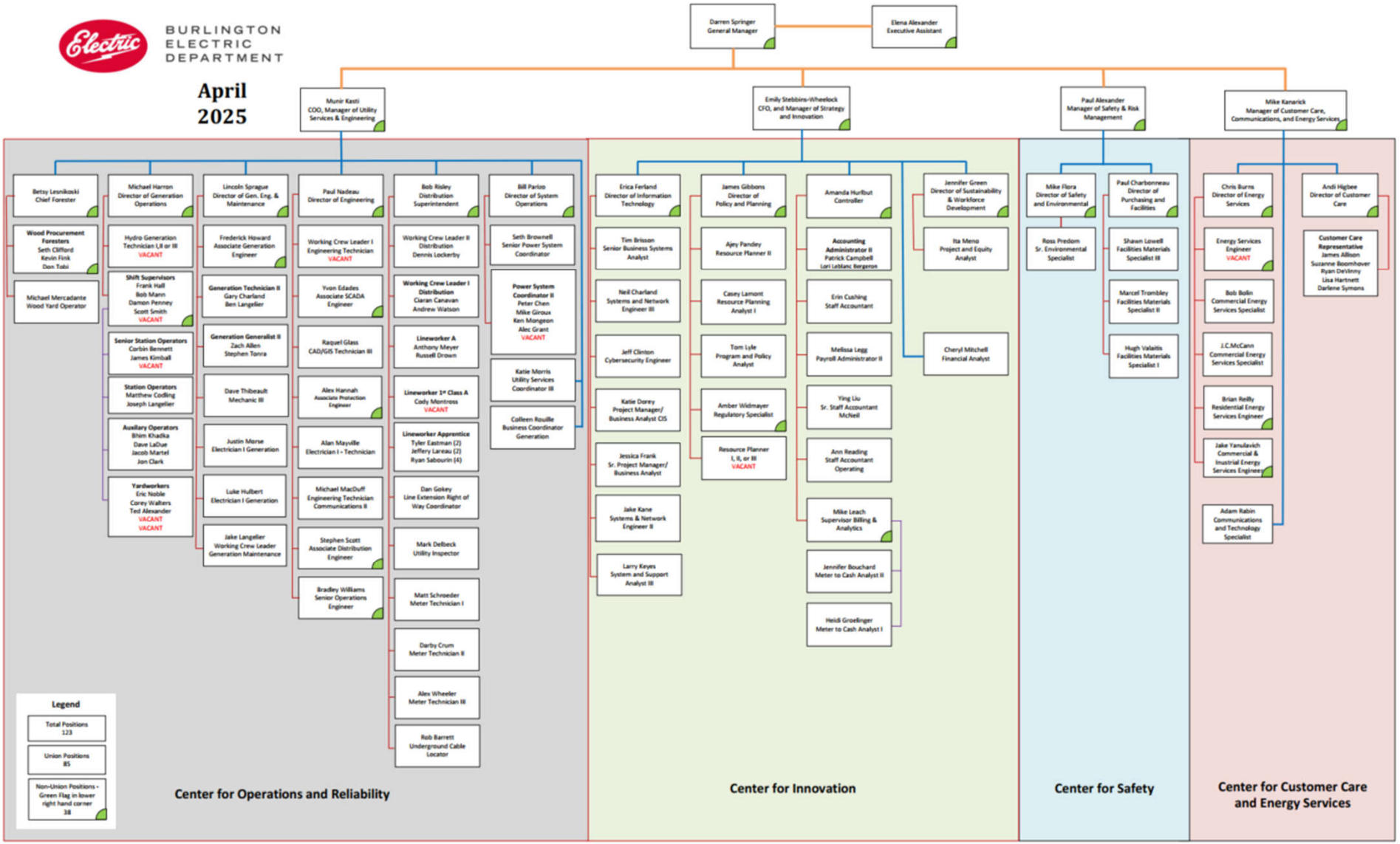
*Italicized and Underlined numbers are estimates



FY 2026 Budget and Proposed Rate Increase

Board of Finance

May 7, 2025


BURLINGTON ELECTRIC DEPARTMENT
April 2025
Darren Springer General Manager
Elena Alexander Executive Assistant
Munir Kasti COO, Manager of Utility Services & Engineering
Emily Stebbins-Wheelock CFO, and Manager of Strategy and Innovation
Paul Alexander Manager of Safety & Risk Management
Mike Kanarick Manager of Customer Care, Communications, and Energy Services
Betsy Lesnikoski Chief Forester
Wood Procurement Foresters Seth Clifford Kevin Fink Dan Tobi
Michael Mercadante Wood Yard Operator
Michael Harron Director of Generation Operations
Hydro Generation Technician I,II or III VACANT
Shift Supervisors Frank Hall Bob Mann Damon Penney Scott Smith VACANT
Senior Station Operators Corbin Bennett James Kimball VACANT
Station Operators Matthew Codling Joseph Langelier
Auxiliary Operators Bhim Khadka Dave LaDue Jacob Martel Jon Clark
Yardworkers Eric Noble Corey Walters Ted Alexander VACANT VACANT
Lincoln Sprague Director of Gen. Eng. & Maintenance
Frederick Howard Associate Generation Engineer
Generation Technician II Gary Charland Ben Langelier
Generation Generalist II Zach Allen Stephen Tonra
Dave Thibeault Mechanic III
Justin Morse Electrician I Generation
Luke Hulbert Electrician I Generation
Jake Langelier Working Crew Leader Generation Maintenance
Paul Nadeau Director of Engineering
Working Crew Leader I Engineering Technician VACANT
Yvon Edades Associate SCADA Engineer
Raquel Glass CAD/GIS Technician III
Alex Hannah Associate Protection Engineer
Alan Mayville Electrician I - Technician
Michael MacDuff Engineering Technician Communications II
Stephen Scott Associate Distribution Engineer
Bradley Williams Senior Operations Engineer
Bob Risley Distribution Superintendent
Working Crew Leader II Distribution Dennis Lockerby
Working Crew Leader I Distribution Ciaran Canavan Andrew Watson
Lineworker A Anthony Meyer Russell Drown
Lineworker 1st Class A Cody Montross VACANT
Lineworker Apprentice Tyler Eastman (2) Jeffery Larrau (2) Ryan Sabourin (4)
Dan Gokey Line Extension Right of Way Coordinator
Mark Delbeck Utility Inspector
Matt Schroeder Meter Technician I
Darby Crum Meter Technician II
Alex Wheeler Meter Technician III
Rob Barrett Underground Cable Locator
Bill Parizo Director of System Operations
Seth Brownell Senior Power System Coordinator
Power System Coordinator II Peter Chen Mike Giroux Ken Mongeon Alec Grant VACANT
Katie Morris Utility Services Coordinator III
Colleen Rouille Business Coordinator Generation
Legend
Total Positions 123
Union Positions 85
Non-Union Positions - Green Flag in lower right hand corner 38
Center for Operations and Reliability
Erica Ferland Director of Information Technology
Tim Brisson Senior Business Systems Analyst
Neil Charland Systems and Network Engineer III
Jeff Clinton Cybersecurity Engineer
Katie Dorey Project Manager/ Business Analyst CIS
Jessica Frank Sr. Project Manager/ Business Analyst
Jake Kane Systems & Network Engineer II
Larry Keyes System and Support Analyst III
James Gibbons Director of Policy and Planning
Ajey Pandey Resource Planner II
Casey Lamont Resource Planning Analyst I
Tom Lyle Program and Policy Analyst
Amber Widmayer Regulatory Specialist
Resource Planner I, II, or III VACANT
Amanda Hurlbut Controller
Accounting Administrator II Patrick Campbell Lori LeBlanc Bergeron
Erin Cushing Staff Accountant
Melissa Legg Payroll Administrator II
Ying Liu Sr. Staff Accountant McNeil
Ann Reading Staff Accountant Operating
Mike Leach Supervisor Billing & Analytics
Jennifer Bouchard Meter to Cash Analyst II
Heidi Groelinger Meter to Cash Analyst I
Jennifer Green Director of Sustainability & Workforce Development
Ita Meno Project and Equity Analyst
Cheryl Mitchell Financial Analyst
Center for Innovation
Mike Flora Director of Safety and Environmental
Ross Predom Sr. Environmental Specialist
Paul Charbonneau Director of Purchasing and Facilities
Shawn Lowell Facilities Materials Specialist III
Marcel Trombley Facilities Materials Specialist II
Hugh Valaitis Facilities Materials Specialist I
Center for Safety
Chris Burns Director of Energy Services
Energy Services Engineer VACANT
Bob Bolin Commercial Energy Services Specialist
J.C.McCann Commercial Energy Services Specialist
Brian Reilly Residential Energy Services Engineer
Jake Yanulavich Commercial & Inustrial Energy Services Engineer
Adam Rabin Communications and Technology Specialist
Andi Higbee Director of Customer Care
Customer Care Representative James Allison Suzanne Boomhover Ryan DeVinny Lisa Hartnett Darlene Symons
Center for Customer Care and Energy Services

Continued Investment in Net Zero Energy

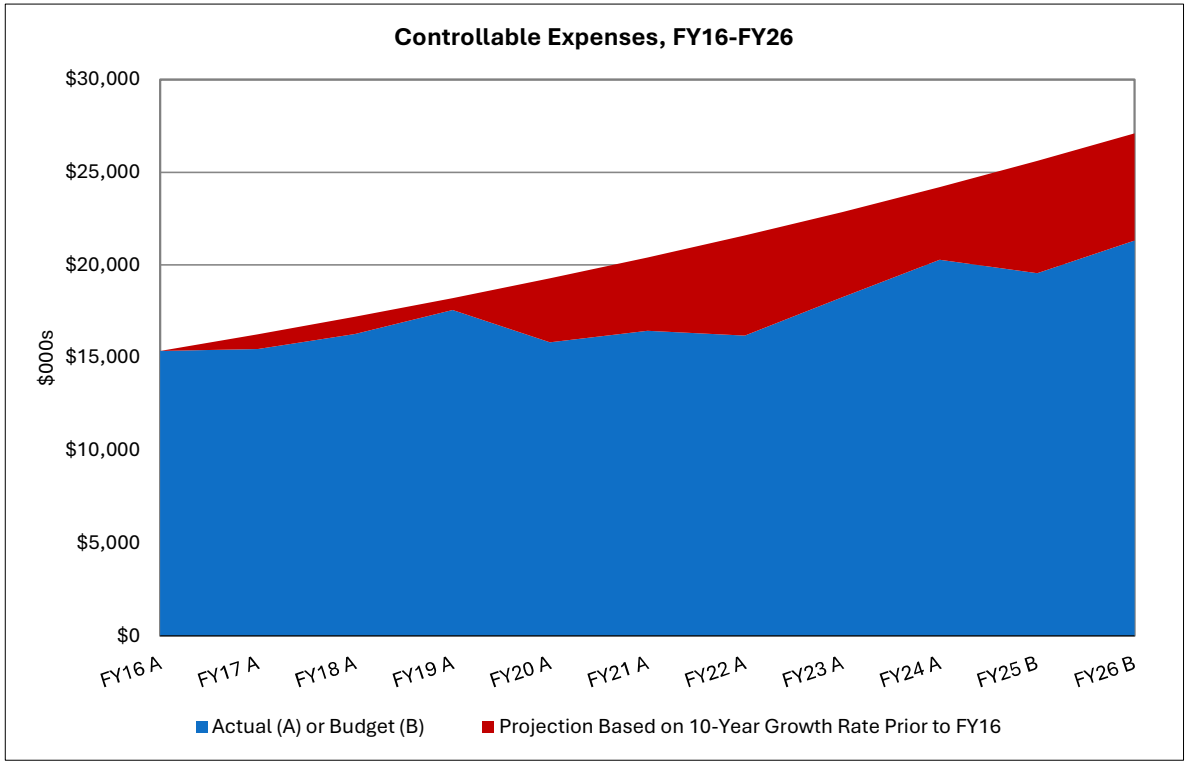
- $1.6 million in funding for electrification rebates (Tier 3)
- $2 million in funding for energy efficiency programs/incentives
- Continued incentives for heat pumps, EVs and "superusers," e-mowers, e-bikes, e-transit buses, induction cooking, geothermal test wells, and multi-family building charging
- Matching funds for federal and state grants for demand response, battery storage, distributed energy resource management software, and second all-electric bucket truck
- Four Level 3 and ten Level 2 public EV chargers
- First electric forklift and fleet charging infrastructure
- Capital investments in Winooski One FERC relicensing, McNeil woodchip dryer, IT systems, VELCO equity, and distribution system
- Issuance costs for Net Zero Energy & Grid Reliability revenue bond
- Preparing to file new pilot rates for commercial and residential flexible load management

Continued Investment in Equity & Accessibility

- Seeking to expand Energy Assistance Program providing 12.5% rate discount to non-profit shelters, and affordable housing entities who pay electricity costs for residents provided they pass on the savings to residents in some form
- Supporting Water Resources assistance program by providing credit for qualified renters through electric bill
- Continued communications efforts, including four new grant-funded videos explaining weatherization, heat pumps, EVs translated into 19 languages
- Continued Project & Equity Analyst "office hours" at King St. Laundromat, Community Gardens, Family Room at ONE Community Center, BHA facilities, and community events
- Continued partnership with community organizations, including CVOEO, Legal Aid, AALV, Vermont Language Justice Task Force, and others
- Continued participation in community events including Earth Day, Juneteenth, Pride Celebration, Community Garden Work Day, Harvest Run, and others

Cost Savings for FY26

- Cut $810k of non-power supply O&M expenses
- Assumed $300k in vacancy savings
- Continued fiscal discipline since FY16 has moderated annual increases in controllable expenses to 4.2% on average, compared to 5.84% between FY07-FY16



Operating Revenues (000s)

	FY 2025 Budget	FY 2025 Forecast	FY 2026 Budget	% Variance
Sales to Customers	$56,090	$57,088	$58,940	5.1
Misc Revenues-Power Supply	7,631	7,109	9,397	23.2
Misc Revenues-Other	3,881	3,585	4,331	11.6
Total Operating Revenues	**67,602**	**67,782**	**72,668**	**7.5**

- 1.5% underlying growth in kWh sales
- 4.5% rate increase starting Sept 1
- Strong REC prices

Operating Expenses (000s)

	FY 2025 Budget	FY 2025 Forecast	FY 2026 Budget	% Variance
Fuel	$8,969	$7,127	10,165	13.3
Purchased Power	16,072	18,347	17,432	8.5
Transmission	10,499	10,563	11,993	14.2
Operation & Maintenance	22,912	23,231	24,692	7.8
Depreciation & Amortization	5,832	5,905	5,943	1.9
Gain/Loss on Disposition of Plant	346	346	346	0
Taxes/PILOT	3,615	3,437	3,660	1.2
Total Operating Expenses	**68,245**	**68,957**	**74,230**	**9**

Other Income & Deductions (000s)

	FY 2025 Budget	FY 2025 Forecast	FY 2026 Budget	% Variance
Dividends	4,473	4,506	4,494	0.5
Interest Income	490	576	466	-4.8
Grants/capital contributions	2,913	1,817	1,847	-15.8
Other income, net	45	17	34	-24.4
Interest expense	3,204	3,167	3,087	-3.65

Threats and Opportunities

- Lack of available renewables in market to replace expiring power supply contracts
- Transmission costs continuing to increase
- Increasing RES obligations
- Tariffs/price increases
- Uncertainty of federal EV charging grant funds
- Future COLA and health/benefits increases

- New programs (Building GIANTS) and software systems (CIS, DERMS, OMS, etc.)
- Sales/strategic electrification
- Timing of next revenue bond issuance
- EEU regulatory reform
- Innovation and efficiency at McNeil

FY26 Budget Overview (000s)

	FY 2025 Budget	FY 2025 Forecast	FY 2026 Budget
Net Operating Income (Loss)	$(644)	$(1,175)	$(1,562)
Net Income	3,354	2,963	2,192
Ending Operating Cash 6/30	9,803	13,028	13,224

	FY 2025 Budget	FY 2025 Forecast	FY 2026 Budget
Non-Revenue Bond-funded*	$2.8 M	$3.0 M	$3.0 M
Revenue Bond-funded	8.9 M	8.2 M	12.2 M
Total Capital Spending**	11.7 M	11.2 M	15.2 M

**Does not include funding of strategic electrification incentives*
***Net of customer contributions in aid of construction*

FY26 Budget Credit Rating Metrics

	Target	FY 2025 Budget	FY 2025 Forecast	FY 2026 Budget
Days Cash on Hand*	>90	125	144	135
Debt Service Coverage Ratio**	1.25	4.88	4.78	4.77
Adjusted Debt Service Coverage Ratio	1.50	1.20	1.20	1.15

**Including $10M line of credit*

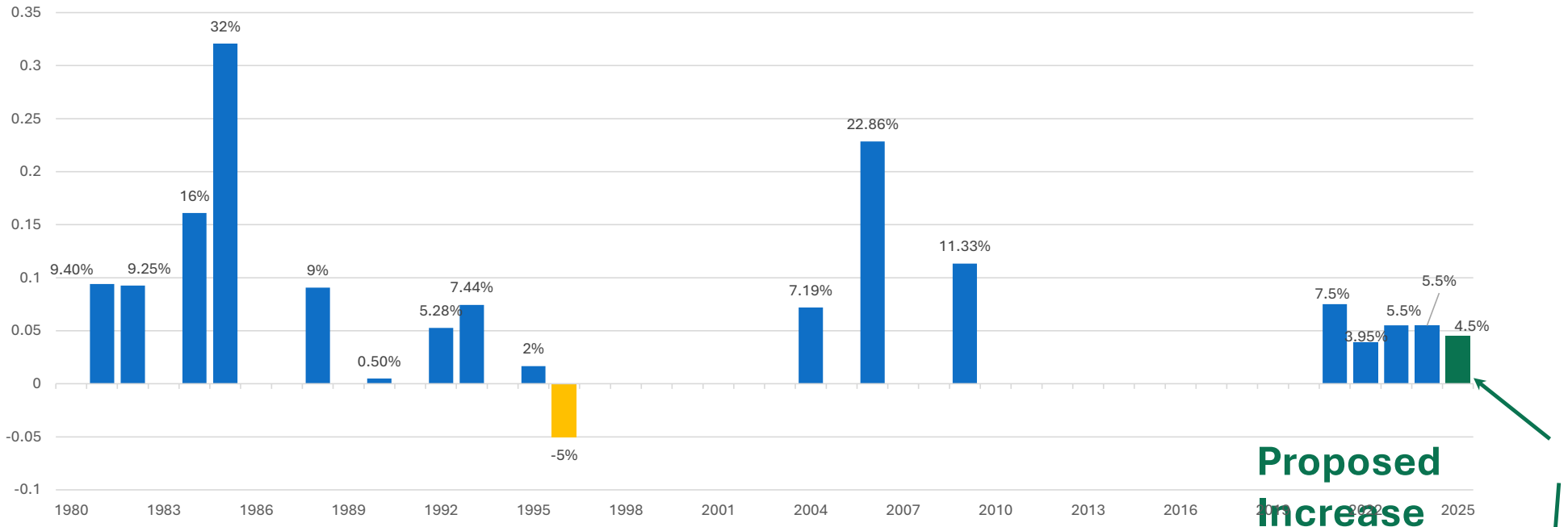
***Revenue bond covenants require a minimum debt service coverage ratio of 1.25*

Question and Discussion

NET ZERO ENERGY
BURLINGTON VERMONT

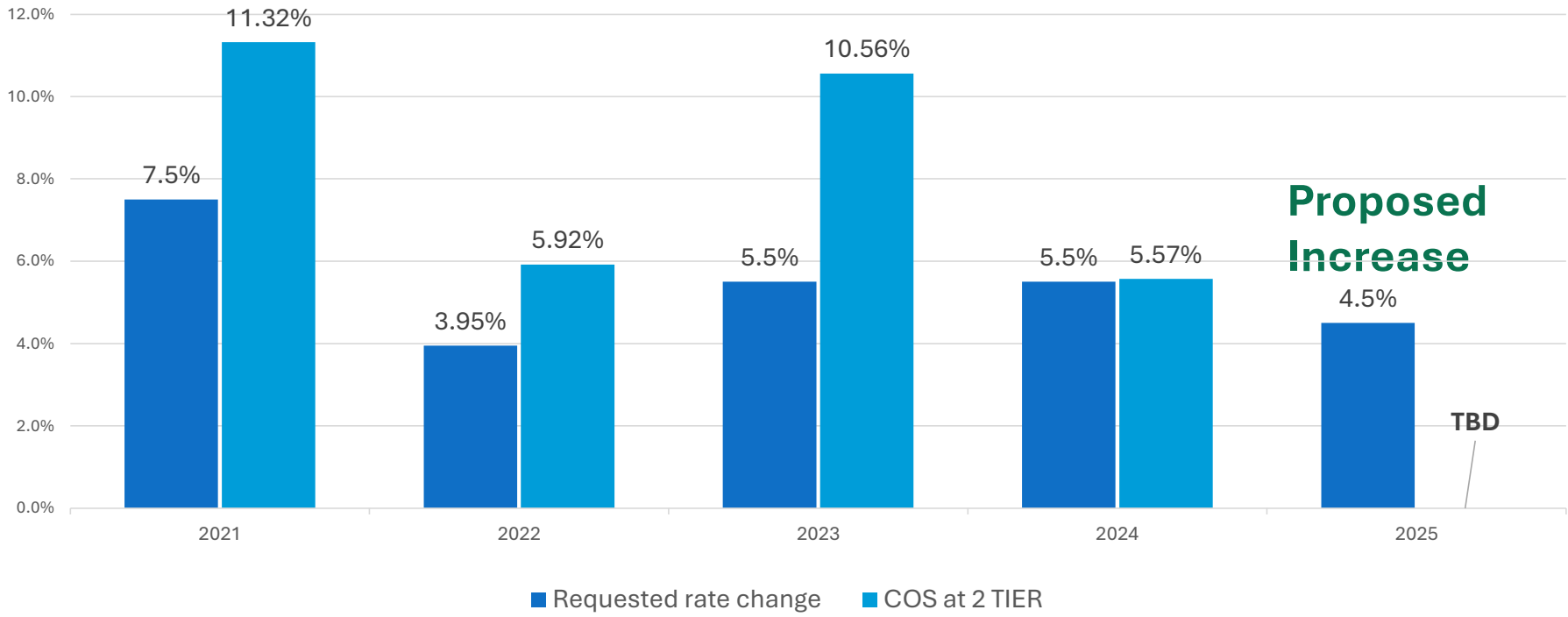
FY26 Rate Case – 4.5%

BED Rate Changes Since 1980



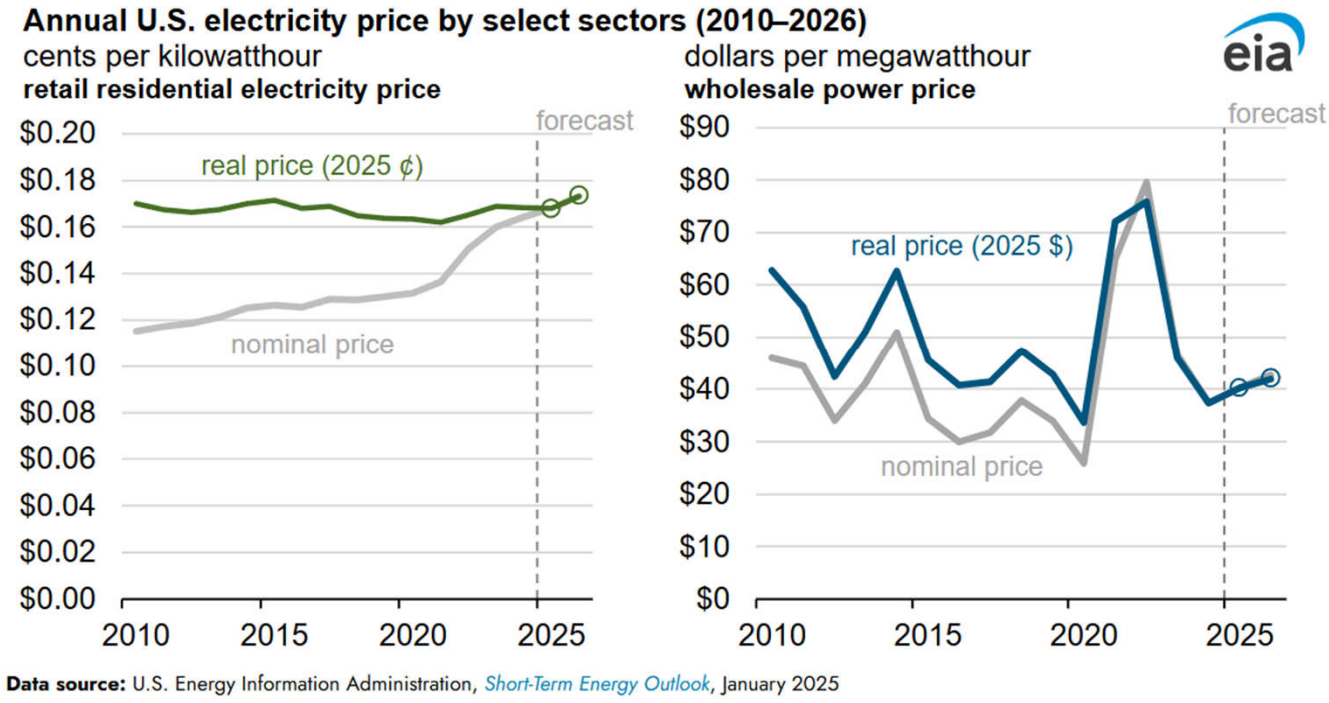
Rate Increase	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
BED	11.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.50%	3.95%	5.5%	5.5%	4.5%
GMP	0.00%	0.00%	0.00%	0.00%	0.40%	2.00%	-2.46%	0.73%	0.93%	5.43%	-0.50%	2.70%	4.69%	2.34%	5.29%	5.26%	TBD
WEC	0.00%	0.00%	0.00%	0.00%	0.00%	4.00%	0.00%	0.00%	5.95%	4.00%	5.95%	0.00%	0.00%	12.83%	0.00%	0.00%	2.91%
VEC	0.00%	0.00%	0.00%	0.00%	2.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.29%	0.00%	1.96%	8.19%	8.33%	4.84%

BED Requested Rate Changes vs. Cost of Service since 2021



National Context: EIA Jan 2025 Forecast

- Most regions of U.S. likely to see higher wholesale prices in 2025 as a result of higher costs for natural gas
- Largest increases (about 30%–35%) will occur in the Southwest and California
- Forecast wholesale prices in the ISO New England region average $55/MWh in 2025, up 16% from 2024



https://www.eia.gov/todayinenergy/detail.php?id=64384

New England context: high winter 2024-2025 energy prices in RI and MA

LOCAL

Why are energy bills in RI so high this winter? Here's what we found.

Alex Kuffner
Providence Journal

Published 5:09 a.m. ET Feb. 19, 2025 | **Updated 12:34 p.m. ET Feb. 19, 2025**

Gov. Maura Healey deflects blame for surge in Massachusetts utility delivery rates, utility bills

Delivery rates for electricity and natural gas have significantly increased

Share

WCVB 5

Updated: 9:05 AM EST Feb 20, 2025

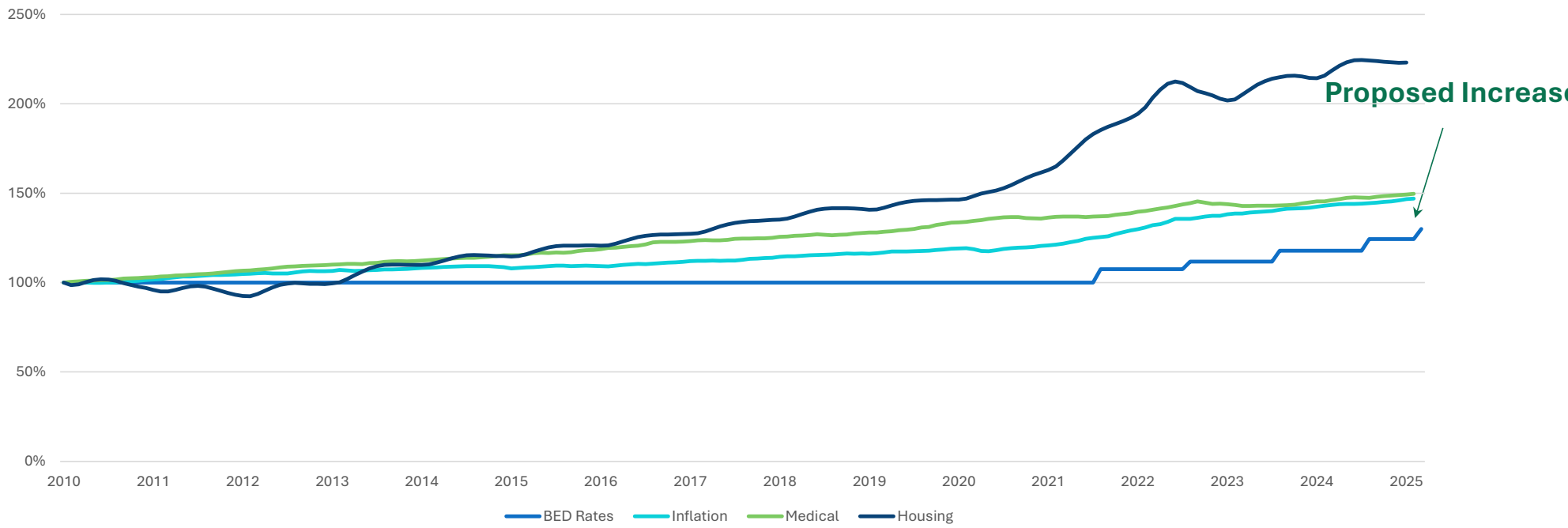
"Experts and advocates say a "perfect storm" this winter caused the dramatic spikes. That includes a colder winter, economic pressures for volatile fossil fuel sources and a gas pipeline system within a monopoly of utility companies." https://www.wgbh.org/news/local/2025-02-21/mass-residents-will-see-lower-gas-bills-for-march-and-april-regulators-say

"In the last couple of days, seeing Governor Healy also going on record, sending her own letter to the Department of Public Utilities regarding gas rates - which are connected and tied to the electric rates, and much of our electric is produced by natural gas, Spikes in natural gas costs directly impact the cost of delivery of electricity to the residents of the Commonwealth" - https://www.wamc.org/news/2025-02-20/rise-in-gas-and-electric-bills-prompts-outcry-in-mass-calls-for-state-to-review-hikes

"Electricity prices in Massachusetts have risen by 65% over the decade...This aligns with reports of significant rate hikes, such as National Grid's 64% increase in 2022 and Eversource's adjustments, driven by factors like natural gas price volatility and infrastructure costs." - https://fallriverreporter.com/massachusetts-natural-gas-prices-up-93-electricity-up-65-the-last-10-years/

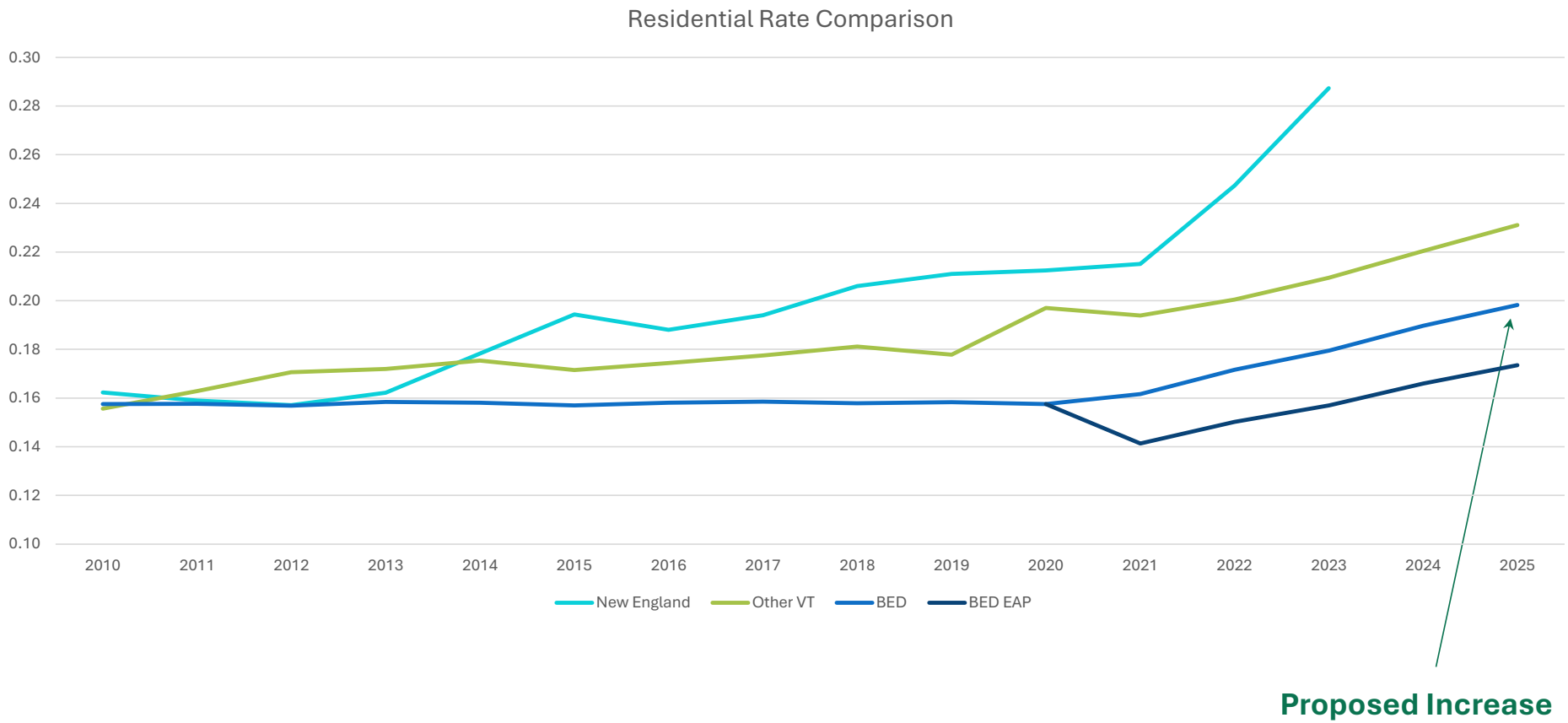
"The New England power grid gets lots of power from nuclear generators, renewables and hydropower dams, but more than half of its annual generation comes from natural gas. The constraints on the pipelines that supply gas to the region are well-documented. While these limitations aren't as much of a concern for much of the year, they can have a big impact on electric power during the winter, when gas demand goes up. They're the reason why electric rates climb between November and April." - https://www.providencejournal.com/story/news/local/2025/02/19/high-electric-bill-rhode-island-energy-why-is-electricity-bill-so-high/79075053007/

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



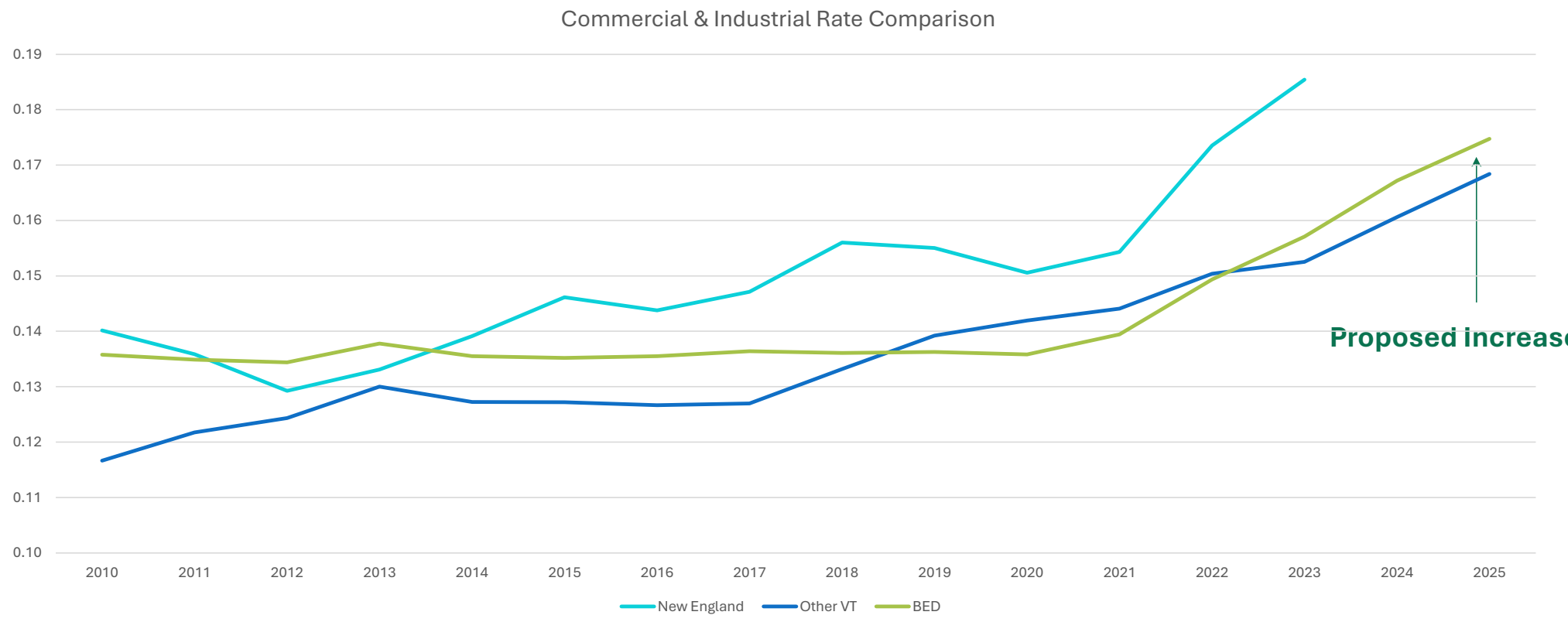
[1] Data sources from FRED Economic Data and BED sales

Rate Comparison: Residential since 2010



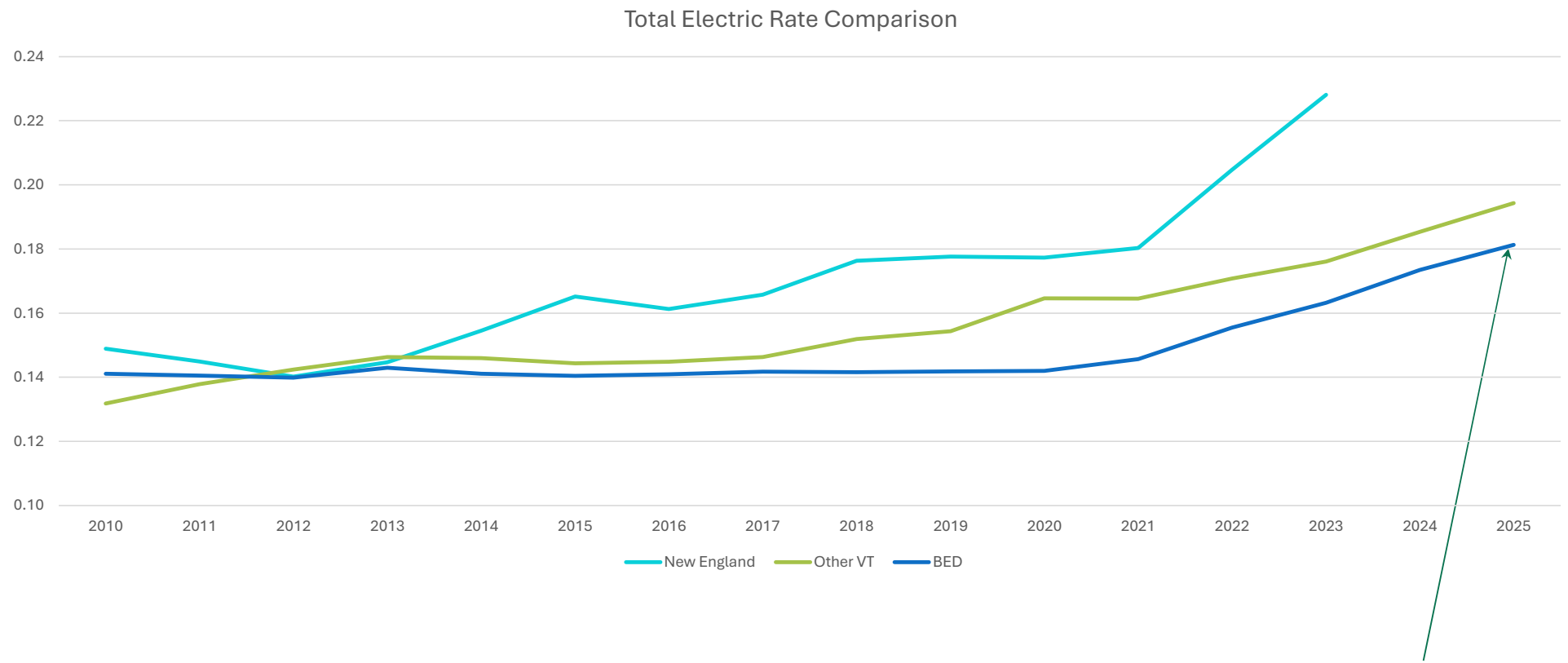
Source: BED sales data, EIA data up to 2023, Other VT based on GMP (2024) and VEC (2025) rate increases

Rate Comparison: Commercial & Industrial since 2010



Source: BED sales data, EIA data up to 2023, Other VT based on GMP (2024) and VEC (2025) rate increases

Rate Comparison: Total Cost to Serve since 2010



Source: BED sales data, EIA data up to 2023, Other VT based on GMP (2024) and VEC (2025) rate increases

Effect on Customer Bills

Group	Average Monthly Use (kWh)	Average Monthly Bill[1]		
		At Current Rate	At Proposed Rate	Increase
Residential	419	$89.32	$93.10	$3.78
Small General	425	$112.28	$117.09	$4.81

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

Effect on Energy Assistance Program Customers

- Estimated bill impact is $3.74/month[1] on average
- EAP enrollment can mitigate the rate increase impact on the monthly bill

Period	LMI Bill (Before EAP Credit)	EAP Credit
Current Rate	$100.81	-$11.86 (12.5%)
Proposed Rate	$105.10	-$12.40 (12.5%)

- Eligibility: 185% of Federal Poverty Level & Current Participant in Vermont State Fuel Assistance Program
- 776 customers enrolled as of 3-31-25. Anticipated to help 800-1,500 residential customers based on enrollment of eligible customers for similar assistance programs.[2]
- Developing tariff revision to allow non-profit residential shelters to qualify for the rate

[1] Low/Moderate-income usage modeled on customers currently enrolled in BED's Energy Assistance Program (476 kWh/month)
[2] Anticipated enrollment based on uptake of eligible customers in other Vermont Energy Assistance programs (VGS: 14%, GMP: 25%)