CITY OF BURLINGTON, VERMONT
CITY COUNCIL COMMUNITY DEVELOPMENT &
NEIGHBORHOOD REVITALIZATION COMMITTEE
c/o Community & Economic Development Office
City Hall, Room 32 • 149 Church Street • Burlington, VT 05401
802-865-7144 VOX • 802-865-7024 FAX • www.burlingtonvt.gov/cedo

**Councilor Brian Pine**, **Chair**, Ward 3
**Councilor Sarah Carpenter,** Ward 4
**Councilor Zoraya Hightower**, Ward 1

**Wednesday, January 20th 2021**
**5:30 PM – 7:00 PM**

You are invited to a Zoom webinar.
When: Jan 20, 2021 05:30 PM Eastern Time (US and Canada)
Topic: CDNR Committee Meeting

Please click the link below to join the webinar:
https://us02web.zoom.us/j/83283354828
Telephone: +1 929 205 6099
Webinar ID: 832 8335 4828

To participate in public forum please email Christine Curtis before or during the meeting: ccurtis@burlingtonvt.gov. Comments can also be made during the meeting by using the raise hand function or the chat function.

## Draft Agenda

1. Approve agenda
2. Approve minutes: 11/30/20, 12/11/20
3. Public Forum
4. Senior services and recommendations of the 2019 ad hoc committee
5. Ideas for lowering the municipal property tax burden on low-income property owners
6. Other business
7. Set date for next committee meeting/Adjournment

The programs and services of the City of Burlington are accessible to people with disabilities. For accessibility information, call 865-7144. For questions about the meeting, contact Christine Curtis at ccurtis@burlingtonvt.gov

Report of the Senior Study Committee
May 16, 2019
Prepared by Jane Knodell, Chair of Senior Study Committee

## 1. Background

The Senior Study Committee (SSC) was created by a resolution of the City Council relating to "Establishment of a Heineberg Community Senior Study Committee", adopted on August 27, 2018. SSC was charged with ". . . reviewing and making recommendations regarding the long-term provision of senior services that reflect the City's commitment to meeting the needs of an aging population in a cost-effective way" . . .and with " . . . reviewing and making recommendations regarding the long-term financial sustainability of the Heineberg Community Senior Center that reflect the City's commitment to meeting the needs of an aging population in a cost-effective way." The SSC has completed its work and now submits this final report with recommendations to the City Council and Administration, as directed by the Resolution.

The members of the SSC were: City Councilor Jane Knodell (Chair); City Councilor Dave Hartnett; Jesse Bridges, United Way; Sarah Carter, Burlington Parks, Recreation, and Waterfront (BPRW); Kirby Dunn, HomeShare Vermont; Beth Hammond, Heineberg Community Senior Center; Gail Moreau, Heineberg Community Senior Center; Gary Rogers, BPRW; and Kelly Stoddard Poor, AARP. Cameron Segal, at LivingWell, attended many meetings and actively contributed to our work.

The SSC met six times, on November 5, 2019, November 28, 2018, December 12, 2018, January 16, 2019, February 20, 2019, and May 9, 2019. The work of the SSC was conducted in compliance with the requirements of the Open Meeting and Public Records laws. Three of these meetings were held at the Champlain Senior Center (located at the Old North End Community Center) and three at the Heineberg Community Senior Center, allowing us to benefit from the input and feedback from Senior Center participants. Before finalizing our recommendations, we held a meeting with Heineberg Community Senior Center participants and a meeting with Champlain Senior Center participants (on March 19, 2019 and March 20, 2019 respectively). The SSC appreciates the able staff support of Candice Holbrook, BPRW, and the cooperation and assistance of the BPRW leadership team.

The SSC's recommendations are presented below, in the two categories included in our charge.

## 2. Recommendations regarding the long-term financial sustainability of the Heineberg Community Senior Center

The Heineberg Community Senior Center is currently not on a financially sustainable footing after losing grant income. It has continued operating in FY19 (July 1 2018-June 30 2019) by drawing down a savings account by $24,138 and with a $58,000 one-time grant from the City of Burlington. However, it is a flourishing and growing Center with over 500 aging Burlington residents taking advantage of its free and donation-based meals, programming, and services.

The SSC approached this task by first educating itself about the the programs, budgets, and operations of the Heineberg Community Senior Center and the Champlain Senior Center, currently operated by the City of Burlington's Parks, Recreation, and Waterfront Department. We concluded that there would be significant benefits to deeper coordination and consolidation of efforts between the two Centers in terms of sustaining programs for older Burlington residents in the New North End, and enhancing such programs citywide. We want to stress that while this recommendation focuses on the sustainability of the Heineberg Community Senior Center, it includes elements that benefit older residents throughout the city, thereby also addressing the broader charge to the SSC.

We recommend that the City of Burlington enter into a partnership with the Heineberg Community Senior Center to create two "campuses" for senior programming in the City of Burlington, one at the Champlain Senior Center and one at the Heineberg Community Senior Center. The key elements in this partnership, which would need to be further defined and specified in a memorandum of understanding between the two parties, are:

1. The Burlington Parks, Recreation, and Waterfront Department would manage the operations of the Heineberg Community Senior Center. One new limited-service FT Program Supervisor City position would be created at the Heineberg "campus." In addition, there would be a Seasonal/Temp Support position (15 hours/week). These staff would work with the staff at the Champlain "campus" to coordinate programs and services at the two campuses. They would also look beyond the walls of the two centers to expand senior services and resources throughout Burlington.

2. BPRW will assume responsibility for minor building and grounds maintenance, and custodial services. As the staff would be City of Burlington employees and run through BPRW, all payroll, accounts, receivable/accounts payable, taxes, and insurance would be run through the Clerk/Treasurer's office, as with all other Recreation programming.

3. The Chittenden County Senior Citizens Alliance (which is the legal entity that owns the building at 14 Heineberg Road) would maintain insurance coverage for the building, would continue taking responsibility for major building upkeep, and will to the best of its ability contribute funds toward the operations of the Heineberg Community Senior Center and towards enhancing access to senior programming citywide.

4. BPRW will gain use of 14 Heineberg Road outside of Senior Center hours (that is, outside of Monday-Thursday 10 am -3 pm). BPRW will be able to earn rental income from these uses, with the understanding that net proceeds will be directed toward operations of the Heineberg Center.

Please see Appendix 1 for a proposed Heineberg Community Senior Center budgets for FY20-FY22 (it also contains the actual FY19 budget). This budget proposal was developed by the Heineberg Community Senior Center members of the SSC and BPRW leadership and brought to the Senior Study Committee for its consideration.

Under this budget proposal, Heineberg Community Senior Center continues to operate in FY 20, FY21, and FY22 with:

- an on-going (not one-time) commitment of $58,000 from the City of Burlington
- a continued draw-down of Heineberg's saving account of $26,731 in FY20, $22,974 in FY21, and $21,357 in FY22
- building space rental income
- additional fund-raising

There will be a yearly check-in between the parties about progress and plans moving forward. By creating limited service and seasonal positions, both parties retain flexibility and are able to fine-tune the partnership. Building rental income may be able to contribute more to financial sustainability than in the proposed budget, but this will only be known over time.

The Senior Study Committee voted to recommend this budget proposal to the City Council and Administration, with one amendment: that the City fund an additional $26,731 for FY20 (additional beyond $58,000), in place of the draw-down from the Heineberg Senior Community Center's savings account.

<u>3. Recommendations regarding the long-term provision of senior services</u>

The SSC recommends the creation of a Burlington Council on Aging.

**The rationale:**
Demographic trends tell us that the number of Burlington residents over the age of 60 will grow steadily over coming decades. Community aspects such as housing, neighborhood design and transportation services must be considered when planning for older adults. A Council on Aging will raise awareness of the needs of this diverse group, and bring greater focus to and coordination of services and programs for older residents of Burlington, all of which will improve their quality of life and health, and reduce social isolation. The ultimate goal of this Council would be to allow all older Burlingtonians who want to age in place, to do so successfully.

**Makeup of a Council on Aging**
Unlike the commissions and boards of city government, whose members are appointed by elected officials and which are included in the city charter, we propose a Council made up of older residents and representatives of entities in Burlington that serve older residents. We leave it to the City Council and Administration to determine the optimal size of the Council on Aging, should our recommendation be accepted. We suggest that the following individuals and organizations be considered as members of the Council or resources for the Council:

Residents of Burlington over the age of 60
AARP
HomeShare Vermont
Cathedral Square and SASH
Association of Africans Living in VT
Chittenden Food Shelf
State Health Department (someone with a nutrition and food background)

UVMMC/ Emergency Responders/VNA
Fletcher Free Library
YMCA
UVM Center on Aging
NPAs
Planner from the Chittenden County Regional Planning Commission
GMT
BPRW staff
AgeWell VT
United Way
Vermont Center for Independent Living
Howard Center

**Operations of a Council on Aging:**
The Council would draw largely on the volunteer time of its members. It will require a modest "match" from the City in the form of part-time staff support and a meeting place.

The Council would be self-organizing and self-directing, and would bring forward recommendations to achieve the goals of the Council. The Council would also respond to requests from Burlington city government. The Senior Study Committee believes a good issue for early focus is housing: meeting the unmet demand for senior housing at different levels of affordability and support services in Burlington.

**Objectives of a Council on Aging:**

- Gain a better understanding of and keep City Council and the Mayor's Office informed on the needs and gaps in services for residents who are 50 years of age and older in our community.
- Foster greater understanding of the diverse needs of older adults, encourage greater participation in community issues among older adults, and find effective ways to communicate and inform older residents about programs, services and resources.
- Advocate for an age-friendly/livable community for all ages and for opportunities that actively engage older residents.

To: Board of Finance, City Council, & Mayor Weinberger

From: Rebecca Sameroff, Special Advisor for Finance and Technology
Beth Anderson, Interim CAO & CIO

Date: April 16, 2018

Re: Report - December 18, 2017 City Council Resolution

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**On December 18, 2017, City Council resolution passed the following resolution:**

City Council requests the Administration report to the Board of Finance and then to the full City Council on ways to implement and costs associated with these items:

I. Providing low- and moderate-income seniors with a reduction in their property taxes and what options we can consider to achieve that goal;
II. Whether there should be an overall reduction in the municipal tax rate;
III. A review of all fees charged to residents of Burlington for a variety of different programs with an eye toward introducing income-sensitivity into fees paid by individuals and families.

This memo serves to outline our response to this request.

## I. Providing low- and moderate-income seniors with a reduction in their property taxes and what options we can consider to achieve that goal

**Burlington's Senior Population**

The City of Burlington considers the affordability of housing an important priority, and one of its most significant challenges. Census data from the American Community Survey 2012-2016 suggests that Burlington's seniors are indeed more vulnerable to housing affordability issues:

- Burlington's senior (age 65+) population was 4,588 in 2016, representing 10.8% of the population. The median household income in homes owned by seniors is about $35,000, 25% below the median income for all Burlington homes.
- The percentage of Burlington *homeowners* who are housing cost-burdened[1] is 40% for seniors and 25% for non-seniors.
- The percentage of Burlington *renters* who are housing cost-burdened is the same (55%) for the senior and non-senior populations.
- About 43% of seniors are homeowners, 24% rent, and the remaining 33% are in other living situations (e.g. living with a family member or in a nursing home).

[1] Housing cost burdened is defined as spending more than 30% of income on housing costs.

**Existing State property tax & renter assistance programs**

**Homeowner Rebate**

The Vermont Department of Taxes administers a statewide income sensitivity program that reduces the education property taxes for most Vermonters, and additionally caps the *total* property tax bill (including municipal tax) for residents with household income below $47,000. Under this additional program the total tax bill is capped at between 2%-5% of household income, depending on how far income falls below the $47,000 eligibility threshold.

For FY18 1,222 of the 6,044 Burlington homestead taxpayers (20%) will have their total property tax bill (including municipal taxes) capped, with the State covering about $769,000 of the municipal property tax liability. State data do not isolate the program impact on Burlington seniors, but note that the median household income for Burlington's senior homeowners ($35K) is well below the eligibility threshold, indicating that a majority of the City's senior homeowners are eligible to have their combined municipal and state tax bill capped at a small percentage of their income.

**Renter Rebate**

The State also administers a complimentary, income-based credit program for renters based on the assumption that the full amount of property tax is passed on to tenants though their rental rate. The Renter Rebate uses the same household income tiers and caps as the Homeowner Rebate. Another 1,588 Burlington renters receive an income tax credit for rent support through this complimentary program.

**Challenges of administering an income-based property tax reduction program**

Vermont's existing income sensitivity system provides an example of how a municipal-level program could be designed to make a uniform property tax more affordable for qualifying residents. From program design to program implementation, the State's experience also illustrates the political, philosophical, and administrative complications of this undertaking.

Defining eligibility is a crucial aspect of program design. Eligibility is subject to regular debate and modification in the Legislature due to longstanding disagreements about fairness and new questions that arise from constituent circumstances. Annual proposals and debate revolve around the following eligibility questions:

> How do you define "income" for the purposes of program eligibility? Does it include Social Security and retirement income, investment income, capital gains, or other assets? Is income the right measure of ability to pay? Accounting for myriad types of unearned income and assets would add complexity to the program. A simple eligibility threshold, however, would allow someone with plenty of "unrecognized" income to qualify for a tax reduction that could be quite large if they own high-value property.

How do you best design eligibility to avoid a “cliff” where one dollar of income can determine who benefits and who does not? One of the more complicated pieces of the State program is the phase-out designed to avoid such a cliff.

How could you design age-based eligibility in a way that feels fair? Would there be a set age for eligibility, or a phase-in based on age to allow more benefit to older seniors? This could add additional complexity.

Further, the staff time necessary to implement State income sensitivity makes it one of the most time consuming programs to administer at the Vermont Tax Department, an organization that is already structured to collect and manage confidential income information.

Administering a municipal level income sensitivity program would require considerable new procedures and practices for City staff, and could be quite costly to implement at the outset. The City does not currently maintain income information for Burlington residents. The State is not permitted to share resident income information with municipalities. A municipal income sensitivity program would therefore rely on self-reported income information from program participants. This would require a host of new processes at the City for collecting and maintaining this information, determining program eligibility, and ensuring confidentially. Adding a rent subsidy component to a municipal-level property tax reduction program would increase its budgetary impact and administrative needs.

Finally, a legal opinion from our City Attorney's office clarified that the most legally defensible method to enact income sensitivity for seniors would be through a voter approved Charter Change, which will also then be subject to Legislative and Governor approval. There may be other methods to enact some type of income sensitivity for seniors, but Charter approval would seem to be provide the City with the most protection in case of a law suit or other legal objection.

**Budgetary considerations**

Initiating a municipal property tax relief program for seniors commits the City to a swiftly growing programmatic expenditure for years to come. The senior population of Chittenden County is projected to continue growing in the coming decades, at least doubling by 2030 compared to its 2010 levels. Nationwide, the Joint Center for Housing projects that the number of senior-owned households will increase by 62% by 2035. The negative revenue impact of a senior tax reduction program would increase every year as this demographic story plays out in Burlington.

In addition, the City would need to make the new one-time and ongoing investments in program staffing, materials, and procedures discussed above. These significant administrative “overhead” expenditures would not go directly to reducing the housing cost burden of lower-income seniors.

**Recommendation**

We do not recommend a property tax reduction for low- to moderate-income seniors, as the benefit would be limited to only those seniors who own homes (only 43% of the City's 65+ population); the State offers programs that allow income-sensitivity to property taxes; implementing the program would require adding staff to manage the program and require the City to take on new and challenging income verification duties; and it would ultimately shift the tax burden to other taxpayers.

**Existing City programs focused on seniors**

There are other means by which the City can, and does, support the entire population of Burlington's lower-income seniors. In 2016 the City of Burlington's Parks Department permanently took over the ownership and management of the Champlain Senior Center (CSC) when financial troubles threatened its closure. Through the CSC, the City provided 5,468 nutritious meals to seniors last year, in addition to social activities, recreational trips, fitness and arts classes, and transportation assistance. The CSC has grown under the City's management, moving to a larger location in the Old North End and seeing increased service utilization. The City also provides annual support to the Heineberg Community Senior Center, which provides similar services (including daily meals) in the New North End.

## II. Whether there should be an overall reduction in the municipal tax rate

With modest grand list growth, no new revenue sources, and anticipated yearly increases for salaries, health insurance, and facility updates, the City is not expecting much budgetary flexibility in next few fiscal years. Reducing the overall municipal tax rate would therefore mean finding other sources of funding to cover lost revenues. Shifting burden off of one of the City's broadest tax bases – the municipal property tax – would necessitate shifting the burden onto a subset of Burlington taxpayers (e.g. businesses), or cutting services.

We do believe there is opportunity to invest one time monies (e.g. unassigned fund balance) into initiatives that would result in longer term cost efficiencies or create revenue sources that would benefit all taxpayers. While those opportunities might not lead to future rate reductions, they would likely minimize the need for municipal tax rate increases in future years. City leadership has been exploring these opportunities, and anticipates discussing them with the Board of Finance and City Council during the budget process. These opportunities include: energy efficiency, incentives to reduce health insurance costs, new revenue-generating facilities, hiring a grant writer to ensure the City is taking advantage of grant opportunities, funding consultant recommendations for fire station consolidation, and overall asset management.

## III. A review of all fees charged to residents of Burlington for a variety of different programs with an eye toward introducing income-sensitivity into fees paid by individuals and families

Certain City departments –Parks, Recreation and Waterfront, Fletcher Free Library, and Burlington City Arts all offer voluntary programs to the public. While programming at FFL is free, Parks and BCA do charge fees, but offer need-based scholarships. These are in addition to the services provided free to seniors at the Champlain Senior Center, discussed above.

Overall, the City provides over $80,000 in scholarships to residents each year through these programs, and seeks to increase these figures annually.

**Department of Parks, Recreation and Waterfront** has one of the more comprehensive income sensitivity practices for their program fees. At Parks, all programs are eligible for scholarship funding. Through the third quarter of FY18, the Department spent $40,500 in program scholarship support for 213 Burlington households. Scholarships are awarded at 50% of the program cost to Burlington residents who are either under the age of 18 or over 65 and fall under 185% of the poverty line.[2] For certain youth programming (Champ Camp and school vacation camps), City scholarships are applied on top of State child care subsidy to further reduce the program cost.

Parks staff may accommodate individual requests for further assistance if the program in question can absorb additional support into their program budget. There are other less formalized income sensitivity processes at Parks, such as free parking passes at City parks and scholarships to cover up to half the cost of community garden plots. These benefits are available by request and conversation with staff, without the burden of formally documenting need.

Because of the Department's internal practice of not turning anyone away based on ability to pay, Parks does not believe there is currently an unmet need among their program users for fee support. That practice, however, does create need within the Department itself; Parks expects to exceed program budgets due to scholarships in FY18.

**Burlington City Arts** offers many activities free for all, but approximately 4,000 people per year participate in programs that require a fee. BCA maintains a scholarship program that provides

[2] Scholarship applicants can fill out a form annually and provide proof of income such as a pay stub, tax return, or documentation of Social Security. Alternatively, applicants can go to The Miller Center and show quick scholarship qualifiers such as an EBT card. Miller staff have access to the State's Child Care Financial Assistance program site and state-registered applicants automatically qualify for City scholarships.

between $30,000-$35,000 of education scholarships (full and partial) per year for over 200 individuals.[3] Programs where full and partial scholarships are available include:

- Adult Art Classes – Approx. 15% of adult students receive scholarships to attend.
- Youth Classes – Approx. 30% of youth receive scholarships to attend.
- Summer Camps (ages 6-18) – Approx. 16%-18% of our campers receive scholarships to attend
- Gallery Education (SEE.THINK.DO) group programs –84% of groups received partial or full scholarships to participate in program (43 out of 51 groups)

The only paid programing that is not scholarship eligible are drop-in classes and regular studio access adult membership.

As with Parks, BCA's internal policy is never to turn anyone away who needs a scholarship, so there is no unmet need from program users. However, there is always need to cover the cost of providing subsidized programming and BCA makes that story a focus of their fundraising appeals.

**Fletcher Free Library** does not charge fees for any of its materials or programming in adherence with the American Library Association's core values of free access to information in any format. During FY17, the Library offered more than 600 enrichment and literacy programs, benefiting over 15,000 of our community's early learners, youths, teens, young adults, adults, and seniors. Of this programming, 335 programs were offered to early learners, youths, and teens, benefiting over 11,500 kids.

A further reduction to program fees for certain demographics would create a budgetary challenge similar to the municipal rate reduction discussion above. Department programs have fixed costs that are currently supported by program user fees. A reduction in fees would need to be paired with a reduction in services or a new revenue stream.

[3] BCA uses a simple scholarship form that relies on more qualitative information about the applicant's ability to pay. The form does ask some demographic information including whether household income is above or below $50,000

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**Committee members:** Chair Brian Pine (BP), Sarah Carpenter (SC)
**City staff:** Christine Curtis, CEDO
**Other Attendees:** Megan Humphrey, HANDS; Cameron Segal, Living Well Group; Beth Hammond, Heineberg Senior Center

Wednesday, January 20th, 2021
5:30 PM – 7:00 PM
Virtual Zoom Meeting

**Draft Minutes**

**Meeting Started at 5:30 PM**

## 1. Approve agenda

MOTION by Councilor Carpenter, SECOND by Councilor Pine, to adopt the agenda as presented
VOTING: unanimous; motion carries.

## 2. Approve minutes: 11/30/20, 12/11/20

MOTION by Councilor Carpenter, SECOND by Councilor Pine, to approve the minutes as presented
VOTING: unanimous; motion carries.

## 3. Public Forum

No one spoke at public forum.

## 4. Senior services and recommendations of the 2019 ad hoc committee

The Committee invited Megan Humphrey, Cameron Segal, and Beth Hammond to discuss the services that they offer to Seniors and what specific needs are still being unmet in the community.

- Councilor Pine explained that the CDNR Committee was tasked with convening a council or committee on Seniors to ensure that Burlington is addressing Senior needs in a more proactive and collaborative way.
- Cameron Segal discussed wanting a City committee to support facilities and programs to assist in caring for Seniors. Cameron mentioned that Luke McGowan and CEDO has been working on specific Covid Senior issues and would like to see these efforts extended beyond Covid.
- Beth Hammond discussed the need to be more involved in the Senior community in Burlington outside of the Centers, specifically those Seniors who live alone. Beth discussed sustainability of programs and centers and that funding was a big issue that they always face. If there was a committee that represented Senior needs, there would be more growth and sustainability of programs that directly address those needs. Beth stated she worries that the City funding they are receiving is not going to be long term.
- Megan Humphrey discussed the number of partnerships that have expanded because of Covid. HANDS asks for a small amount of funding from the City every year but funding continues to be a challenge. Megan discussed the isolation that Seniors are facing in Burlington as well as the ability to pay property taxes for those that still live at home.
- Councilor Pine asked about examples of successful partnerships. Megan stated that the food banks and food pantries are always a helpful collaboration. Beth discussed the support buddy system and how that means of checking in on a large number of Seniors was successful. Cameron discussed utilizing college students to get more involved in Senior programs.

**5. Ideas for lowering the municipal property tax burden on low-income property owners**

***agenda item tabled*

**6. Other Business**

No other business discussed.

**7. Set date for next committee meeting/Adjournment**

MOTION to adjourn the meeting at 7:00 PM