



FY25 Proposed Budget

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Overview

- Who we are and who we represent
- Budget Goals and Assumptions
- FY25 General Fund Operations Budget
- FY25 General Fund Policy Budget
- FY25 Enterprise Funds
- ARPA and Fund Balance
- Anticipated Bond Vote
- Emerging Issues
- Next Steps

All FY25 Budget documents are available here:

<https://tinyurl.com/SBFY25Budget>

Who we are and who we serve: Residents

2022 Census QuickFacts

| | |
|-------------------------|--------------------------|
| Total Population | 20,624 |
| Owner-occupied homes | 60.2% |
| BA or Higher (25+) | 62.0% |
| Median Household Income | \$83,750 |
| Over 65 | 15.9% |
| BIPOC Residents | 15.3% |
| Born Outside the US | 12.1% |
| Language spoken at home | 12.7% other than English |

- Overall housing
 - 53% single family
 - 3% duplex
 - 41% multi-family
- Housing built since 2000
 - 26% single family
 - 10% duplex
 - 64% multi-family
- 89% of new housing built since 2010 has been within or immediately adjacent to our transit-served areas
- 51% of the City’s land area is park space, conserved, association common land, or regulated to prohibit development

Who we are and who we serve: Team

- Approximately 185 employees
- Across 14 departments
- 3 Represented Labor groups
- 8 City buildings
- 11 Parks and Natural Areas
- 6 statutory committees
- 11 policy advisory committees
- 122 volunteers on boards and committees

Hold the Community's Trust



Budget Goals – Operations Budget

Discussed at the Council's September 18, 2023 meeting

- Continue current level of service delivery
- Implement year 2 investments recommended in FY24
- Maximize potential for non-property tax revenue
- Operational tax rate not to exceed 5% increase (was projected to be 5.85% in September 2023)

Continued orientation to FY24 Policy Priorities & Strategies

Budget Goals – Policy Budget






- Implement the Climate Action Plan's Transportation Implementation Plan
- Implement the Climate Action Plan's Government Operations Implementation Plan
- Increase the Housing Trust Fund allocation to \$150,000/year
- Fund School Crossing Guards at 50% for \$30,000
- Fund Trinity Youth Center at \$13,000

High Impact Action Implementation Plans

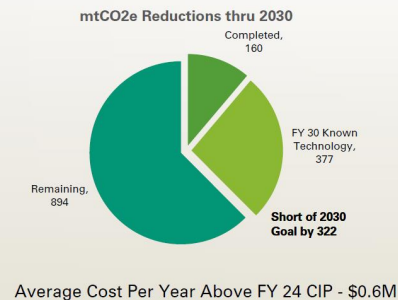
October 10, 2023 Council Presentation

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 - T.1.2 New Building EV Charging
 - T.1.3 EV Adoption
- 
 - T.2.3 Micro-Transit
 - T.2.8 Higher Density, Mixed-Use Development
 - T.2.11 Parking Maximums
 - T.2.12 Walk Bike Plan
- 
 - T.2.13 Increase CATMA Membership
 - T.2.16 Invest in GMT
 - T.2.18 Reduce Travel Lanes
 - T.2.19 Park & Ride

2030 Targets

- 
 - Replace **75%** of gas vehicles with all electric vehicles (EVs) and plug-in hybrid vehicles to reduce emissions by **42%**
- 
 - Reduce vehicle miles traveled by **2.5%** annually to reduce emissions by **19%**
- 
 - Plan for compact high-density (greater than 12.5 dwelling units per acre) new housing development to reduce emissions by **4%**

Planned Status by 2030



Make Bartlett Bay WWTP Upgrade Fossil Free

- Water Source Heat Pumps
- Maximize Solar Opportunities

Begin to Convert Fleet to Electric Vehicles

- Charging Stations at All Municipal Buildings
 - Grant in Place – Public Works & Police Station
- Procure Hybrid and All Electric Vehicles as:
 - Technology is Demonstrated
 - Normal Replacement Schedules
- Follow Technology for Specific Application

Begin to Convert Natural Gas Heating Systems to Heat Pumps

- Develop a Planned Conversion Schedule
 - Replace Prior to Failure
 - Grant for 3 Roof Top Units in Process

Weatherization

- Insulation as Needs Are Identified
 - MERF Grant for Wheeler & Fire Station 2
- Windows – Police & Public Works

November 6, 2023 Council Presentation

Budget Assumptions

- 2.0% growth in the total Grand List
- 4.4% growth in the TIF Grand List
- 7.0% increase in the Local Options Tax
- Increases in investment income, ambulance revenue, and permitting fees
- Contractual COLA of 2.80% and related step increases
- New Child Care Contribution payroll tax (.33% or \$48,253)
- Health insurance increase of 16.4%
- Property and equipment insurance increase of 8%

FY25 General Fund Total Budget



| Operations Budget | FY24 | FY25 | % change | Tax rate change |
|--------------------------------------|-----------------|-----------------|--------------|-------------------|
| General Fund | \$31,140,318.33 | \$33,778,310.94 | 8.47% | |
| Non-property tax Revenue | \$11,752,019.41 | \$12,991,968.22 | 10.55% | |
| To be raised by property tax | \$19,388,298.92 | \$20,786,342.72 | 7.21% | |
| Operations Tax Rate | \$0.4716 | \$0.4940 | 4.75% | \$0.0224 |
| Total Tax Rate (with pennies) | \$0.4916 | \$0.5141 | 4.58% | \$0.0225 |
| Impact (with pennies) | | | | Difference |
| Avg Condo | \$1,457.14 | \$1,523.84 | | \$66.70 |
| Avg House | \$2,150.18 | \$2,248.61 | | \$98.43 |
| With Climate and Policy Budget | FY24 | FY25 | % change | Tax rate change |
| General Fund | \$31,140,318.33 | \$34,528,310.94 | 10.88% | |
| Non-property tax Revenue | \$11,752,019.41 | \$12,991,968.22 | 10.55% | |
| To be raised by property tax | \$19,388,298.92 | \$21,536,342.72 | 11.08% | |
| Operations Tax Rate | \$0.4716 | \$0.5118 | 8.53% | \$0.0402 |
| Total Tax Rate (with pennies) | \$0.4916 | \$0.5319 | 8.20% | \$0.0403 |
| Impact (with pennies) | | | | Difference |
| Avg Condo | \$1,457.14 | \$1,576.68 | | \$119.53 |
| Avg House | \$2,150.18 | \$2,326.57 | | \$176.39 |

FY24 average condo assessment = \$296,408

FY24 average house assessment = \$437,384

FY25 General Fund Operations Budget



- FY24 Year 2 Investment Recommendations
 - Restored DPW position in Highway
 - Restored Youth Services Police Sergeant position
 - Full implementation of second ambulance
- Service Needs
 - CityPlan implementation - \$20,000 for associated plans
 - Increase of \$38,000 in curb and sidewalk maintenance
 - Increase of \$15,000 in anticipation of a new finance system
 - Increase of \$26,500 for regular rotation of FD personal protective equipment
 - Increase of \$30,000 for batteries for PD portable radios and dispatch battery backup replacement
 - GMT increase of 10.65% or \$63,008
- New Staff Capacity
 - 19 hour/week Library position
 - Community Justice Center staff to full-time with General Fund support
- City Center Vibrancy
 - \$30,000 for Illuminate Vermont
 - \$20,000 for start up costs of a downtown association

FY25 General Fund Capital Improvement Plan



Significant Changes

- Increase of \$10,000 for Public Art
- Restore \$60,000 to City Center Reserve
- Fire Station alerting \$95,000
- Increase of \$150,000 in paving
- Market and Hinesburg Road Traffic Signal at \$100,000
- Increase of \$60,000 for sidewalk assessment and improvement
- Increase of \$30,000 for traffic calming
- Increase of \$100,000 for anticipated school safety needs at Dorset Street
- Partially fund Compact Wheel Loader for City Center maintenance

FY25 Total Climate Policy Budget



| SUMMARY FINANCIALS (in \$1,000) | FY25 Operations Budget (GF)* | FY25 Climate Policy Budget | FY25 Total Budget |
|---|------------------------------|----------------------------|-------------------|
| GOVERNMENT OPERATIONS CLIMATE ACTION | | | |
| DPW Fleet – electric lawn mower | | \$10 | \$10 |
| DPW-Facility and Charging station | \$130 | \$155 | \$285 |
| Fire/Ambulance Fleet (Administrative) | \$15 | \$0 | \$15 |
| Police Cruisers | \$30 | \$0 | \$30 |
| PP-DPW windows replacement | \$31 | \$69 | \$100 |
| PP-Wheeler House | \$12 | \$8 | \$20 |
| PP-Fire Station 1 | \$15 | | \$15 |
| PP-Police Station | \$10 | | \$10 |
| Subtotal | \$243 | \$242 | \$485 |
| TRANSPORTATION CLIMATE ACTION | | | |
| Active Transportation Projects | | \$100 | \$100 |
| Public Transit | | \$75 | \$75 |
| Subtotal | \$0 | \$175 | \$175 |
| STAFFING | | | |
| 1 FTE to lead projects and identify opportunities | | \$115 | \$115 |
| Consulting funds as identify needs | | \$75 | \$75 |
| Subtotal | \$0 | \$190 | \$190 |
| CLIMATE BUDGET TOTAL | \$243 | \$607 | \$850 |

* Reflects climate policy decisions already in CIP
 PP= Physical Plant budget

Use of ARPA and Surplus

One-time funds (ARPA or Surplus) anticipated in FY25 Budget

- \$350,000 for Market and Hinesburg Road
 - \$125,000 for Parks Master Plan
 - \$200,000 for Hinesburg Road Share Use Path
- } = \$675,000

| ARPA | |
|--------------------------|-------------|
| Award Received | \$5,654,533 |
| Interest earned | \$246,191 |
| Total ARPA Revenues | \$5,900,724 |
| Council Approved to date | \$3,782,680 |
| Remaining ARPA Funds | \$2,118,044 |

| Surplus | |
|---|----------------|
| FY22 Fund Balance | \$2,872,337.20 |
| FY23 Unaudited Surplus | \$2,391,943.00 |
| FY24 Council Allocations (8/18, 9/18, 10/2) | \$1,138,376.23 |
| Unaudited Available FY23 Fund Balance | \$4,125,903.97 |
| 8.33% Minimum Balance Required | \$2,593,988.52 |
| Max 16.66% Target Balance | \$5,187,977.03 |
| Fund Balance Available for Allocation | \$1,531,915.45 |

Utilities



FY25 Proposed total annual increase to average homeowner = **\$64.18**

Stormwater

- Personnel and related benefits cost

Sewer

- Personnel and related benefits cost
- Increase in chemical costs allow us to lower phosphorus to the Lake
- Building capacity to pay for bond

Water

- Personnel and related benefits cost
- Second water tower for the high service area

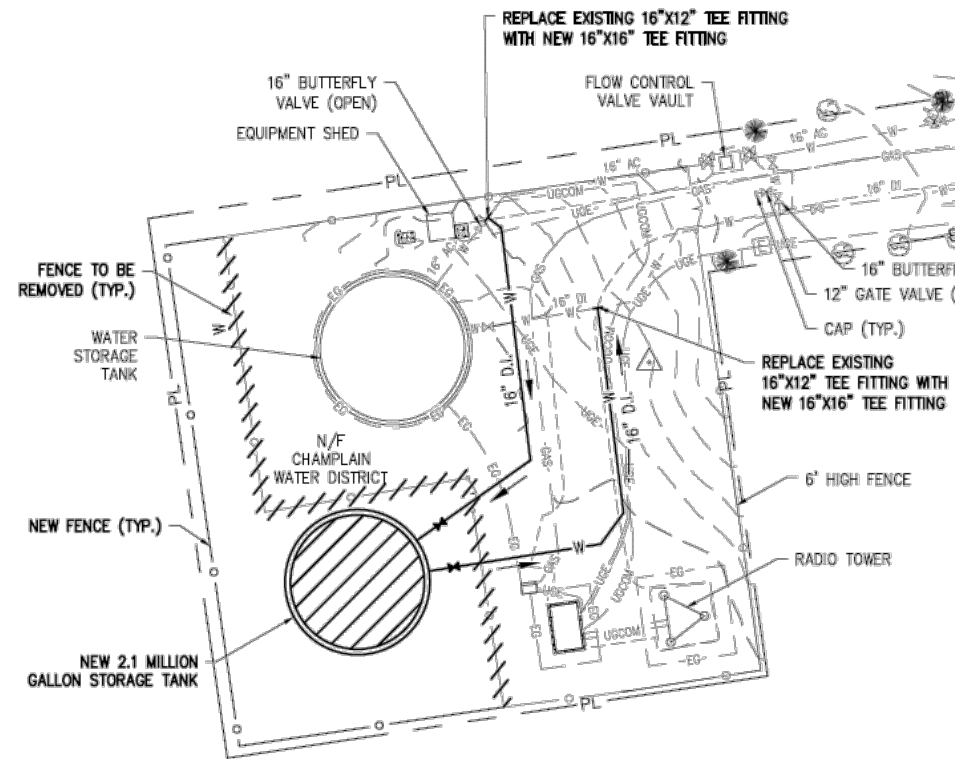
| Utility | Existing Fiscal Year 2024 Rate | FY24 Annual Fee for the Average Home-Owner* | Proposed Fiscal Year 2025 Rate | % Increase from FY'24 to FY'25 | Annual Increase for South Burlington Home-Owner |
|------------|--|---|--|--------------------------------|---|
| Stormwater | \$7.44 per month for residential units | \$89.28 | \$7.67 per month for residential units | 3.1% | \$2.77 |
| Sewer | \$48.20 per 1,000 cubic feet | \$386.56 | \$52.42 per 1,000 cubic feet | 8.75% | \$33.82 |
| Water | \$36.21 per 1,000 cubic feet | \$290.40 | \$39.65 per 1,000 cubic feet | 9.5% | \$27.59 |

* Calculation based on 1 ERU for stormwater and 8,020 cubic feet / year of sewer and water usage.

Water Tank Bond Vote



- New 'Twin' Standpipe Tank
 - 53 ft diameter
 - 127 ft height
 - 2,100,000 gallon capacity
- Following the project, the High Service Area would have 4.2 million gallons of storage capacity, sufficient for foreseeable long-term needs.



Bond Amount = \$5,250,000

The average user will see a rate increase of approximately \$19.38 per year.

Emerging Issues



- Creation of Parking Fund and new structure
- Creation of a Rental Registry Fund and new structure
- No funding allocated for Recreation Center planning
- No funding allocated for the Building & Thermal portion of the Climate Action Plan
- No funding allocated for the separation of 575 and 577 Dorset Streets
- CityPlan 2024 Adoption
- Collective Bargaining
 - Fire collective bargaining agreement in negotiation
 - AFSCME and City recognition of Library employees in process
 - AFSCME and Police agreements expire at the end of FY25
- Hard to fill employment categories: CDL drivers and police officers
- Emerging mental health and substance misuse needs of our neighbors
- Emerging staffing needs: Bartlett Bay and City Center maintenance