

City of Montpelier, Vermont

FY09 Budget

Montpelier City Council

William Fraser, City Manager

January 9, 2008

FY09 BUDGET - Montpelier, Vt.

ADOPTED CITY COUNCIL PRIORITIES - 2007/08

- Create a Sustainable Budget with quality service
- Support and Enhance Downtown/Neighborhoods
- Support and Encourage Responsible Development
- Conserve Energy and Natural Resources
- Maintain the City's Infrastructure
- Maintain/enhance Quality of Life

Specific Priority items

- Flood Mitigation
- Montpelier Telecom
- Sabin's Pasture plan
- Parking/Transit plan
- Envision Montpelier
- Community Energy

Challenges for this Budget:

Flood Mitigation Study - \$300,000 local share

Reappraisal - \$200,000 to \$300,000 total cost

Budgets managed very tightly in recent years
creating “pent-up” demand/needs

Equipment/Capital plans- deferred costs accruing
from prior years

Challenges for this Budget:

Rising Fuel Costs

Department Head changes

Initial budget draft was a 17 cent increase

Constant/Increasing service demands/needs
with stretched resources.

Considerations:

2.0 cent increase last year, 1.6 cent (1.3%) average increase over last 7 years.

2.2% average tax increase over 5 years, while average inflation increase has been 3.0%

77% approval last year, 72% over 10 years

Core Mission of City is to provide essential services

PROPOSED BUDGET

General Fund Budget of \$9,152,206

3.5% Budget Increase (\$311,979)

\$70,000 for reappraisal, \$27,000 for County Tax.

Remaining budget increase is 2.4%

Requires 2.9 cent (2.6%) tax rate increase.

PROPOSED BUDGET, cont.

Water Budget \$2,341,722 - up \$55,133 (2.4%)

Proposed 5% rate change as planned.

Sewer Budget \$3,435,884 – up \$108,041

(3.2%) Proposed 5% rate change as planned.

Parking Budget \$595,677 down \$3,846 (-0.6%)

Proposed fine increases.

What's Included?

\$70,000 for reappraisal (first of 4 years)

Uses \$27,000 of fund balance for County Tax

Code Enforcement program/revenue

Reduced funding for Library

Capital Plan fully funded at \$1,000,000, which includes \$100,000 for Army Corps flood study

What's Included? Continued

Equipment Plan increased by \$45,154

Justice Center increased by \$11,000

School Resource Officer shared at 50% w/ school

Employee wage adjustments at 2.75% with employees contributing 5% to 20% for health insurance.

Another \$21,000 increase for road salt

What's Included? Continued.

- Funds for Technology enhancements
- Dispatch fee increases
- Technology Assistant increased to FT
- Emergency Management expenses increased
- \$52,000 for Housing Trust Fund ballot item

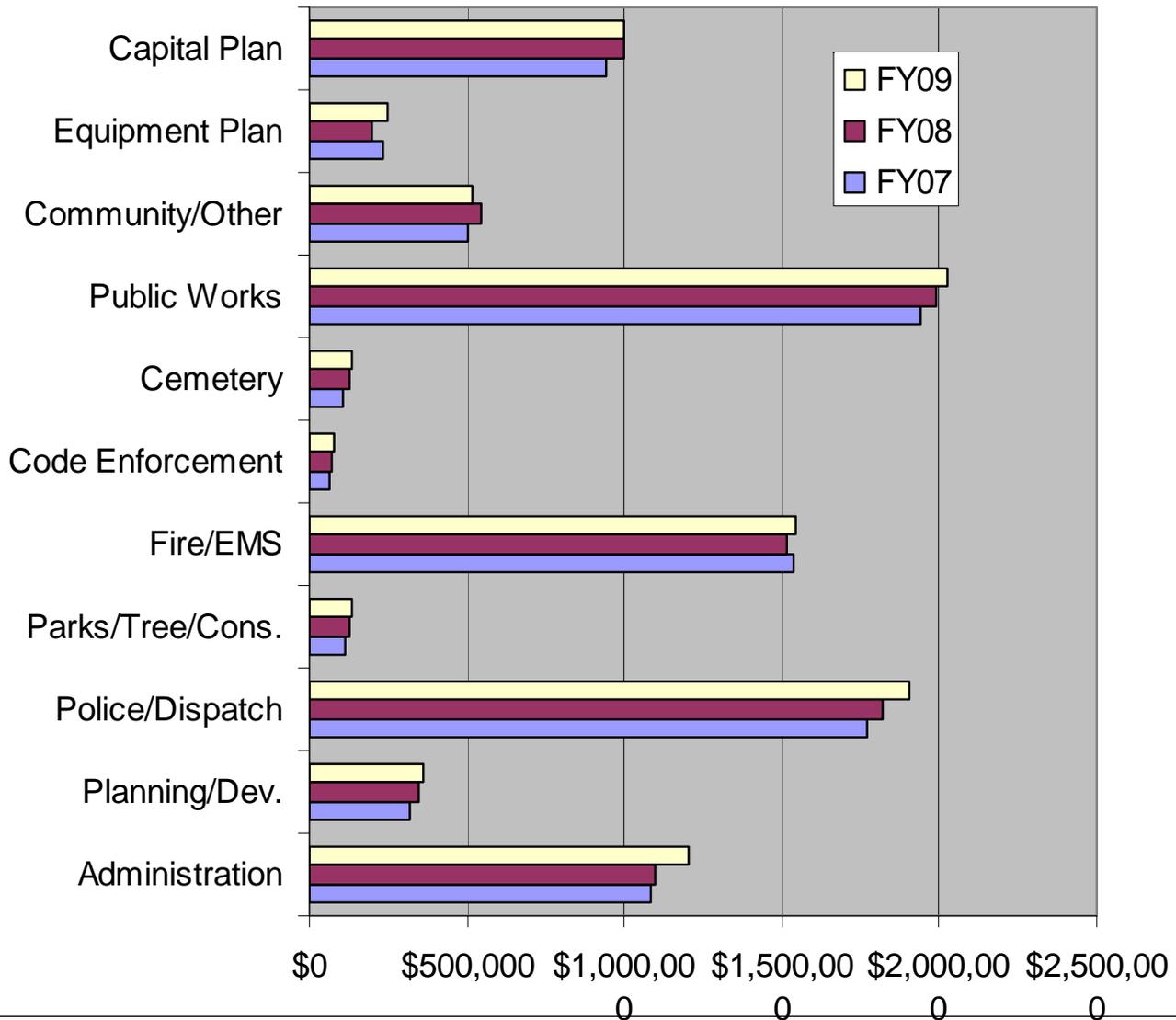
What's Not Included?

- Outside Agency Funding (=1.4 cents in '08)
- Additional Funds for Assessor's office
- Additional Police Officer
- Expanded Tree Management position
- Tasers
- Expanded funding for parking structure or long term shuttle
- Montpelier Telecom expenses

General Fund Budget Comparison

Category	FY07	FY08	FY09	\$ Change	% Change
Administration	\$1,086,705	\$1,100,604	\$1,202,583	\$101,979	9.3%
Planning/Dev.	\$319,602	\$343,626	\$362,619	\$18,993	5.5%
Police/Dispatch	\$1,771,226	\$1,820,568	\$1,906,872	\$86,304	4.7%
Parks/Tree/Cons.	\$113,626	\$130,770	\$135,136	\$4,366	3.3%
Fire/EMS	\$1,534,010	\$1,512,064	\$1,546,929	\$34,865	2.3%
Code Enforcement	\$67,023	\$73,448	\$77,185	\$3,737	5.1%
Cemetery	\$108,429	\$126,802	\$135,316	\$8,514	6.7%
Public Works	\$1,938,668	\$1,988,760	\$2,024,943	\$36,183	1.8%
Community/Other	\$502,240	\$542,004	\$513,888	-\$28,116	-5.2%
Equipment Plan	\$235,854	\$201,581	\$246,735	\$45,154	22.4%
Capital Plan	\$943,500	\$1,000,000	\$1,000,000	\$0	0.0%
Totals	\$8,620,883	\$8,840,227	\$9,152,206	\$311,979	3.5%

General Fund Comparison by Department FY 07, 08, 09



Core Services:

Public Safety: **38.5%** (Police, Dispatch, Fire, Ambulance, Code Enforcement)

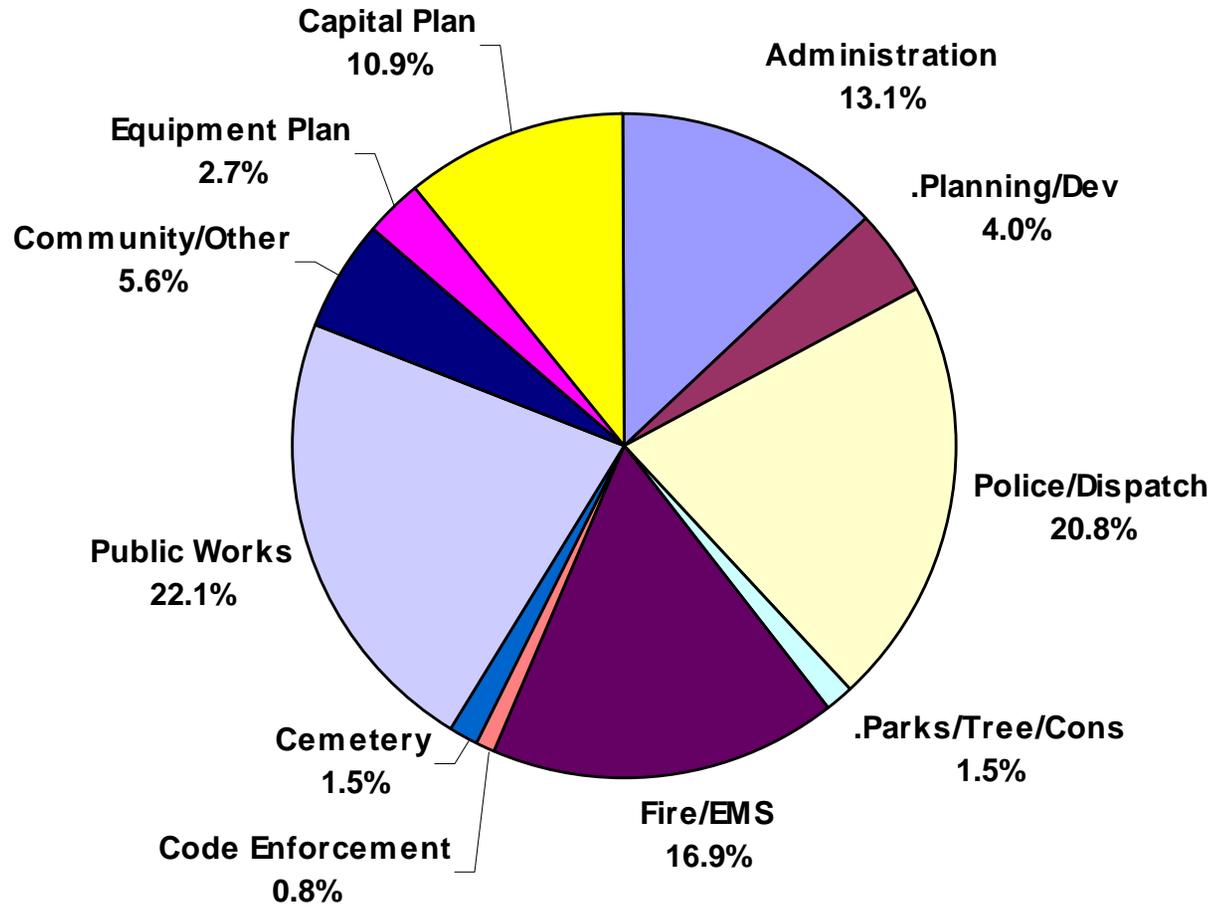
Infrastructure maintenance, operation and improvement: **37.2%** (Public Works, Capital Plan, Equipment Plan, Cemetery, City Hall)

Planning/Zoning/Housing: **4.0%**

Parks/Tree Bd/Conservation: **1.5%**

Community (agencies, enhancements): **5.6%**

FY09 General Fund Expenses



Administration 13.1%

Council & Manager - 3.5 %

Clerk/Treasurer/Elections – 2.6 %

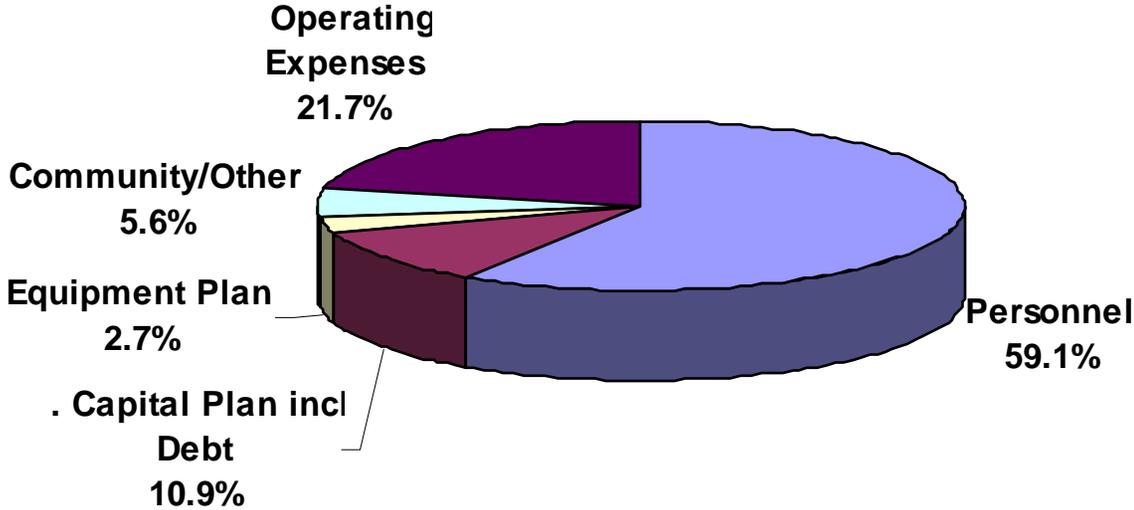
Finance - 3.1 %

Technology Services – 2.0 %

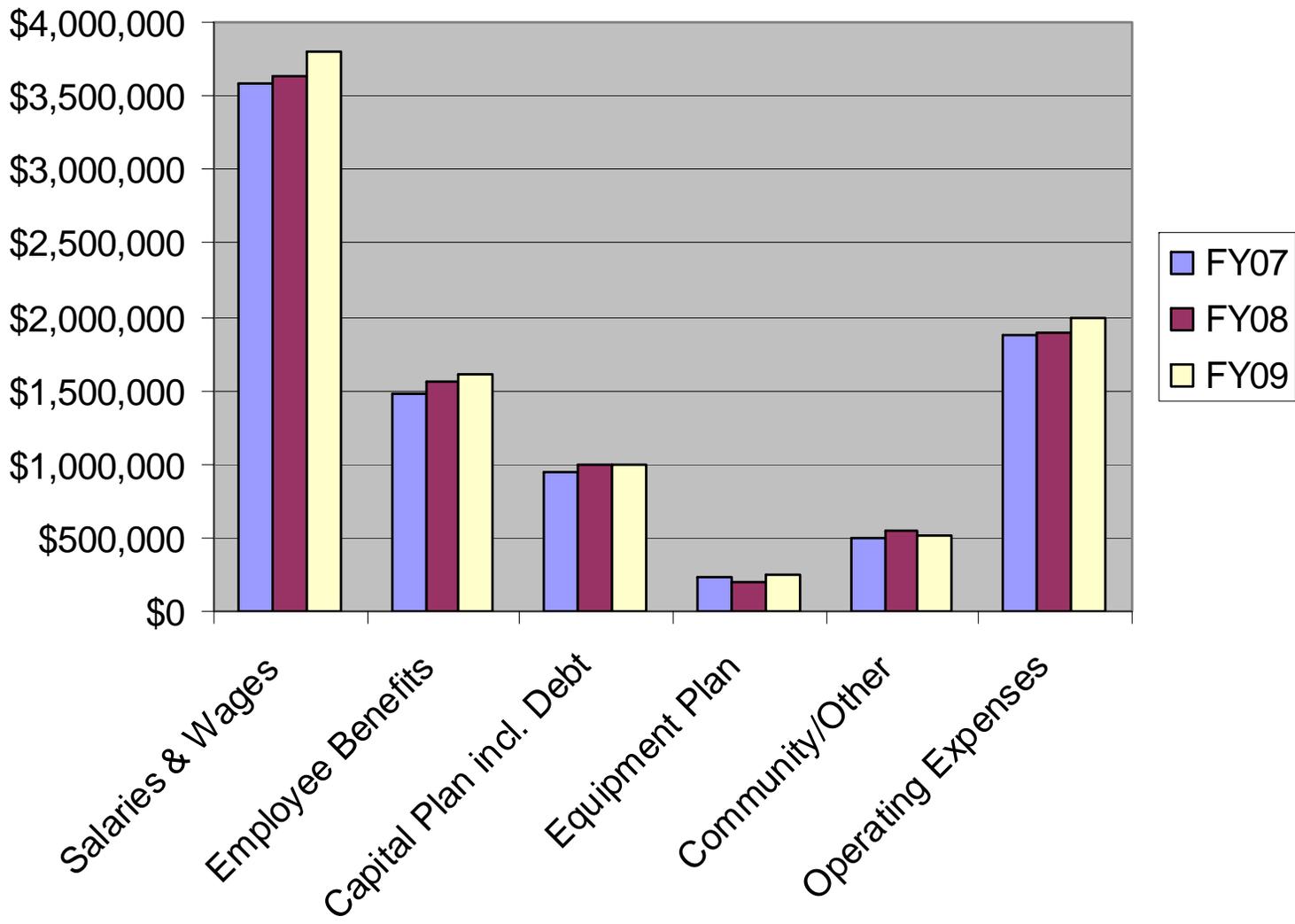
Property Assessment - 1.9 %

FY09

General Fund Categories



Comparison of Budget Categories FY 07, 08, 09



Salaries and wages increased \$156,885 (4.3%).

Total benefits increased \$47,459 (3.0%).

Health Insurance costs budgeted at 8.2% and 13%

Overall personnel costs increased 3.9%

Capital Plan no change 0.0%

Equipment Plan increased 22.4%

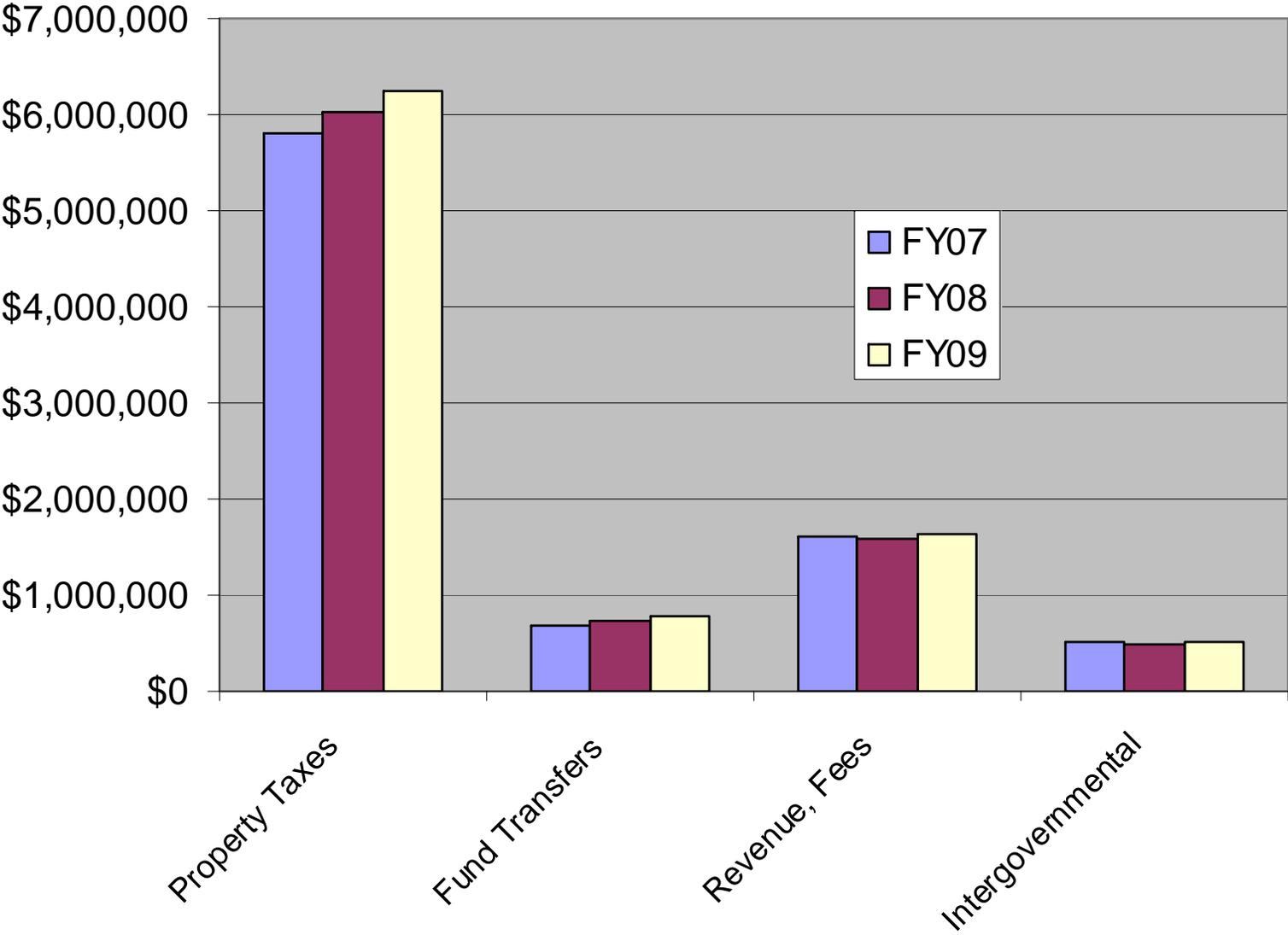
Community decreased -5.2%

Operating costs increased 4.8%

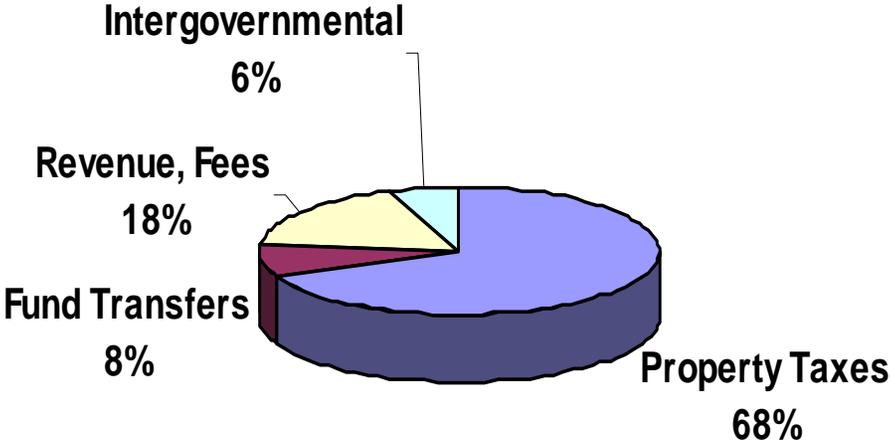
General Fund Revenue Comparison

CATEGORIES	FY07	FY08	FY09	\$ Change	% Change
Property Taxes	\$5,814,190	\$6,025,291	\$6,241,124	\$215,833	3.6%
Fund Transfers	\$682,780	\$739,362	\$774,763	\$35,401	4.8%
Revenue, Fees	\$1,604,910	\$1,589,793	\$1,623,656	\$33,863	2.1%
Intergovernmental	\$519,003	\$485,781	\$512,663	\$26,882	5.5%
Total	\$8,620,883	\$8,840,227	\$9,152,206	\$311,979	3.5%
<i>Grand List</i>	<i>526,926,295</i>	<i>528,665,718</i>	<i>533,952,375</i>	<i>5,286,657</i>	<i>1.0%</i>
Property Tax Rate	\$1.10	\$1.14	\$1.17	\$0.029	2.6%
City General Fund	\$1.08	\$1.12	\$1.16	\$0.036	3.2%
Ballot Items	\$0.03	\$0.02	\$0.01	-\$0.007	-42.4%

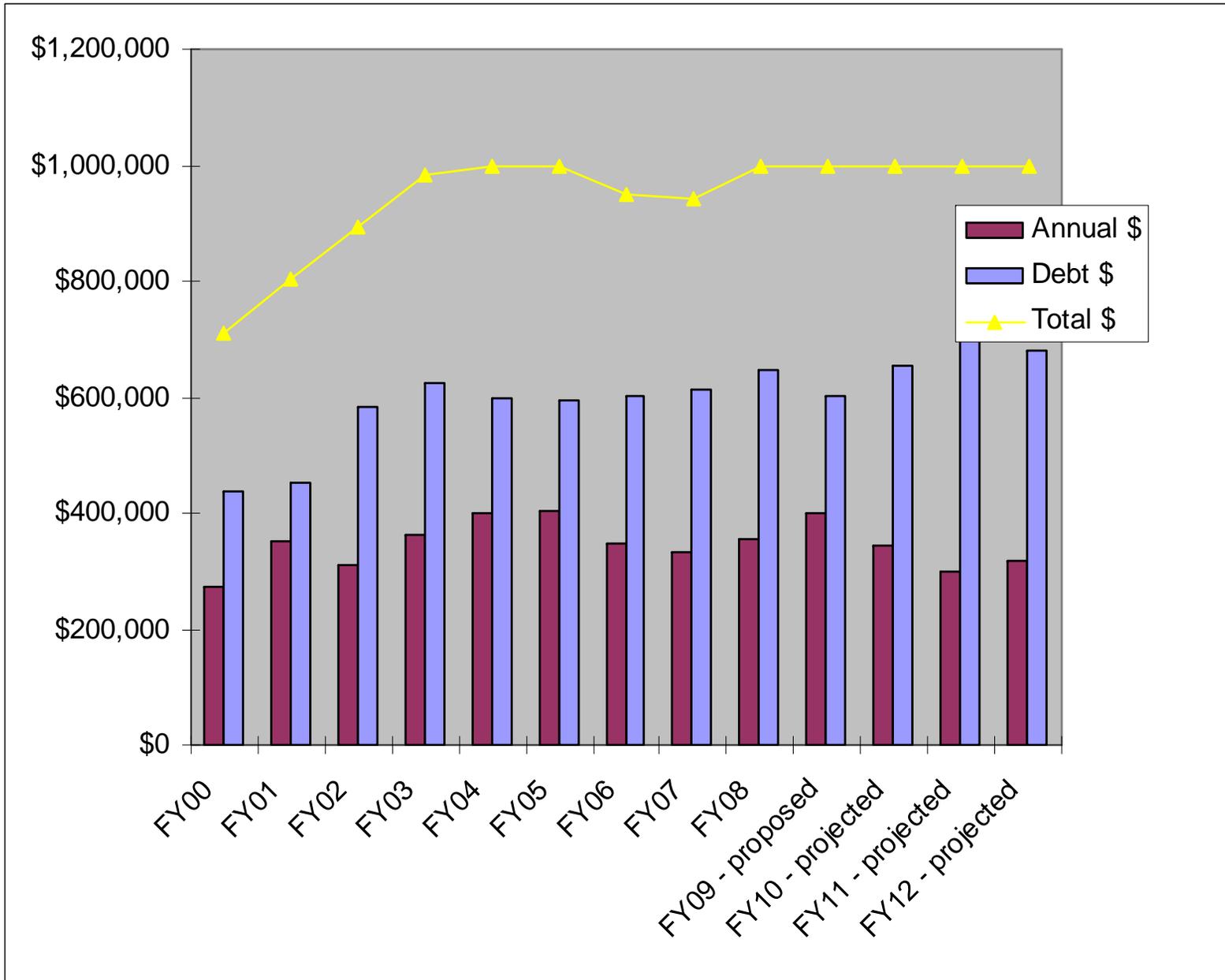
General Fund Revenue Comparison



**FY09
GENERAL FUND REVENUES**



General Fund Capital Plan

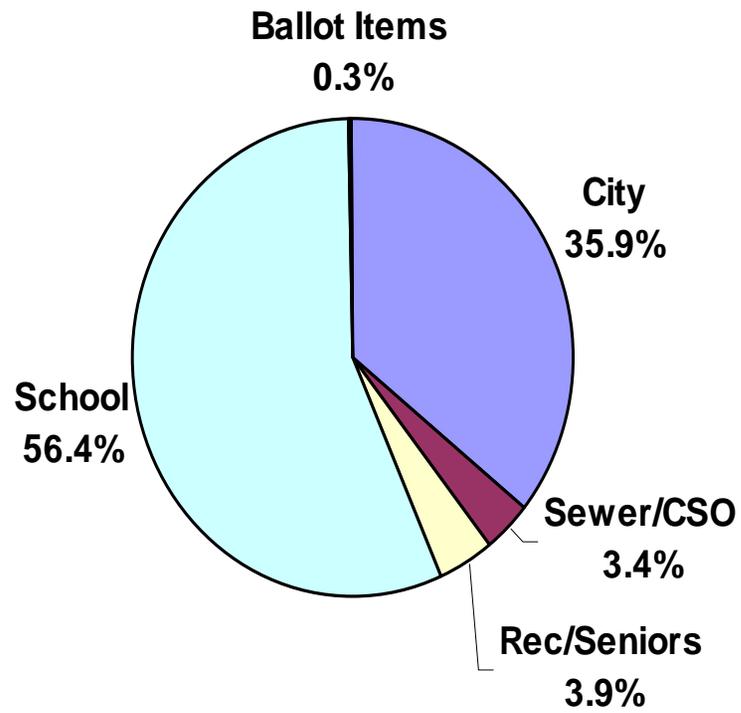


Annual Projects	FY08	FY09
Street Paving	\$31,628	\$63,539
Street Rehabilitation	\$142,000	\$65,000
US 2/302 Intersection	\$25,000	
Sidewalks	\$46,000	\$60,000
Retaining Walls	\$45,000	\$20,000
Buildings & Grounds	\$20,500	\$20,000
Master Plan update	\$7,500	\$11,700
Web site upgrade	\$10,000	\$10,000
Storm Drain Lining		\$20,000
Downtown Projects	\$10,000	\$10,000
Flood Mitigation Study		\$100,000
Project Management (5%)	\$16,882	\$19,012
Total Annual Funding	\$354,510	\$399,251

PROJECTED TAX RATES (Not including School/Rec/Sr Citizens info)

	FY08 Taxes	FY08 Rate	FY09 Taxes	FY09 Rate	Tax \$ Change	Rate Change	Pct. Change
MUNICIPAL							
General Fund	\$5,935,969	\$1.12	\$6,189,124	\$1.16	\$253,155	\$0.036	3.2%
Ballot Items	\$89,322	\$0.02	\$52,000	\$0.01	-\$37,322	-\$0.007	-42.4%
Recreation	\$593,983	\$0.11	\$593,983	\$0.11	\$0	-\$0.001	-1.0%
Senior Citizens	\$79,265	\$0.01	\$79,265	\$0.01	\$0	\$0.000	-1.0%
TOTAL MUNICIPAL	\$6,698,539	\$1.27	\$6,914,372	\$1.29	\$215,833	\$0.028	2.2%
SCHOOL							
Residential	\$4,788,220	\$1.82	\$4,788,220	\$1.82	\$0	\$0.00	0.0%
Non-residential	\$4,707,680	\$1.96	\$4,707,680	\$1.96	\$0	\$0.00	0.0%
TOTAL SCHOOL	\$9,495,900		\$9,495,900		\$0		0.0%
TOTAL	\$16,194,439	\$3.09	\$16,410,272	\$3.11	\$215,833	\$0.03	0.9%
Sewer Benefit	\$119,430	\$0.02	\$119,430	\$0.02	\$0	\$0.00	0.0%
CSO Benefit	\$537,434	\$0.09	\$537,434	\$0.09	\$0	\$0.00	0.0%
GRAND TOTAL	\$16,851,303	\$3.20	\$17,067,136	\$3.22	\$215,833	\$0.03	0.9%
- non -residential rate		\$3.34		\$3.36		\$0.03	0.8%

FY09 Residential Tax Rate Distribution



2006 Tax Rates		Effective	Actual	Effective	Actual				
		School	School	School	School	Effective	Actual	Effective	Actual
Municipality		Resident.	Resident.	Non-Res.	Non-Res.	Municipal	Municipal	Total Res	Total Res.
Barre City		\$0.97	\$0.93	\$1.32	\$1.27	\$1.30	\$1.25	\$2.27	\$2.18
Barre Town		\$1.02	\$1.10	\$1.34	\$1.44	\$0.77	\$0.82	\$1.79	\$1.92
Berlin		\$1.28	\$1.94	\$1.33	\$2.01	\$0.44	\$0.63	\$1.72	\$2.57
Calais		\$1.33	\$2.22	\$1.31	\$2.18	\$0.44	\$0.74	\$1.77	\$2.96
East Montpelier		\$1.28	\$2.10	\$1.27	\$2.09	\$0.62	\$1.01	\$1.90	\$3.11
Middlesex		\$1.35	\$1.54	\$1.32	\$1.50	\$0.40	\$0.45	\$1.75	\$1.99
Moretown		\$1.40	\$1.48	\$1.38	\$1.46	\$0.28	\$0.30	\$1.68	\$1.78
Northfield		\$1.29	\$1.41	\$1.32	\$1.44	\$0.59	\$0.75	\$1.88	\$2.16
Plainfield		\$1.07	\$1.36	\$1.29	\$1.63	\$0.59	\$0.75	\$1.66	\$2.11
Waterbury		\$1.22	\$1.78	\$1.33	\$1.95	\$0.30	\$0.44	\$1.52	\$2.22
Worcester		\$1.31	\$1.62	\$1.29	\$1.60	\$0.46	\$0.58	\$1.77	\$2.20
AVERAGE		\$1.23	\$1.59	\$1.32	\$1.69	\$0.56	\$0.70	\$1.79	\$2.29
Montpelier		\$1.16	\$1.64	\$1.35	\$1.74	\$0.96	\$1.34	\$2.12	\$2.98
Montpelier vs. Average		-\$0.07	\$0.05	\$0.03	\$0.05	\$0.40	\$0.64	\$0.33	\$0.69
		-5.62%	3.20%	2.41%	3.07%	70.60%	90.93%	18.32%	30.08%

2006 Effective Tax Rates			School		School		Mun.		Total
			Res.		Non-res.				Res.
Barre City			\$0.97		\$1.32		\$1.30		\$2.27
Brattleboro			\$1.47		\$1.28		\$1.01		\$2.48
Hartford			\$1.17		\$1.33		\$0.62		\$1.79
Middlebury			\$1.49		\$1.34		\$0.75		\$2.24
Newport			\$1.22		\$1.36		\$0.94		\$2.16
Rockingham			\$1.52		\$1.41		\$0.85		\$2.37
Rutland City			\$1.10		\$1.35		\$1.13		\$2.23
Springfield			\$1.19		\$1.18		\$1.10		\$2.29
St. Albans			\$1.16		\$1.32		\$0.69		\$1.85
St. Johnsbury			\$1.19		\$1.32		\$0.76		\$1.95
Windsor			\$1.22		\$1.24		\$1.01		\$2.23
AVERAGE			\$1.25		\$1.31		\$0.92		\$2.17
Montpelier			\$1.16		\$1.23		\$0.96		\$2.12
Montpelier vs. Average			-\$0.09		-\$0.08		\$0.04		-\$0.05
			-7.00%		-6.74%		3.60%		-2.20%

Other Items with Tax Impact

1,174 Prebate Applications (59.7% of Montpelier homes) = \$1,058,040 = 20.4 cents on tax rate.

Average School Tax Adjustment = \$901.23

607 Homeowner Rebate Applications (30.8% of Montpelier homes) = \$587,444 = 11.3 cents

Average "Circuit Breaker" Rebate = \$967.78

Total Tax Rebates paid in Montpelier in **2006** were \$1,645,484 which = 31.7 cents on tax rate

Additional Considerations

Outside Agency petitions (=1.4 cents last year)

\$52,000 for Housing Trust Fund on ballot

Pending additional request for Library

Other requests? Sabins Pasture?

FY08 Budget Schedule

- *Monday, December 3 – Overview w/School*
- *Saturday, December 8 - 9:00 AM to 3:00 PM - budget workshop*
- *Wednesday, December 12 - Council Meeting*
- *Wednesday, December 19 – Council Meeting*
- *Wednesday, January 9, 2008 - 1st P.H.*
- *Thursday, January 24, 2008 - 2nd P.H.*

2008 City Meeting Election

- Tuesday, March 4, City Hall
7:00 AM to 7:00 PM

Absentee ballots available between
February 15th and 20th