

Annual Voting on March 7 and More

By William Fraser, City Manager

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The annual city election is right around the corner. The actual election day is Tuesday, March 7, with polls open at city hall from 7 a.m. to 7 p.m. Early voting will begin in mid-February as always. Please note that ballots will NOT be mailed to all voters this year.

Key Ballot Items

- Article 5 is for the request to withdraw from the Central Vermont Public Safety Authority (CVPSA) made by the city council. The Barre City Council is making a similar request.
- Article 6 is for the request to dissolve the Central Vermont Public Safety Authority (CVPSA) made by the CVPSA Board of Directors. They are making a similar request in Barre.
- Articles 14–16 are for amendments to bonds that were approved last year. Article 14 provides greater flexibility for the use of the funds within the listed projects. Articles 15 and 16 change the term of the bonds from 20 years to 30 years to match low-interest financing awarded from Rural Development. These do not approve additional funding or nullify last year's approvals.
- Annual Report: The annual report will be available in hard copy at city hall, the library, the senior center and the schools. It will also be available online in searchable PDF form at the city's website www.montpelier-vt.org.

FY24 City Budget

As usual, the annual election includes voting on the city and school budgets as well as other items. For this year, the overall (city and school combined) tax rate is up 3.9% — an average of only 1.65% over the last two years as compared to the average 6.75% inflation rate over that same time frame.

Guidelines

This year's budget presented challenges due to the fiscal impact and continued disruption caused by the COVID-19 pandemic and high inflationary factors. The leadership team approached the budget with the following guiding principles:

- Implement strategic plan.
- Retain and stabilize staffing levels.
- Continued investment in infrastructure.
- Deliver responsible services.

- Stay within inflation rate.

Key Budget Factors

The following major factors impacted the budget.

- Increased cost, demand, and delay for products and services.
- Funding for full staffing at levels effective for recruitment and retention.
- Implementation of key infrastructure projects working with prior year investments.
- Clear direction from the city council about priorities.
- Revenue recovery and restoration at levels on trend.
- Higher inflation rate than in recent years, as documented through the Consumer Price Index (7.7%) and Social Security COLA (8.7%).

Property Tax Impact

- The net result of revenues and expenses is that \$11,495,881 in property tax revenues are required for the municipal portion (non-school) of the budget. This is an increase of \$839,174 (7.9%) from FY23.
- Requires a 9.55 cent (7.6%) increase in the property tax rate. For the average residential property, this tax rate represents an increase of \$217.81 on the tax bill.

Budget Numbers

- FY24 general fund budget totals \$17,383,101, which is an increase of \$1,243,680 (7.7%) from the comparable FY23 spending plan.
- FY24 general fund non-tax revenues total \$5,390,869, which is an increase of \$400,804 (8%) from FY23 non-tax revenues.
- Consistent with the council's fund balance policy, no general fund balance is used to offset the budget and reduce taxes.
- Revenues from the state of Vermont such as highway aid and grand list maintenance funding have been assessed based on experience. Payment in lieu of taxes (PILOT) revenue was adjusted to reflect actuals, categorically state/local PILOT is up by \$67,489. Local rooms, meals, and alcohol tax revenues were adjusted up by \$42,000 to reflect the current revenue trend from local restaurants and hotels.
- Grand list value was held the same as the FY23 level. With the projected grand list, \$88,193 represents one cent on the tax rate, while approximately \$100,000 represents one percent on the tax rate.

Infrastructure

- The Capital Projects, Equipment, and Debt Service Program is funded at \$2,153,500, essentially level fund over FY23 at \$2,149,165, averaging 11.8% from FY22 to FY24. Of that, \$641,805 is for projects and \$363,500 is for equipment, \$1,148,195 is in existing/projected debt service.
- The capital plan as presented, over the next 5 years, restores steady-state funding at \$2.4 million and grows the future steady-state baseline by 4.2% inflationary average.
- In FY23 the city invested \$30 million in projects and equipment. Work is slated to be done in FY24. Projects include East State Street, Main and Barre Street intersection, Phase 2 of the water resource and recovery facility, net-zero energy

plans, and Confluence Park (TBD). In FY24, State Route 2 is scheduled for paving; the match is included in the capital plan for sidewalks. This year the focus is on projects in the pipeline and opportunities to leverage city money for federal infrastructure money.

Personnel

- All city staff positions are fully funded in the FY24 budget. This budget also includes funding for the sustainability and facilities coordinator as well as a communications coordination to reflect strategic priorities.
- Cost of living allowances, step increases, and base wage adjustments are built into all employee wage and salary accounts consistent with collective bargaining agreements and personnel policies.

Operating

- **Police:** Funding supports core services and the recruitment and retention of police officers. The police budget continues the contractual relationship with Capital Fire Mutual Aid System for dispatching services. The Police Department continues sharing administrative support with the Fire Department. Includes funding for a social worker position shared with the city of Barre.
- **Fire and Emergency Services:** Paramedics continue to be successfully integrated into the department.
- **Public Works:** They are focusing on implementing the stormwater utility, completing the major upgrade to the water resource recovery facility, and future state transportation planning. The department is gearing up to manage the many projects that will be moving forward in the next year.
- **Government Services:** The finance, IT, and manager departments are maintaining staffing and increasing funding for tech support. Includes full-year funding for the sustainability/facilities coordinator and communications coordinator positions.

Other Services

- \$61,077 in funding for the downtown improvement district is shown in the budget as both expense and revenue.
- Montpelier Alive is funded at \$32,600 with \$4,500 for July 3 and other celebrations.
- Montpelier Energy Advisory Committee remains at \$5,000.
- Social equity consultant remains at \$10,000.
- The Green Mountain Transit My Ride system remains at \$40,000.
- Homelessness Task Force remains at \$45,000.
- The budget includes funding for the monthly Montpelier Bridge article.
- Housing task force is fully funded at \$110,000 (earmarked for Country Club Road Project, total project work funding \$250,000).
- Economic development funded at \$100,000 (earmarked for Country Club Road Project, total project work funding \$250,000).
- Public Arts Commission is funded at \$10,000.
- Committee Stipend Program at \$20,000.
- Legislative advocacy, \$15,000.
- Social worker, Washington County Mental Health (WCMH), \$20,000.
- Wrightsville annual appropriation. Increase \$8,000 for a total of \$20,000.

- Parks Commission, \$5,000.