

FY13 BUDGET

January 11, 2012

Montpelier City Council

William Fraser, City Manager

2011 Annual Report

- Montpelier's budget presents an annual challenge since we see no appreciable annual revenue growth or increase in taxable property. Costs rise and demand for services remains. In difficult economic times demand on local government services rises with more theft, substance abuse, domestic abuse, stress, risky behavior for heat or comfort and the like. Winter weather and related expenses for plowing, sanding, salting and snow removal will occur.

Policy questions

How important, if at all, is it for the City to maintain the following services at current levels:	Percent reporting “essential” or “very important”
Water	91%
Sewer	89%
Ambulance	89%
Fire	87%
Roads	86%
Schools	85%
Sidewalks	83%
Dispatch	82%
Police	81%
Capital Projects (i.e., road construction, buildings, bridges, etc.)	81%
Library	74%
Senior Services	73%
Parks	72%
Planning	71%
Recreation	66%
Downtown (i.e., events, promotions, etc.)	65%
Community Justice Center	59%

National Citizen Survey 2009

Highlights

Quality of life

Public trust

Public safety

Opportunities

Street repair

Affordable
housing

Employment
opportunities

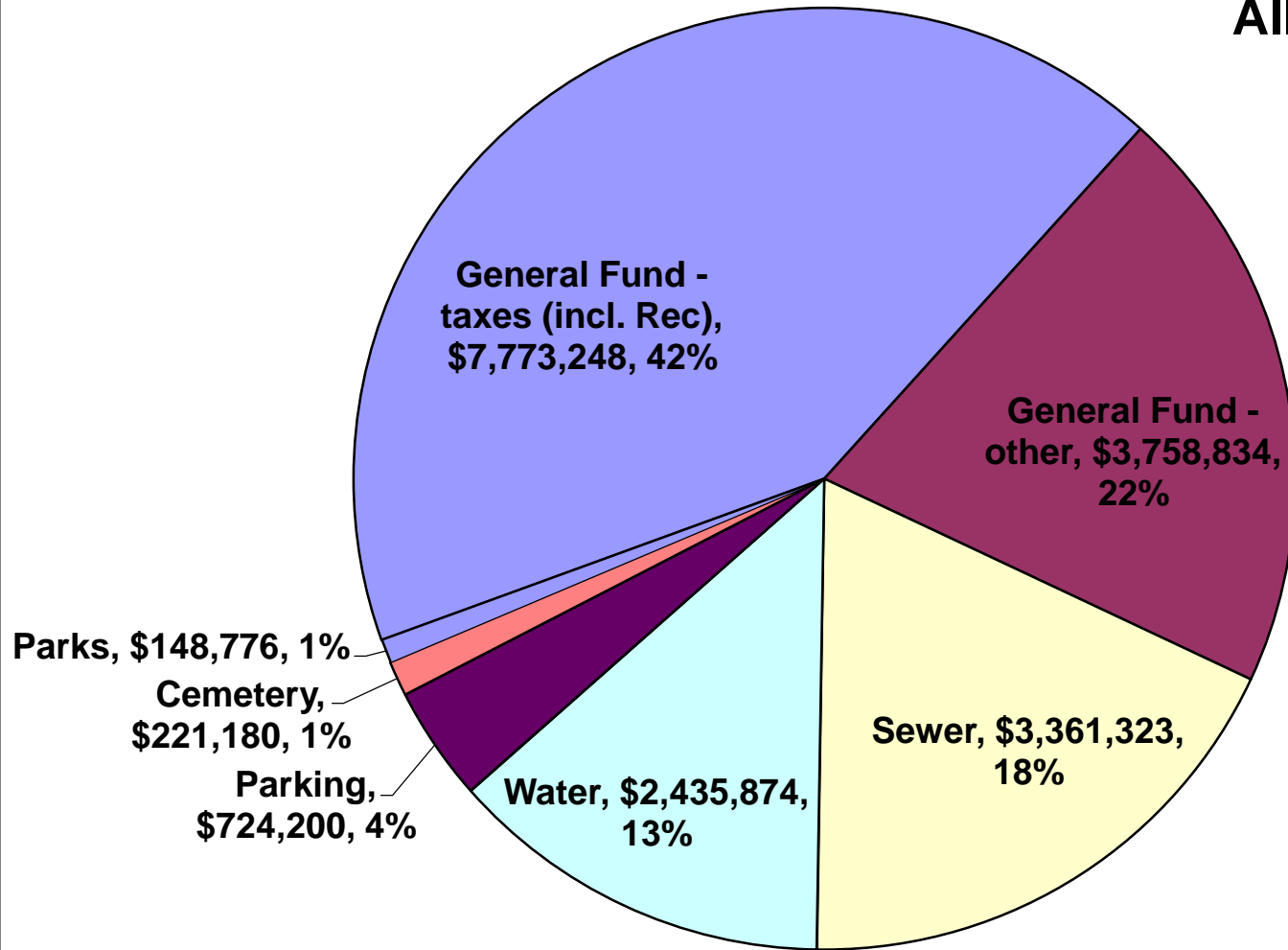
Economic
development

Matrix Consultant Conclusions 6/8/11

- The City of Montpelier is generally providing a high level of service to the public within the allocated staff and financial resources.
- There is a high utilization of cross-trained staff and inter-departmental cooperation to provide back-up and additional resources when needed.
- Staffing levels in the organization are generally “right” and “tight” for service expectations placed on departments.
- There are many strengths present in the organization that will serve as a strong base for implementing future improvements.
- Project team focused on solutions that could maintain / improve services with the least investment in additional resources.

Overall City Budget

All Funds \$17,816,951



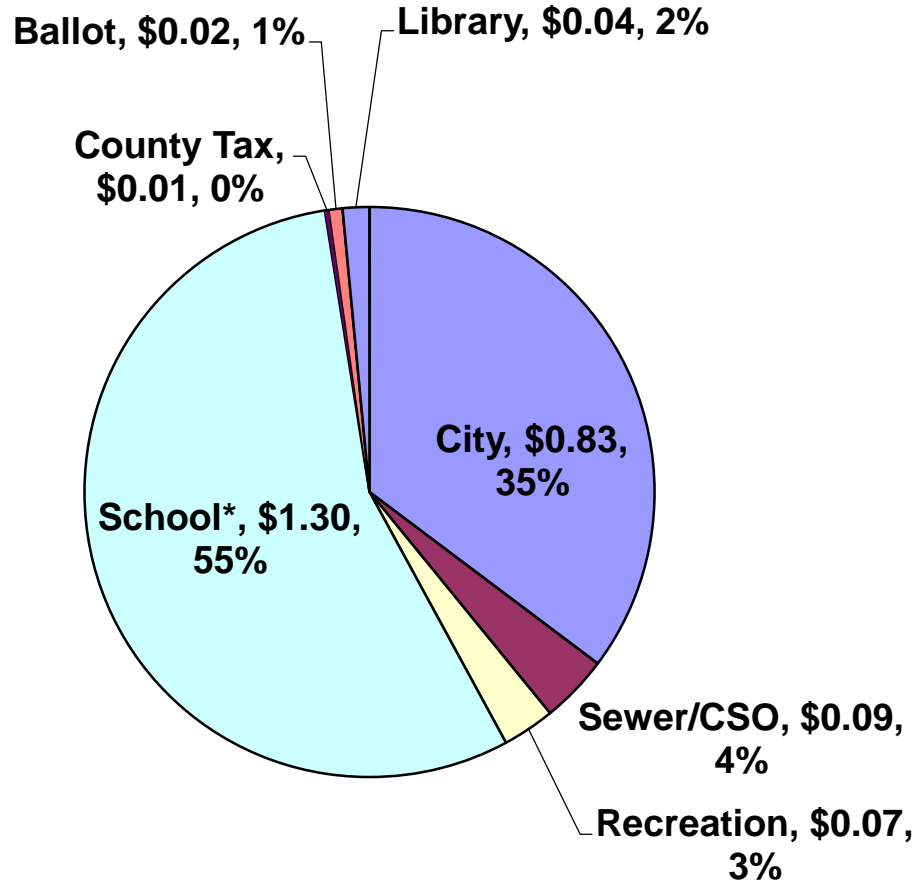
Property Tax/Budget Breakdown

Property Tax Rate Stats

- Current (FY12) *Overall* Tax Rate is **\$2.32** per \$100 of value
- *Municipal* Rate is **\$0.9219** per \$100 of value
- Average Residential property is \$223,000
- Average Residential tax bill is \$5,173
- Average Municipal tax is \$2,056
- One Cent on Tax Rate *raises* **\$83,000**
- One Cent on Tax Rate *costs* **\$22.30** to average resident.

Proposed Property Tax Breakdown

FY13 Residential Tax Distribution



Projected Tax Rates (with ballot items)

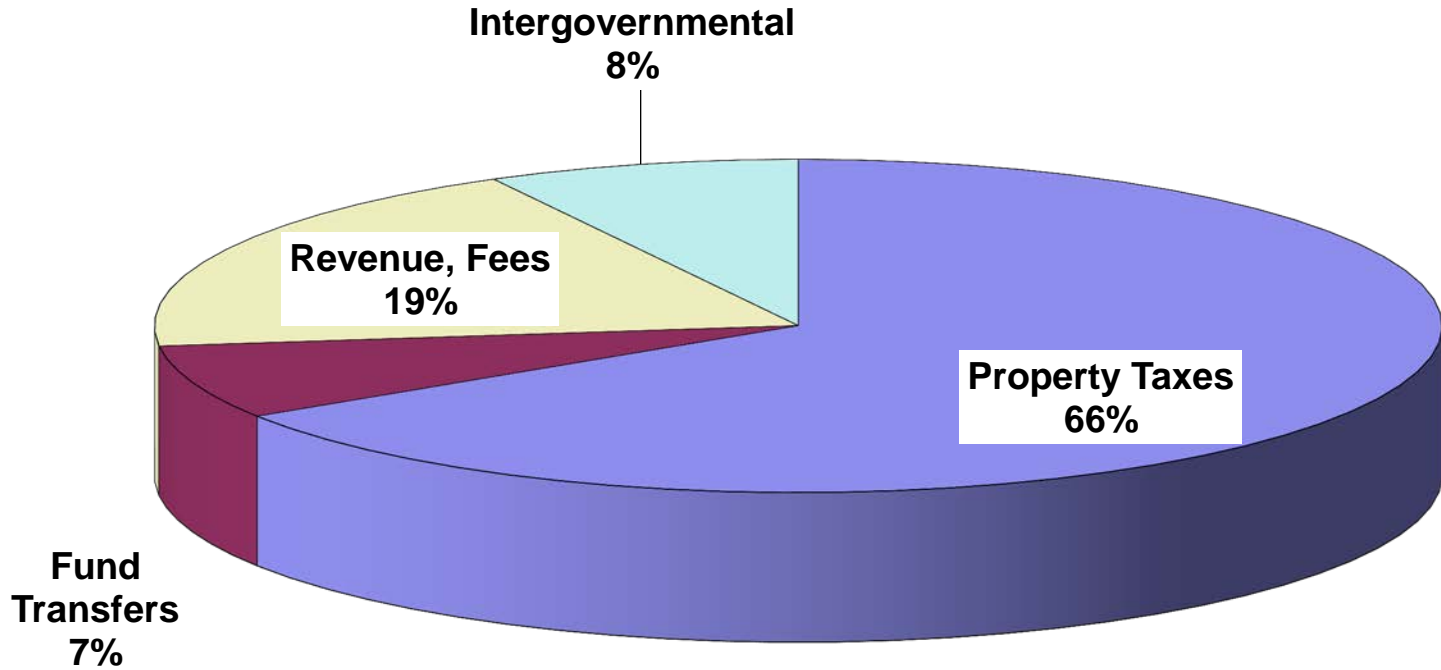
PROJECTED TAX RATES (99.6% Common Level of Appraisal)							
	FY12 Taxes	FY12 Rate	FY13 Taxes	FY13 Rate	Tax \$ Change	Rate Change	Pct. Change
MUNICIPAL							
City	\$6,755,123	\$0.81	\$6,849,596	0.83	\$94,473	0.011	1.4%
Library	\$293,975	\$0.04	\$293,975	0.04	\$0	0.000	0.0%
Recreation	\$605,230	\$0.07	\$575,230	0.07	-\$30,000	-0.004	-5.0%
Petitioned/Ballot	\$0	\$0.00	\$140,175	0.02	\$140,175	0.017	
County	\$54,447	\$0.01	\$54,447	0.01	\$0	0.000	0.0%
TOTAL MUNICIPAL	\$7,708,775	\$0.92	\$7,913,423	0.95	\$204,648	0.025	2.67%
SCHOOL*							
Residential	\$5,704,080	1.30	\$5,708,478	1.30	\$4,398	0.001	0.1%
Non-residential	\$5,067,398	1.38	\$5,071,059	1.39	\$3,661	0.001	0.1%
TOTAL SCHOOL	\$10,771,478		\$10,779,537		\$8,059		0.1%
SUB-TOTAL	\$18,480,253	\$2.22	\$18,692,960	2.25	\$212,707	0.026	1.2%
Sewer Benefit	\$165,859	\$0.02	\$165,859	0.02	\$0	0.000	0.0%
CSO Benefit	\$580,505	\$0.07	\$580,505	0.07	\$0	0.000	0.0%
TOTAL - Res.	\$19,226,617	\$2.31	\$19,439,324	2.34	\$212,707	0.026	1.1%
Non-res.		\$2.40		\$2.42		0.026	1.1%

Projected FY13 Tax Rates (with ballot items)

- FY13 *Overall* Tax Rate would be **\$2.345** per \$100 of value. Increase **2.5 cents, 1.1%**
- *Municipal* Rate would be **\$0.9477** per \$100 of value, increase of **2.468 cents, 2.67%**
- Without ballot, increase **0.78 cents, 0.84%**
- Average Residential property is \$223,000
- Average Residential tax bill would be **\$5,230**, increase of **\$57** (almost all Muni.)
- Average Municipal tax would be **\$2,113**, without ballot **\$2,090**, increase of **\$34**

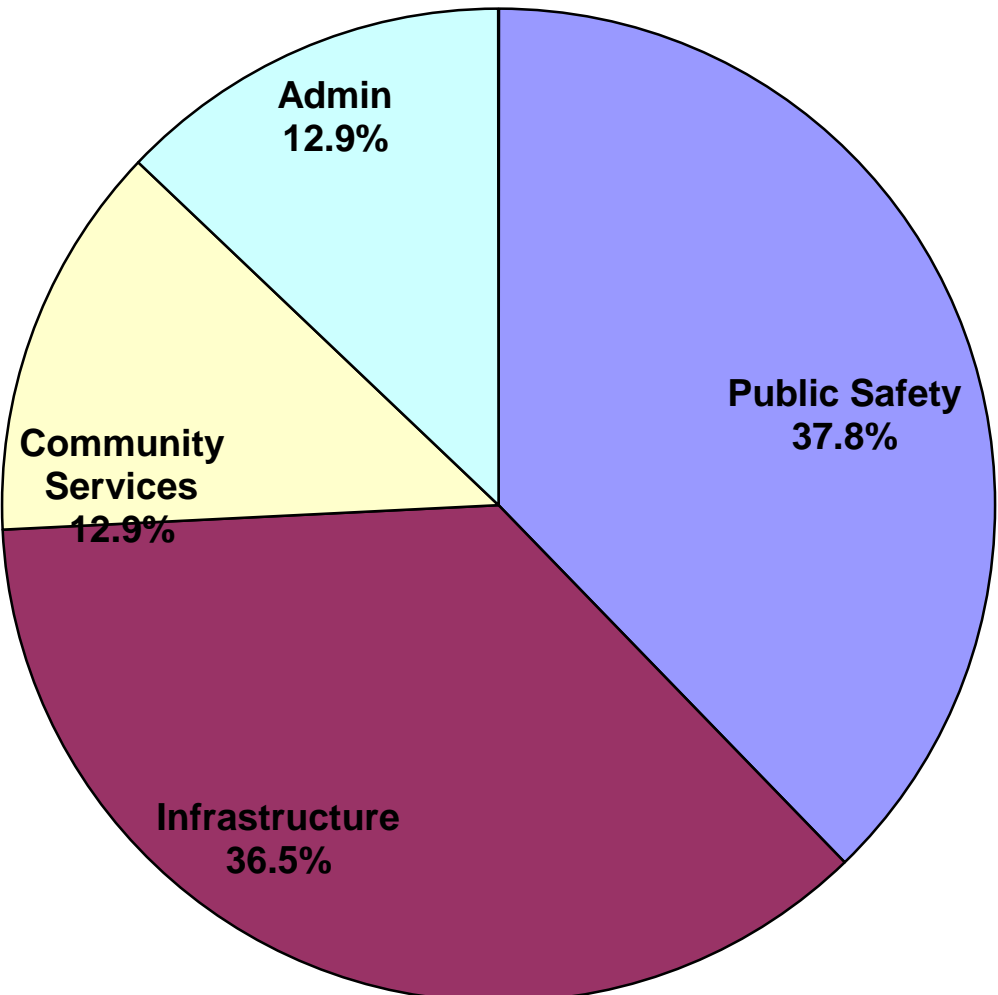
Where does GF money come from?

FY13 GENERAL FUND REVENUES



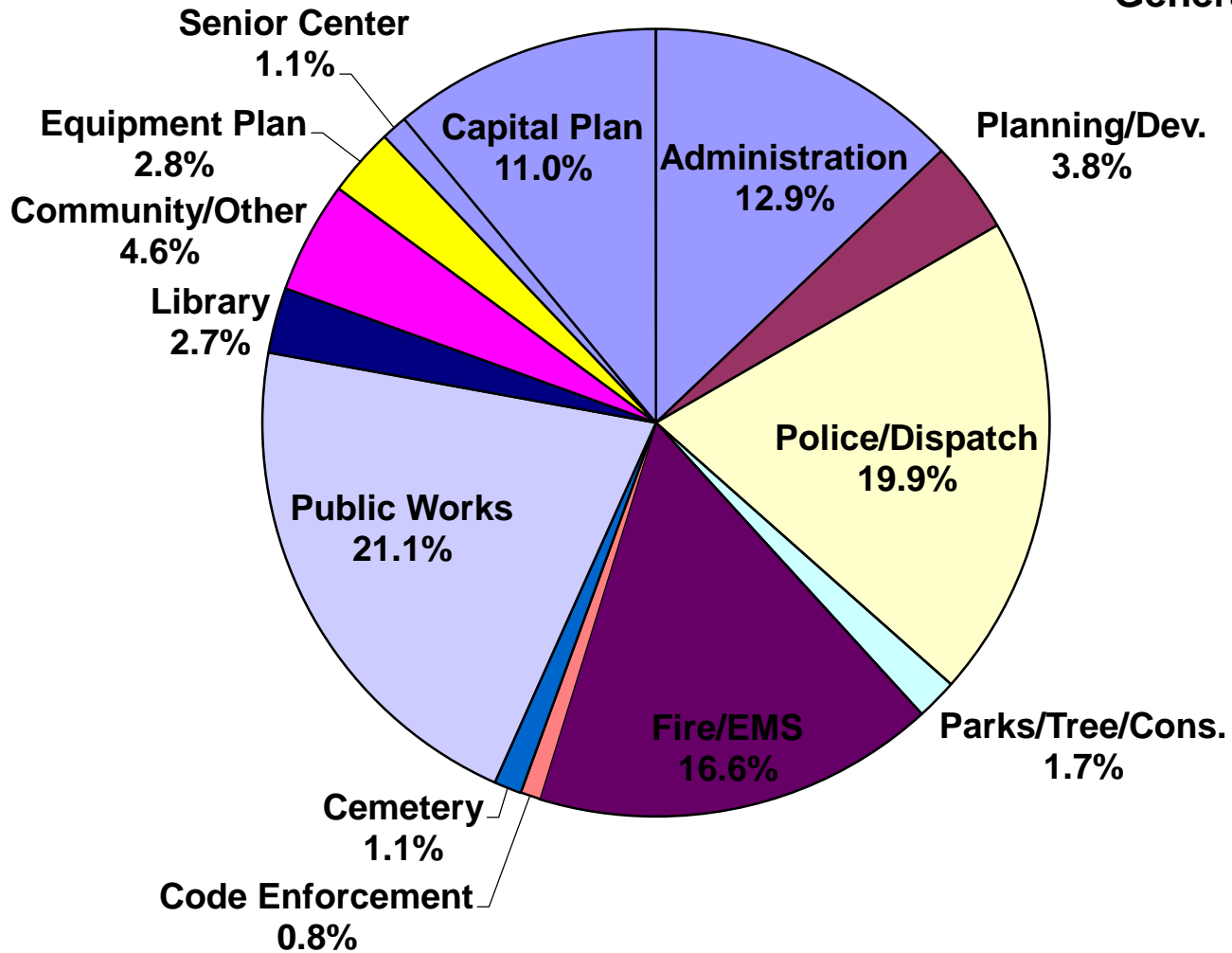
Where is money spent?

General Fund Expenses by Broad Category FY13



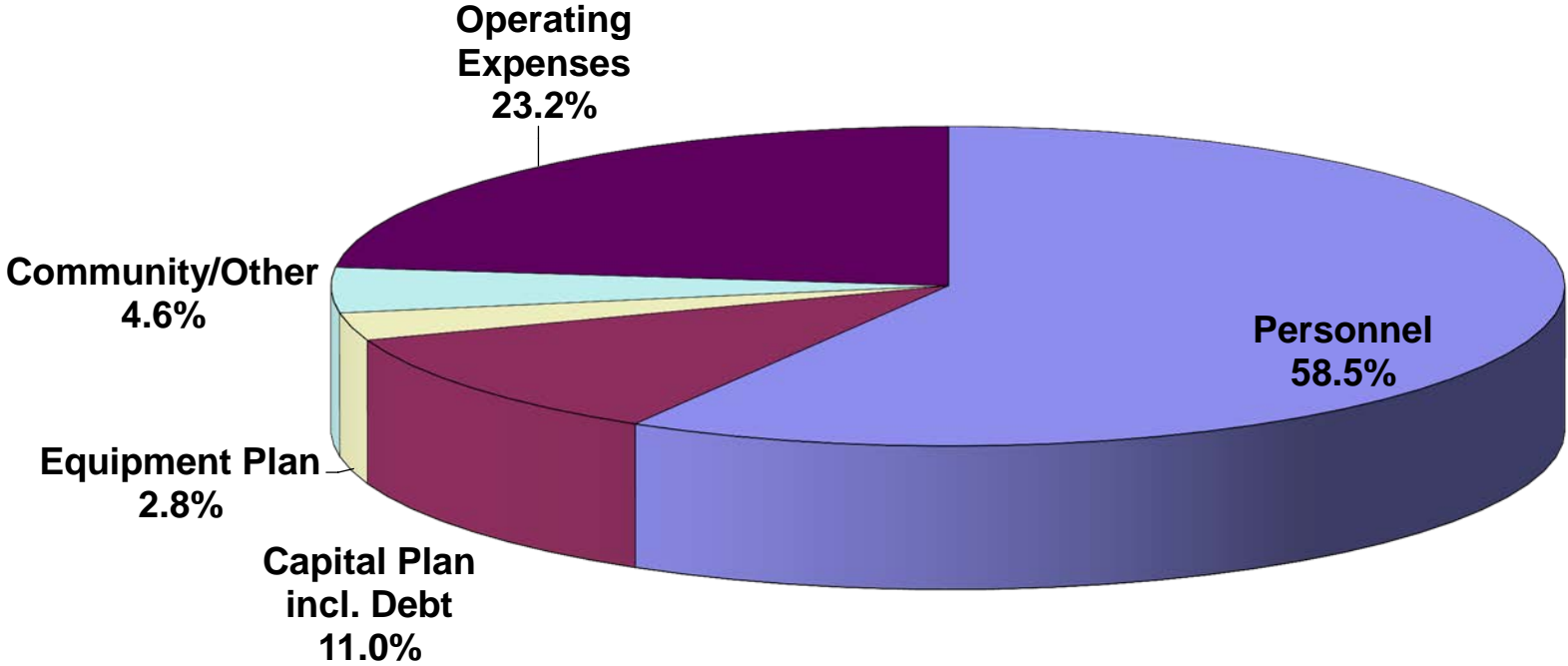
GF Expenses By Department

FY13 General Fund Expenses



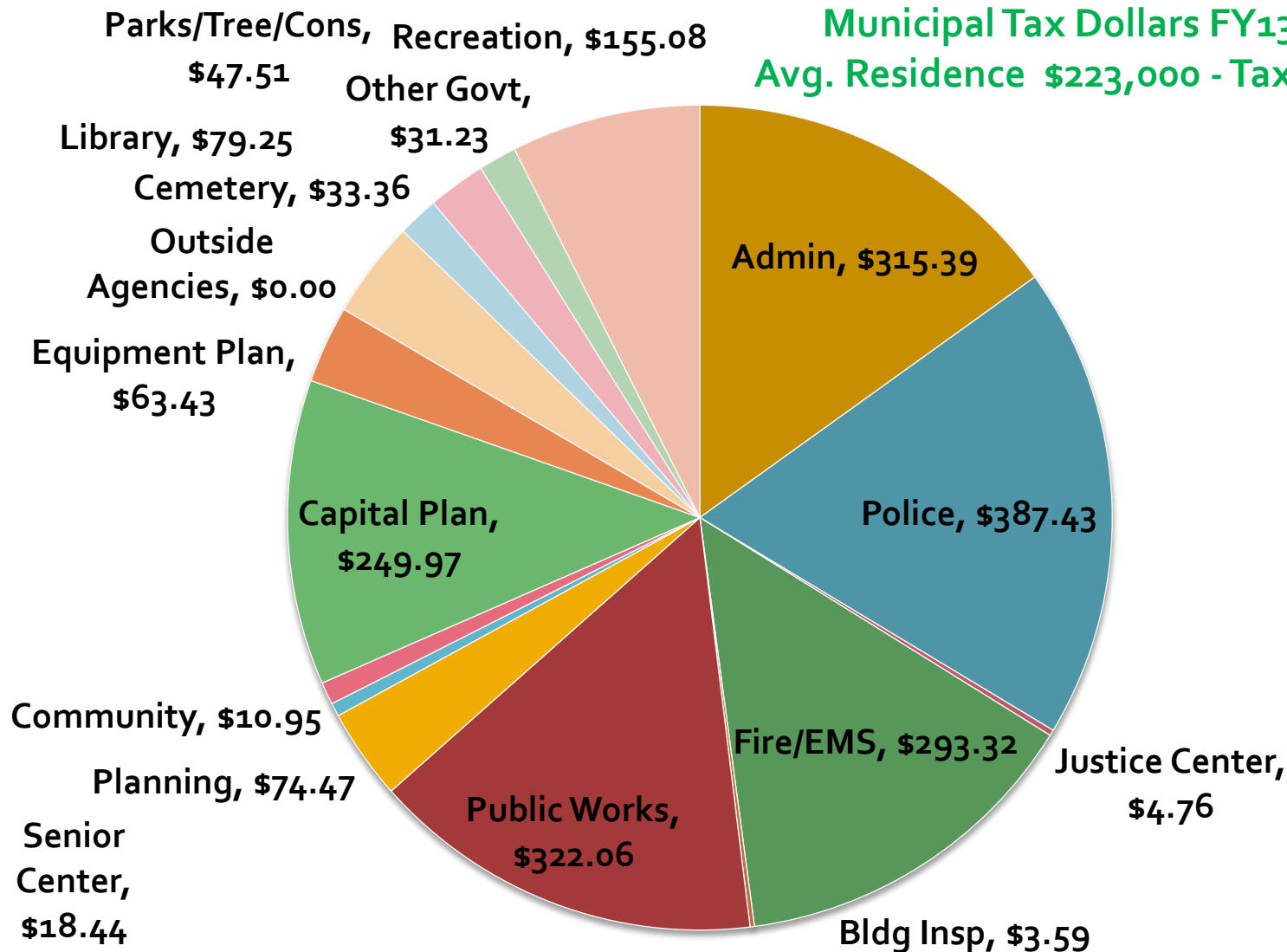
Expenses by Category

FY13 General Fund Categories



How much does each service cost?

Municipal Tax Dollars FY13 Proposed
Avg. Residence \$223,000 - Tax Bill \$2,090.26



Budget Strategies

What was done in 2011?

- Policy on responsible fund balance use
- Policy on use of debt
- Review of barriers to housing
- Review and recommendations regarding capital infrastructure, equipment and facilities needs.
- Health Insurance committee prevented \$100,000 in cost increases
- Reorganization of Financial functions

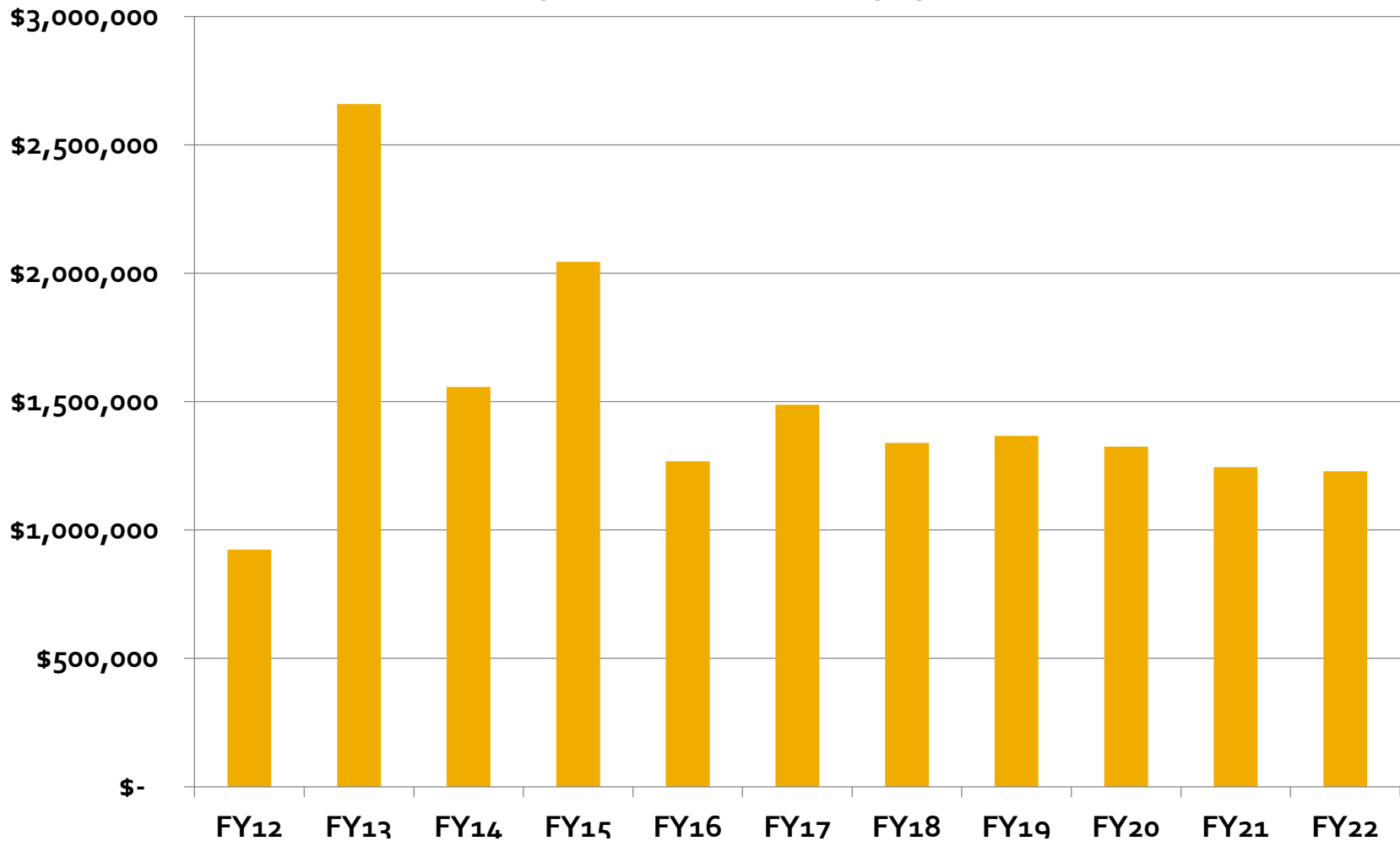
City Council Proposed Tax Rate Changes				
Year	Cents	Percent	CPI	
2001	0.00	0.00%	3.45%	-3.45%
2002	2.50	2.10%	2.65%	-0.55%
2003	2.00	1.80%	1.51%	0.29%
2004	0.00	0.00%	2.32%	-2.32%
2005	0.00	0.00%	2.54%	-2.54%
2006	3.00	2.90%	4.69%	-1.79%
2007	1.70	1.50%	2.06%	-0.56%
2008	2.20	2.50%	2.46%	0.04%
2009	3.30	2.70%	5.39%	-2.69%
2010	0.00	0.00%	-1.51%	1.51%
2011	1.00	1.20%	1.16%	0.04%
2012	0.80	0.84%	3.76%	-2.92%
Average	1.38	1.30%	2.54%	-1.25%
TOTAL	16.50	15.54%	30.48%	-14.94%

City Council Proposed Tax Rate Changes				
With Proposed FY13 Ballot Items Added				
Year	Cents	Percent	CPI	
2001	0.00	0.00%	3.45%	-3.45%
2002	2.50	2.10%	2.65%	-0.55%
2003	2.00	1.80%	1.51%	0.29%
2004	0.00	0.00%	2.32%	-2.32%
2005	0.00	0.00%	2.54%	-2.54%
2006	3.00	2.90%	4.69%	-1.79%
2007	1.70	1.50%	2.06%	-0.56%
2008	2.20	2.50%	2.46%	0.04%
2009	3.30	2.70%	5.39%	-2.69%
2010	0.00	0.00%	-1.51%	1.51%
2011	1.00	1.20%	1.16%	0.04%
2012	2.50	2.67%	3.76%	-1.09%
Average	1.52	1.45%	2.54%	-1.09%
TOTAL	18.20	17.37%	30.48%	-13.11%

Capital & Equipment

Projected increase of \$500,000 per year to meet current/future needs.

Capital, Facilities & Equipment Needs



Key Principles for FY13 Budget

- Capital Plan which addresses infrastructure, equipment and facility funding needs.
- Debt Limit Policy will be followed.
- Fund Balance Policy will be followed, could mean \$149,000 budget gap.
- Budget scenarios will be based on quantifiable and controllable numbers.

Service Priorities

- **Priorities will be core municipal services:**
- **Public Safety – Police, Fire, EMS, Dispatch, Building Inspection**
- **Infrastructure Maintenance and Operations**
- **Government Functions – Elections, Land Records, Accounting, Assessing**
- **Land Use – Planning, Zoning, Economic Development**
- **Maintain Community Character**

Budget Proposal

FY13 Budget

- Non Tax Revenue down \$27,000
- No Grand List growth
- \$74,500 Fund Balance used – half of the FY12 amount
- Requires 0.6% spending increase, 0.78 cent tax increase
- Capital & Equipment Plans held at FY12 dollars. Does not include New \$500K

FY13 Budget, cont.

- **Maintains basic service levels**
- **Incorporates most Matrix recommendations and productivity improvements**
- **Cuts \$291,200 in operating costs**
- **Cuts 0.8 net FTE**
- **Reorganizes Finance/Treasurer functions**
- **Does not address needs in Human Resources and Communications, no new items**
- **Reorganizes Asst City Manager functions and direct reports.**

FY13 Budget, cont.

- **Water and Sewer budgets balanced with no rate increases. Sewer Fund is out of deficit, Water fund has reduced deficit.**
- **Combined Capital Plan – Infrastructure, Equipment and Facilities. Proposed \$870,000 Bond. Combination of Bond and Annual funding provides \$1.7 million to address backlog of needs.**

FY13 Budget, cont.

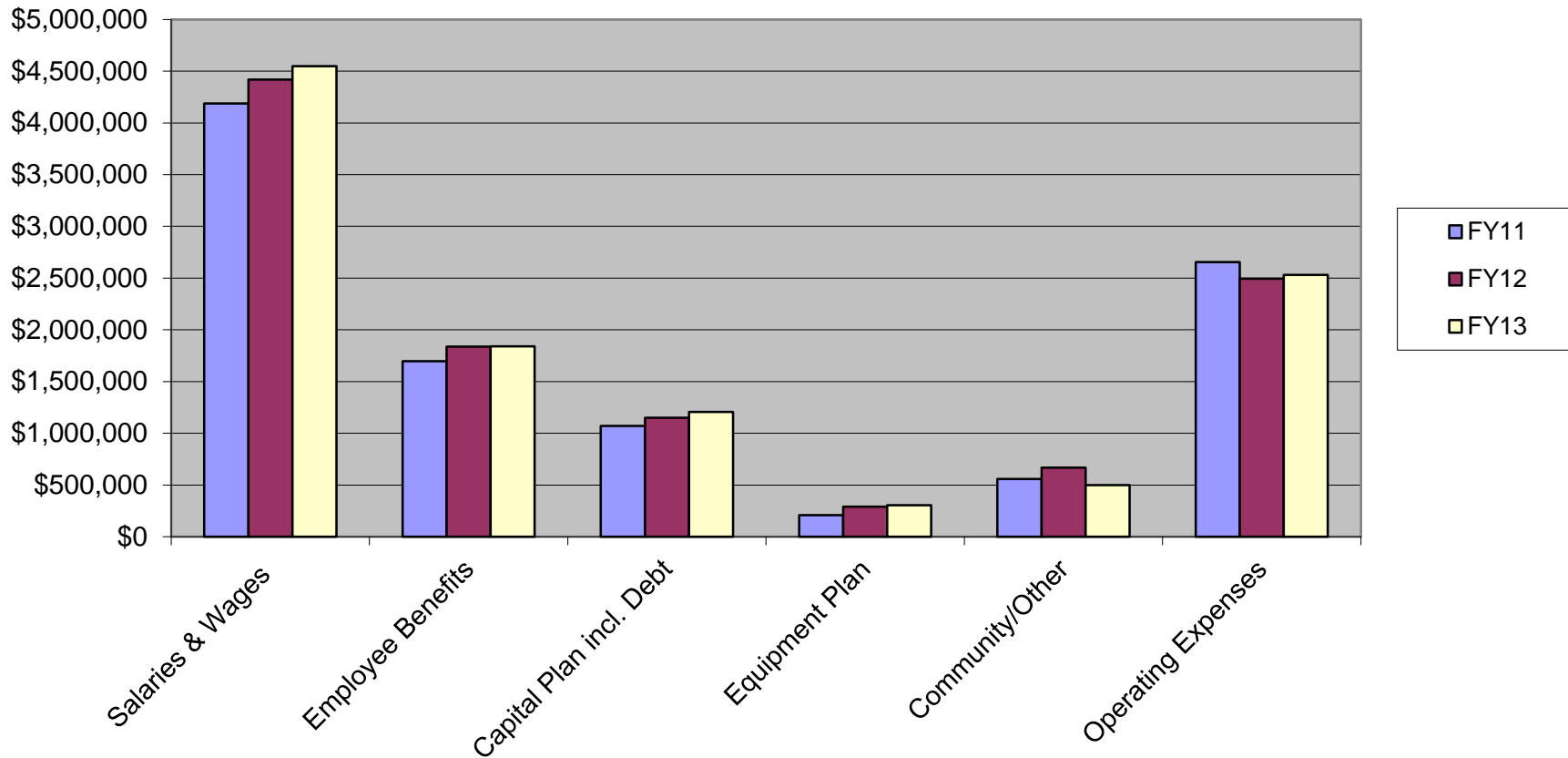
- Includes all Community Enhancement Funding
- Includes GMATA Base funding
- GMATA circulator not included
- Police and Fire OT reductions
- Outside Agencies, Housing Trust Fund on ballot

FY13 Budget, Summary

- General Fund Budget \$10,929,853
- Increase of \$67,475 (0.6%) from FY12
- Requires \$94,473 in tax revenue (1.3%)
- With \$30,000 reduction in Recreation, net municipal tax increase is \$64,473.
- Requires 0.78 cent (0.84%) tax increase
- Ballot items total \$140,175, would result in additional 1.7 cent tax increase or 2.5 cents total.

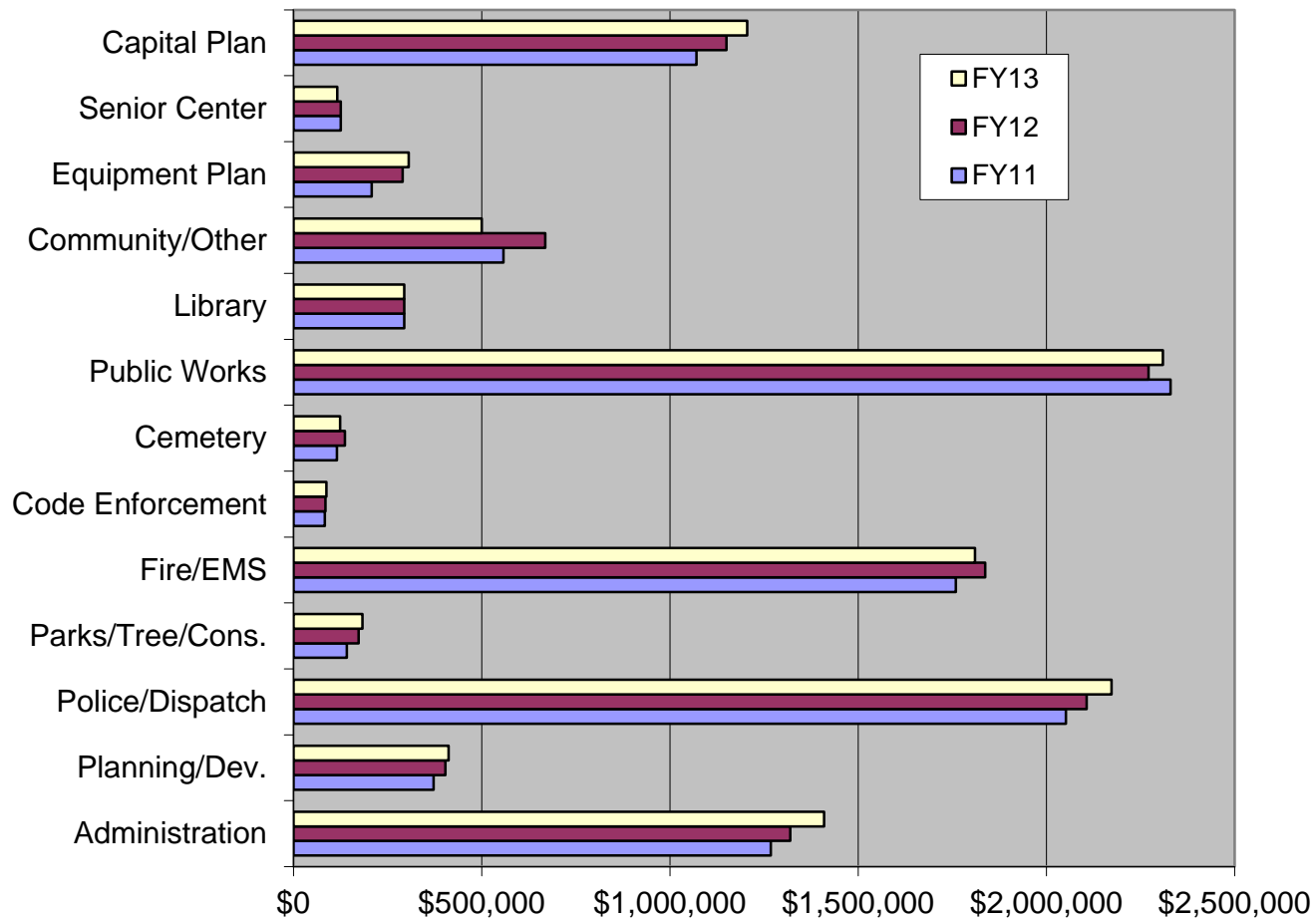
Budget by Category

Comparison of Budget Categories
FY 11, 12, 13

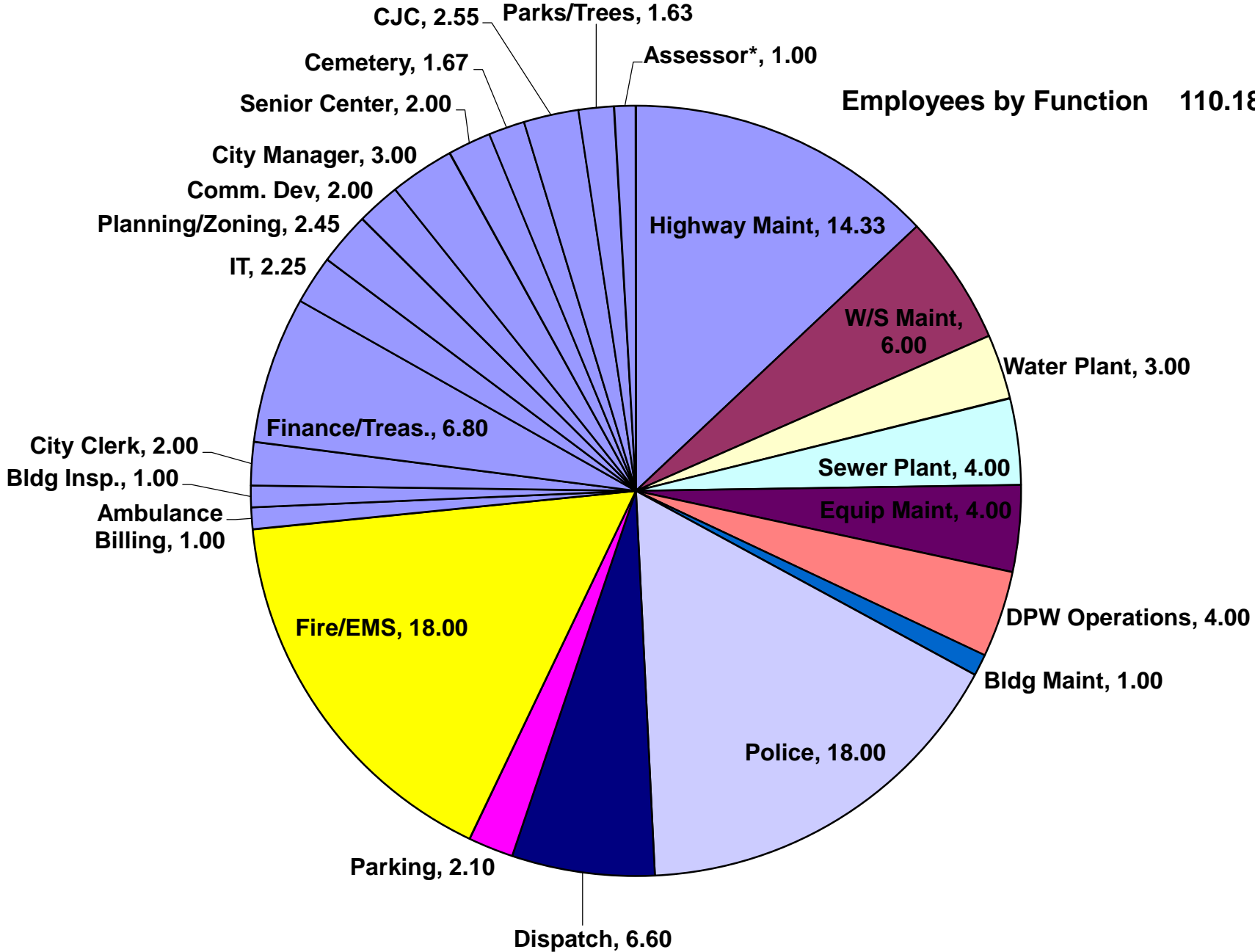


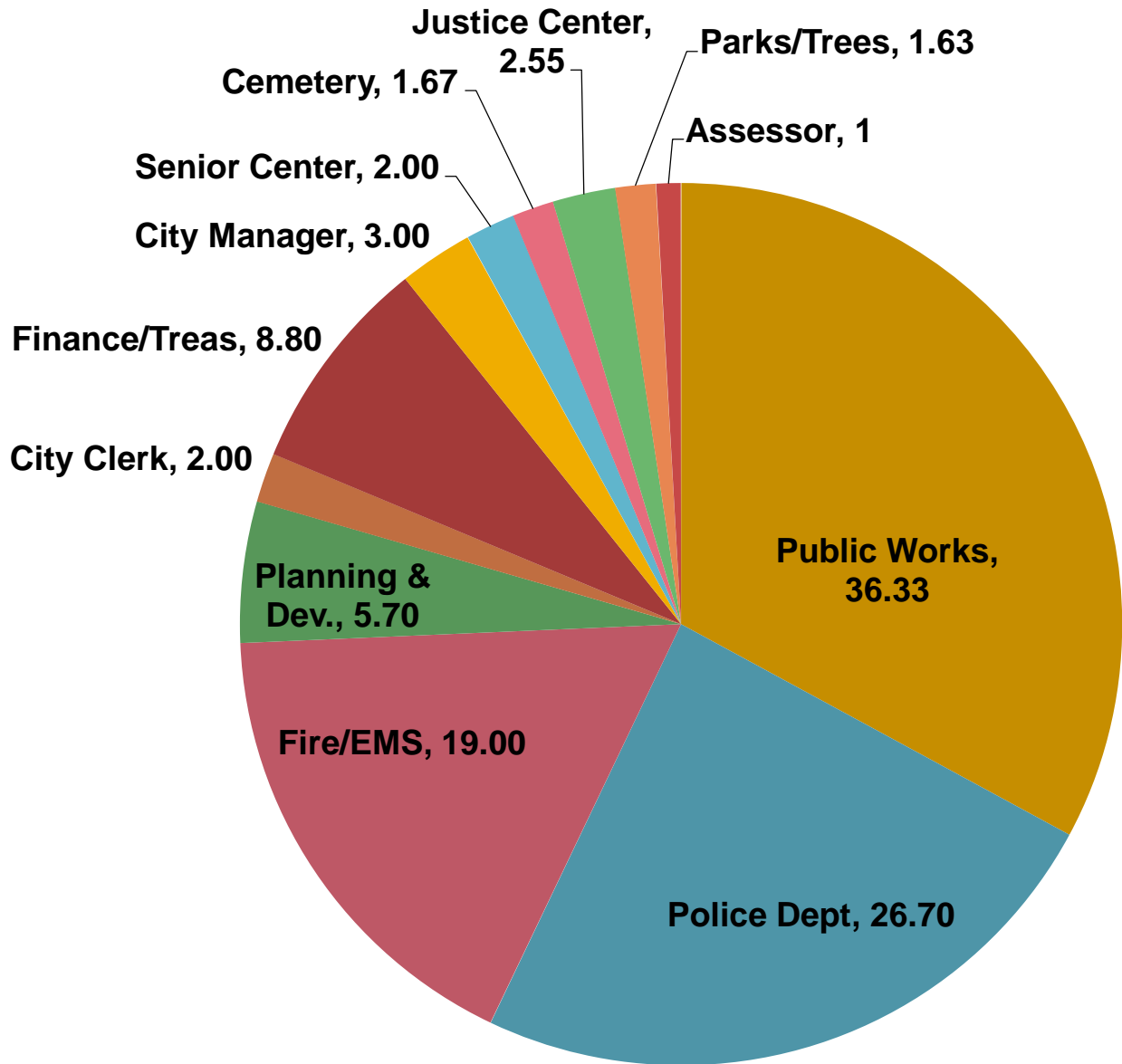
Budget by Department

General Fund Comparison by Department FY 11, 12, 13



Employees by Function 110.18





Employees by Department 110.38

Capital and Equipment Funding

■ FY12 Capital Dollars	\$1,163,500
■ FY12 Equipment Dollars	\$408,500
■ FY13 Fire Truck Grant	\$142,000
■ FY13 Proposed Bond	\$870,000
■ Total Dollar	\$2,584,000

Capital and Equipment Funding

■ Total Dollars	\$2,584,000
■ Less Debt Payments	\$589,657
■ Less Equipment Leases	\$104,900
■ Less new Debt service	\$35,000
■ Total Funds Available	\$1,844,443

Capital and Equipment Funding

- **Total Funds Available** **\$1,844,443**
- **Projects/Infrastructure** **\$1,124,193**
- (would have been \$573,843, increase of \$550,350)
- **Equipment** **\$730,250**
- (would have been \$303,100, increase of \$427,150)

Capital and Equipment Funding

Projects/Infrastructure	\$1,124,193
Street Resurfacing	134,558
Street Rehabilitation	279,000
Traffic Improvements	10,000
Retaining Walls	140,000
Sidewalks	115,000
Storm Drains/Culverts	50,000
Facilities	284,667
Downtown	10,000
Parks/Cemetery	35,935
Project Management	\$65,033

Capital and Equipment Funding

■ Equipment	\$730,250
DPW	220,000
Police	44,300
Fire/EMS	376,200
Technology	49,534
City Hall	6,066
Parks	6,000
Cemetery	28,150

Capital and Equipment Funding

■ 20 Year Bond	\$870,000
Fire Truck	207,500
Buildings	284,667
Retaining Walls	140,000
Storm Drains/Culverts	50,000
Street Rehabilitation	187,833

What else can we do?

- Continue looking at regional services
- Street lighting costs being examined
- Continue looking at budget alternatives suggested this year.
- Other revenue sources being considered
- New taxable property, particularly residential

Where to Get Information

William Fraser, City Manager, 802-223-9502

wfraser@montpelier-vt.org e-mail

www.montpelier-vt.org web site includes Matrix Study, National Citizen Survey, Budget information, Meeting video –live and archived, other notices



City of Montpelier, VT

[twitter](https://twitter.com/vtmontpelier) @vtmontpelier

ORCA Media, local cable television

Montpelier Bridge, monthly page

Annual Report

Schedule

All at City Hall*, Open to the Public, Accessible, Broadcast on Local Cable. Streamed and archived on website. 7 PM unless otherwise noted.

- *Dec. 7 – Overview, DPW, Capital/Equip.*
- *Dec. 12 – City Manager’s Workshop* 5:15 PM*
- *Dec. 14 – Revenue, CJC, Parks, Cemetery, Administration, Senior Center*
- *Dec. 21 – Planning/Dev., Police, Fire*
- *Jan. 4 – Recreation, Adjustments*
- **Jan. 11 – First Public Hearing 6:30 PM**
- **Thurs., Jan. 26 – Second Public Hearing, Petition Deadline**
- **Mar. 6 – City Meeting Vote, 7 AM to 7 PM**