



STEERING COMMITTEE MEETING
(Joint meeting of the City Council and School Board)
MEETING AGENDA
MARCH 04, 2024

Participation Options

In Person: 180 Market Street, Main Floor, Auditorium

Assistive Listening Service Devices available upon request

Electronically: <https://meet.goto.com/SouthBurlingtonVT/citycouncilmeeting03-04-2024>

You can also dial in using your phone. [\(872\) 240-3212](tel:8722403212) **Access Code:** 589-515-581

Pre-Town Meeting Public Information Session and Public Hearings

6:30 p.m.

1. Pledge of Allegiance (6:30 p.m.)
2. Instructions on exiting building in case of emergency and review of technology options – Jessie Baker, City Manager (6:31–6:32 p.m.)
3. Agenda Review: Additions, deletions or changes in order of agenda items (6:33–6:34 p.m.)
4. Comments and questions from the public not related to the agenda (6:35–6:45 p.m.)
5. *** Presentation of the [FY25 City Budget](#) – Jessie Baker, City Manager (6:45-6:55 p.m.)

Complete City Town Meeting Day information is available here:
www.southburlingtonvt.gov/government/town_meeting_day_2023.php
6. *** Public information session and public hearing on the \$5,750,000 [Water Storage Tank](#) General Obligation Bond – Thomas DiPietro, Public Works Director (6:55-7:10 p.m.)
7. *** Public information session and public hearing on the [City Charter Amendment](#) ballot item to increase the number of South Burlington School District School Board Members to seven – Jessie Baker, City Manager (7:10-7:20 p.m.)
8. *** Presentation of the [FY25 School](#) Budget and Ballot items – Violet Nichols, Superintendent (7:20-8:20 p.m.)

Complete School Budget information is available here:

www.sbschools.net/page/fy2025-budget-information

9. Interested in learning more about our City Council and School Board Candidates? Please watch the [South Burlington High School Debate Team's Candidate Forum](http://www.tinyurl.com/sbdebate2024) available here: www.tinyurl.com/sbdebate2024.

10. Adjourn Pre-Town Meeting

Respectfully submitted:



Jessie Baker

City Manager

***Attachments included



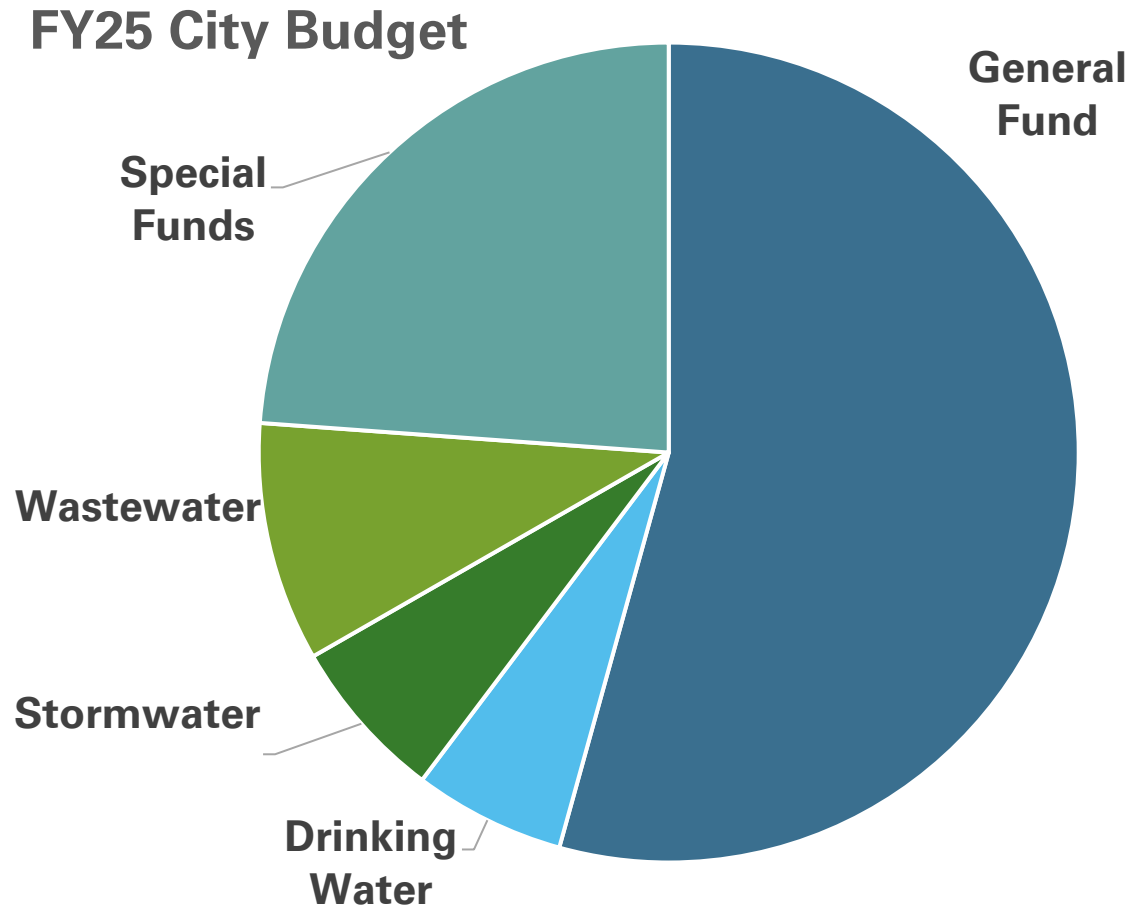
FY25 City Budget and Ballot Items: Pre-Town Meeting Day Public Information Session and Public Hearings

March 4, 2024

Jessie Baker, City Manager
Martha Machar, Finance Director

Steven Locke, Deputy City Manager
Thomas DiPietro, Public Works Director

FY25 City-wide Budget



General Fund	\$35,251,108.44
Drinking Water	\$ 3,876,831.35
Stormwater	\$ 4,181,968.61
Wastewater	\$ 6,124,656.24
Special Funds*	\$15,481,500.00
Total	\$64,916,064.64

Of this total budget, \$21M is proposed to be raised from property taxes.

*Special Funds include TIF, Energy Fund, Impact Fee Funds, etc.

FY25 City Budget

Continues commitment to service delivery

- Makes strategic investments in public safety
 - Completes implementation of the second ambulance (\$220,000)
 - Adds a Highway position (\$77,000)
- Increases in sidewalk maintenance (\$38,000)
- Adds a part time Library position (\$23,500)
- Increases funding to the Housing Trust Fund (\$25,000)



FY25 City Budget

Continues Investments in School Safety

- Reinstates the SBPD Youth Services Sergeant (\$107,000 net)
- Funds School Crossing Guards at 50% (\$30,000)
- Directs capital funds to infrastructure improvements on Dorset Street at the Middle School and High School (\$100,000)



FY25 City Budget

Takes first financial steps to implement the adopted Climate Action Plan

- General Fund capacity for a Climate Director and targeted consulting needs (\$190,000)
- Fund Green Mountain Transit increase (\$63,000)
- Allocates ARPA funding (\$417,000) for
 - Electric lawn mower
 - Charging stations at DPW
 - Weatherization and window replacement
 - Public Transit Study
 - Active Transportation Projects



FY25 City 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
- 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 Budget



FY25 General Fund Budget	FY24	FY25	% change	Tax rate change
General Fund	\$31,140,318.33	\$35,251,108.44	13.20%	
Non-property Tax Revenue	\$11,752,019.41	\$14,207,968.22	20.90%	
To be Raised by Property Tax	\$19,388,298.92	\$21,043,140.22	8.54%	
Total Estimated Tax Rate (with pennies)	\$0.4916	\$0.5202	5.82%	\$0.0286
Impact (with pennies)				Difference
Avg Condo	\$1,457.14	\$1,543.03		\$84.85
Avg House	\$2,150.18	\$2,278.76		\$125.31

FY24 average condo assessment = \$296,619
FY24 average house assessment = \$438,050

Utilities

FY25 proposed total annual increase to average homeowner = **\$64.29**

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

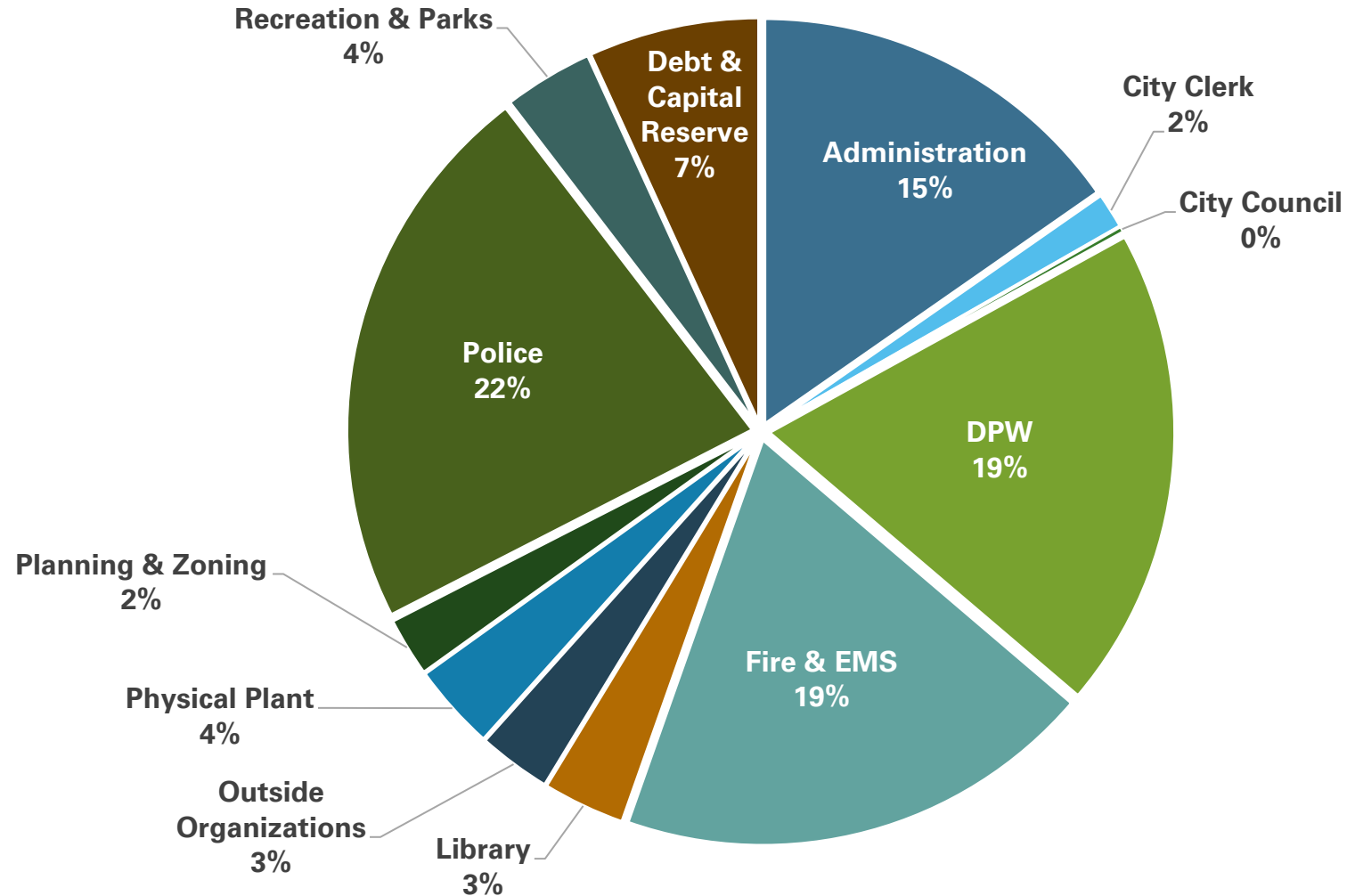
Water

- 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 Homeowner*	Proposed Fiscal Year 2025 Rate	% Increase from FY24 to FY25	Annual Increase for South Burlington Homeowner
Stormwater	\$7.44 per month for residential units	\$89.28	\$7.68 per month for residential units	3.2%	\$2.88
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.

FY25 General Fund Summary





Water Tank Expansion Bond Vote

Project Description

- Construction of an additional 2.1 million gallon welded steel water tank at the existing site on Dorset Street.

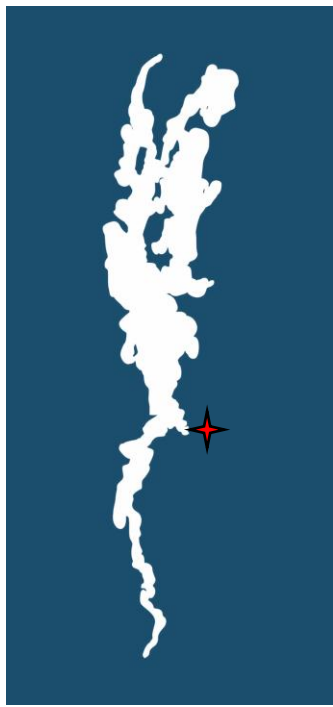


Photo of Existing Tank

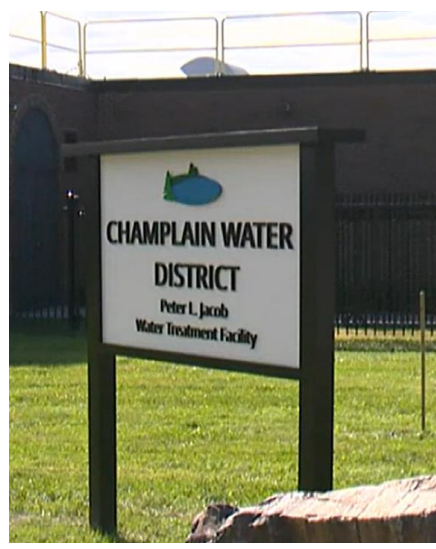


Rendering of Site with Second Tank Added

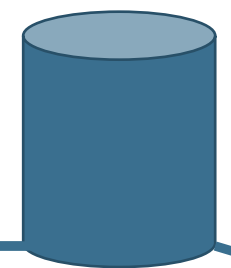
System Overview



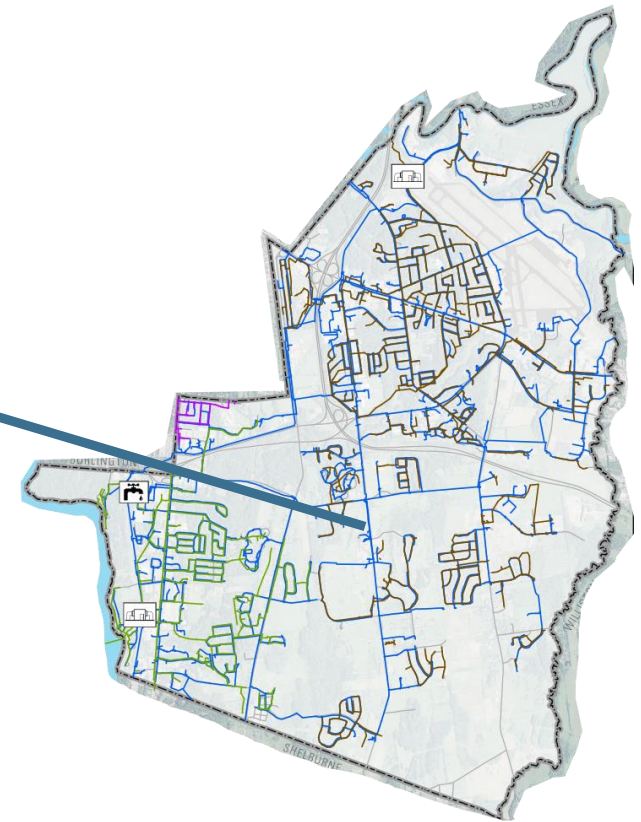
Source
(Lake Champlain)
(CWD)



Water Treatment
(CWD)



Storage
(City)



Distribution Network
(City)

Project Benefits

More Water Storage

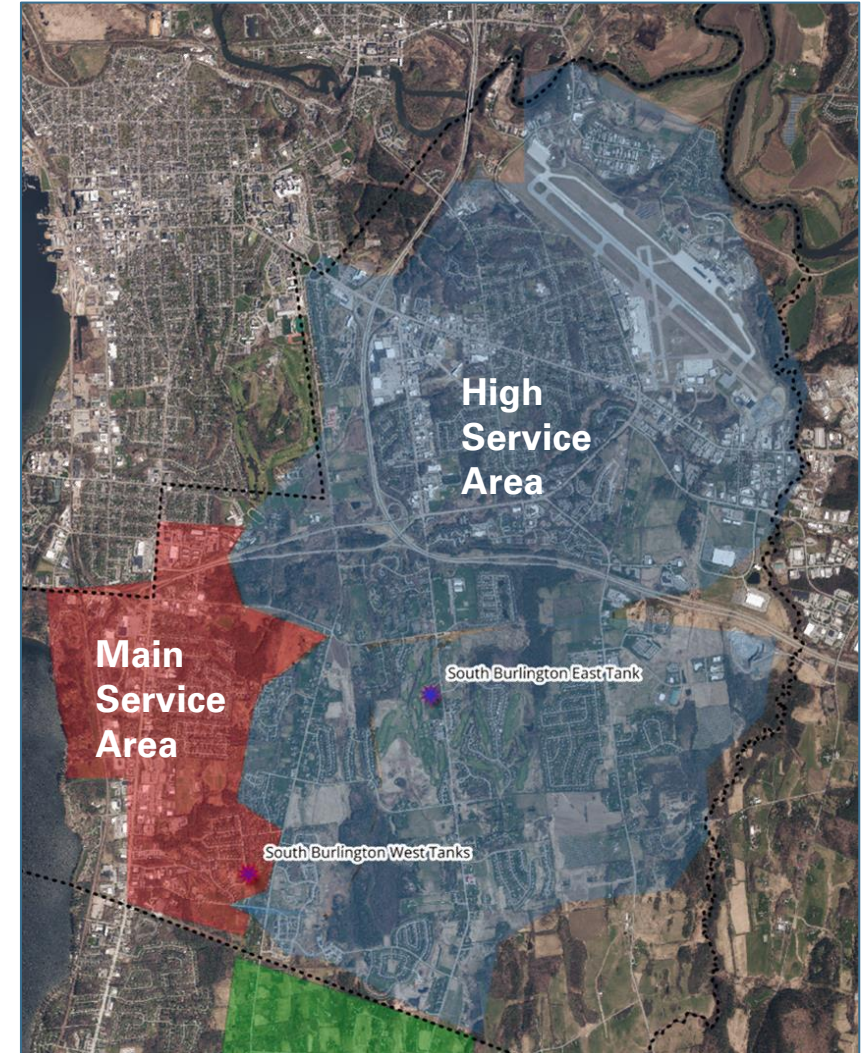
- Will provide enough water in the high service area for the foreseeable future (50+ years).
- Allow us to meet regulatory requirements.
- Provides more water storage in the event of an emergency (e.g. CWD pump / pipe failure, large water usage for firefighting, etc)

Maintenance & Redundancy

- More easily complete maintenance by temporarily taking one tank off-line.

Pressure

- The project will not increase pressure beyond what is provided today, but the second tank will provide greater operational flexibility so that the system can be operated towards the higher end of operating pressures.



Current Capacity

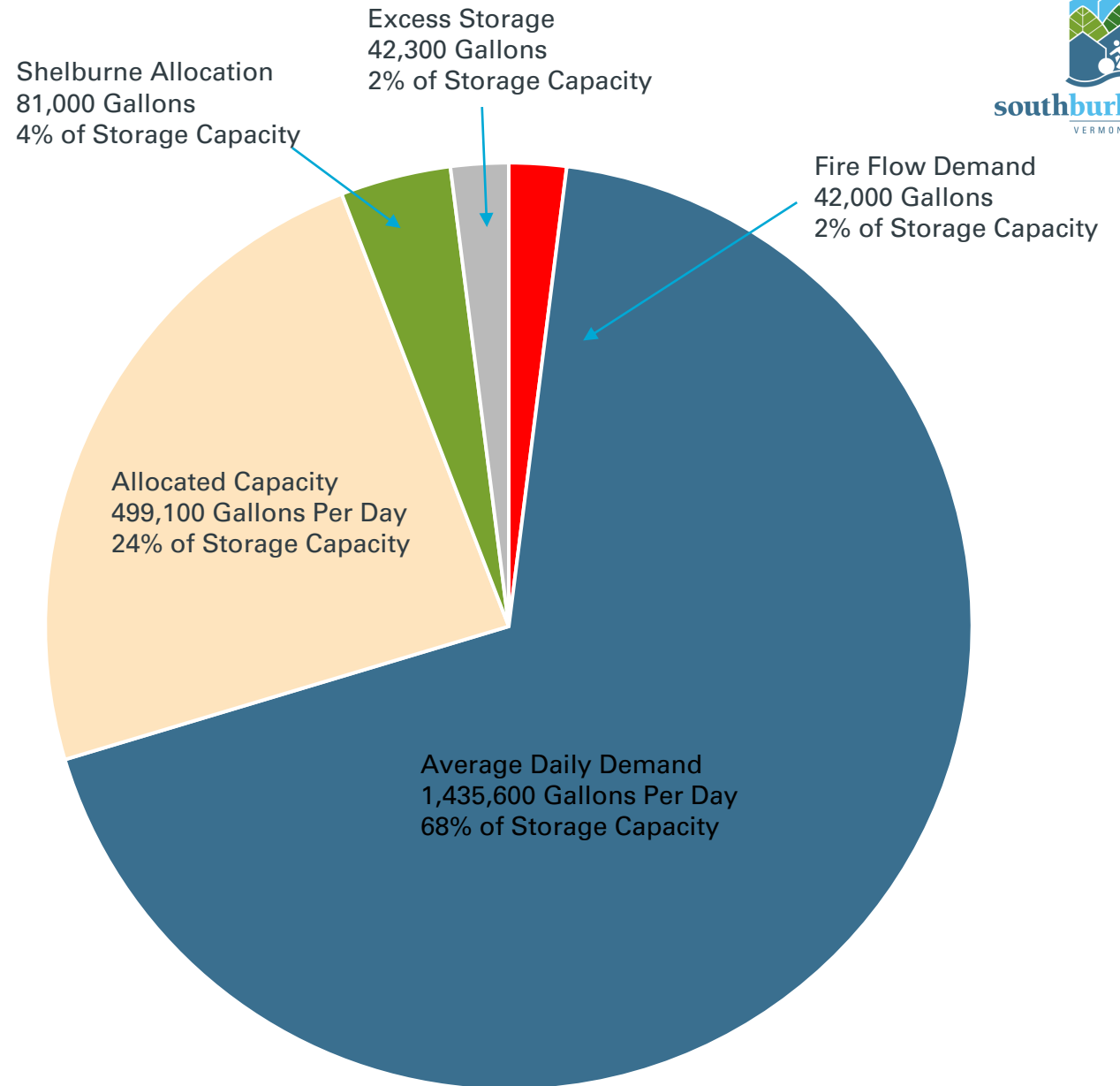


Currently Using an Allocated **98%** of Existing 2.1 Million Gallon Capacity

Average Daily Demand/Usage:
Based on metered data

Allocations: Anticipated usage based on structure type and size that must be available

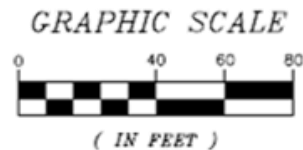
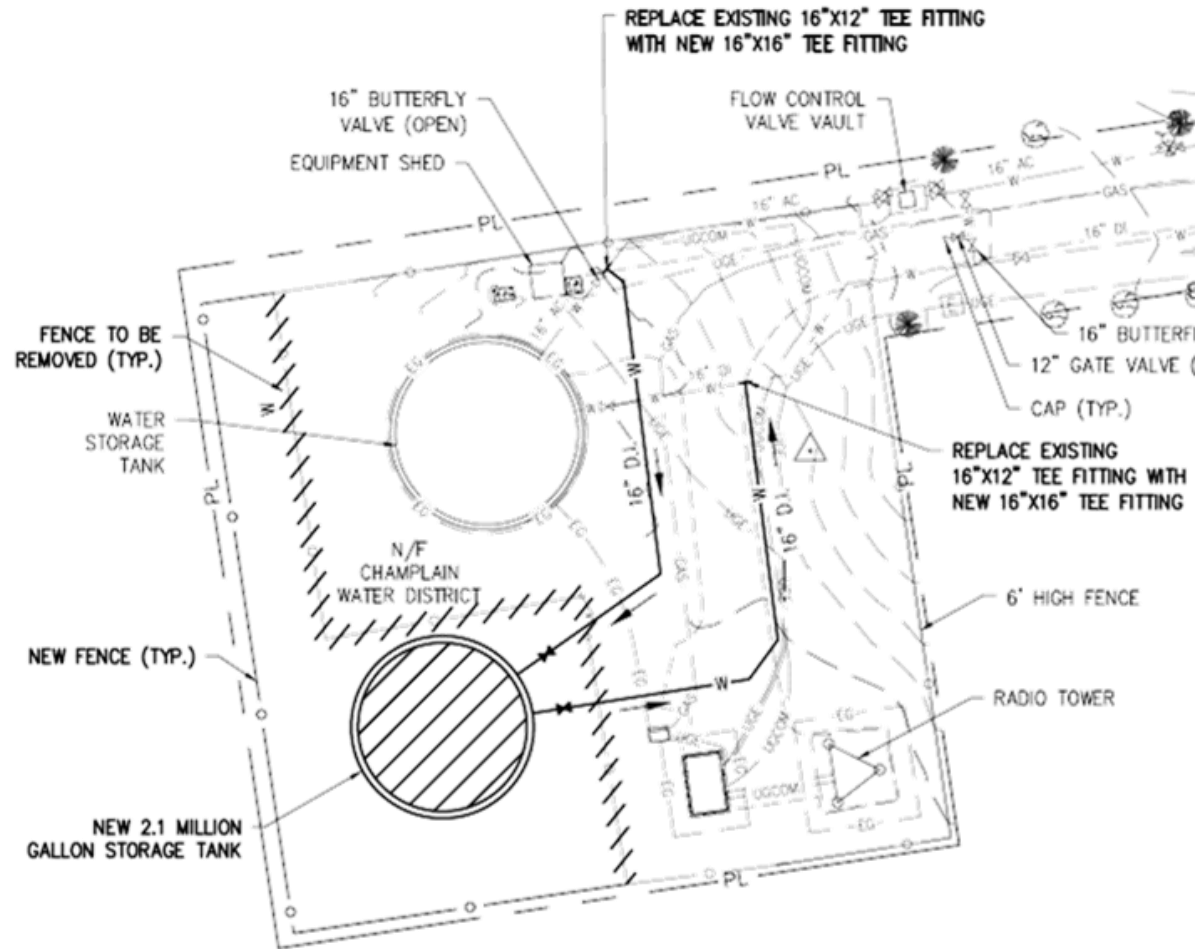
Fire Flow: Storage for sustained water usage during a fire



Proposed Project

New 'Twin' Standpipe Tank
53 ft diameter
127 ft height
2,100,000 gallon capacity

Following Project, High Service Area would have 4.2 million gallons of storage capacity, sufficient for foreseeable long-term needs.



Total Project Cost

Item Description	Total Estimated Cost
Construction of Tank	\$4,320,000
Construction Contingency (15%)	\$648,000
Preliminary Engineering	\$23,200
Final Design and Permitting	\$259,000
Construction Phase Services	\$450,000
Other Costs	\$24,000
Total Project Cost:	\$5,724,200
Recommended Bond Amount:	\$5,750,000

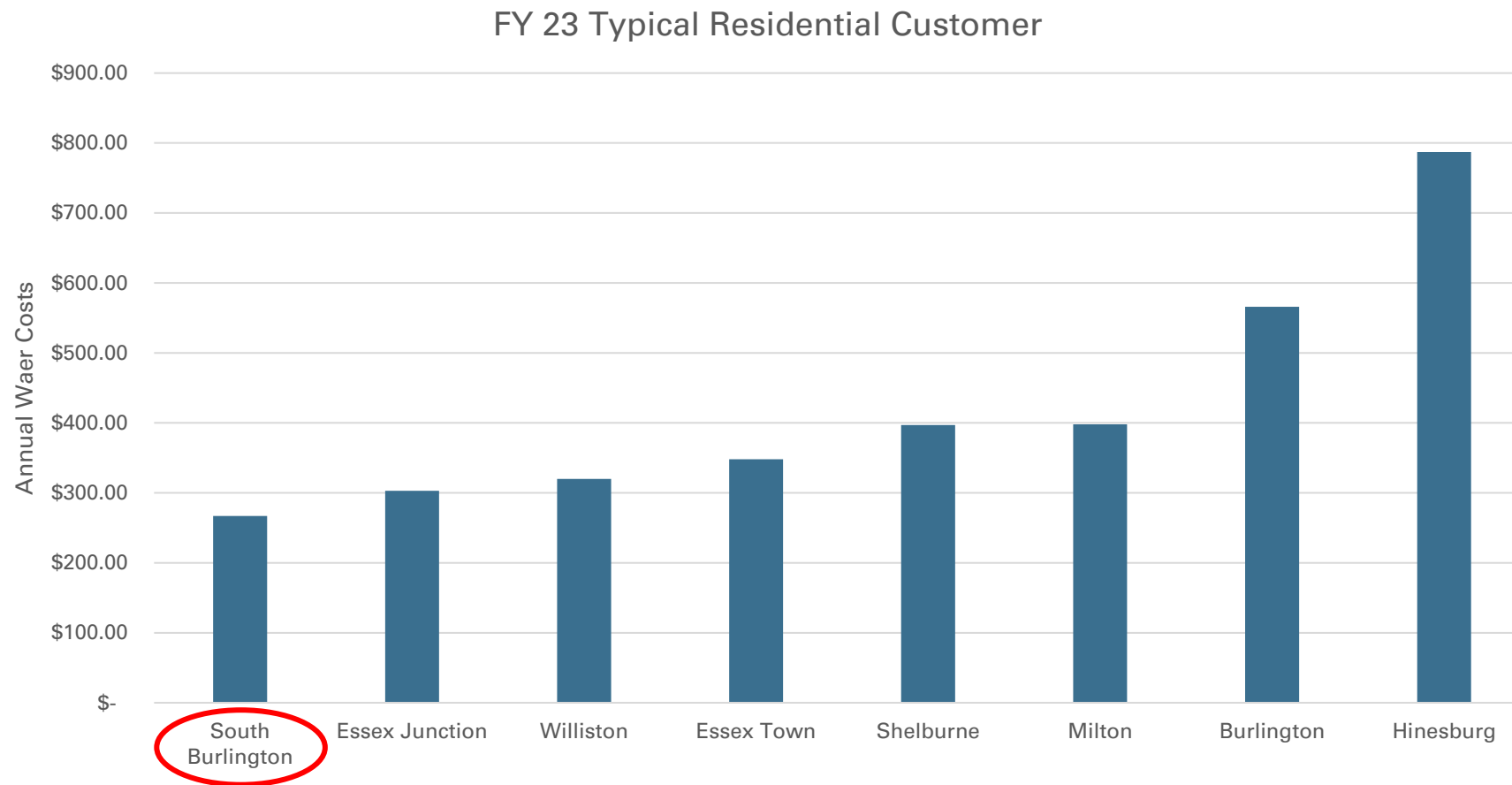
- Awarded \$500,000 Community Recovery and Revitalization Grant (CRRP). Completing grant agreement now.

Estimated Impact on Rates

- Assuming a \$5.75M loan, over a 30-year term, at 4.40% interest (current rate available).
 - Our annual loan payment would be \$349,000*
- In order to make this loan payment, our rates would increase by \$4.82* per 1,000 cubic feet of water.
- This would result in an annual increase of \$38.66* for the average residential user.

***These values represent a worst case scenario and do not include project cost reductions related to grant funding.**

Comparison of Regional Water Rates



Project Schedule



Projected Date		Task
2023	May	Start Final Design
	December	Final Design 90%
		Permit to Construct (PTC) Application
2024	March	PTC Issued / Complete Final Design
		Conduct Bond Vote
	Summer	Advertise for Bids
	Fall	Begin Construction
2025	Fall	Finish Construction

This represents the most aggressive possible project schedule. We may choose to bid in spring 2025 for reasons related to project financing.

Ballot Language



ARTICLE IV WATER STORAGE TANK GENERAL OBLIGATION BOND

Shall the City of South Burlington erect and install a 2.1-million-gallon water storage tank on land west of Dorset Street and issue general obligation bonds or notes in an amount not to exceed Five Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$5,750,000.00), after application of other funds and resources available for these purposes, to finance these capital improvements and to pay expenses related to the issuance of the bonds?



Charter Change on School Board Expansion

Potential Charter Change

- The Charter change would expand the School Board by two (7 total)
 - 4 members have 3-year terms
 - 3 members have 2-year terms
- Potential Timeline
 - If voters approve, would go to the Legislature
 - If Legislature approves, would go to the Governor
 - Likely not to be in effect until 2025 or 2026.

Potential Charter Change

ARTICLE III CITY CHARTER AMENDMENT



Shall the voters amend the City of South Burlington Charter to edit Section 13-301 and add Section 13-311 for the purpose of increasing the number of South Burlington School District School Board Members to seven as follows:

§ 13-301. Officers; general provisions

The officers of the City of South Burlington shall be those provided by law for towns, except as otherwise provided by this charter. The officers shall have all the powers and duties necessary to carry out the provisions of this charter as well as those provided by law. The offices of Fence Viewer, Weigher of Coal, and Inspector of Lumber shall be abolished.

(1) The officers of the South Burlington School District shall ~~continue to be~~ those provided by law for school or school districts, except as otherwise provided by this charter; provided, however, that the School Directors shall hold no other School District or City office with the exception of the Board of Civil Authority, the Board of Abatement, and as provided otherwise in this charter. When a vacancy occurs on the Board of School Directors, the remaining members of the Board may fill the vacancy until the next annual meeting when the School District shall fill the vacancy.

(2) The Council by majority vote of all its members shall appoint annually the City Treasurer, whose office shall be no longer elective, and the City Attorney, Zoning Administrator, Auditor, First and Second Constable, Grand Juror, and Trustee of Public Funds.

(3) [Repealed.]

§13-311. Board of School Directors; number; terms of office; election

(a) There shall be a Board of School Directors consisting of seven members.

(b) Four members shall have terms of office of three years; three members shall have terms of office of two years.

(c) All present School Directors shall serve as Directors until the expiration of their terms and their successors have been duly elected and have qualified.

(d) On the first Tuesday in March, 2025, the voters shall elect, from among the legal voters of the city, two members for terms of three years and two members for terms of two years. On the first Tuesday in March, 2026, one member for a term of three years and one member for a term of two years shall be elected. Thereafter, the election of school directors shall be for the length of the term of the member whose term is expiring.

(e) All Board of School Directors shall be elected at large.

Next Steps



City and School Budget Books and Annual Reports are available.

March 5 – Town Meeting Day!

Polls are open 7:00 am to 7:00 pm

All FY25 City Budget documents are available here:

tinyurl.com/SBFY25Budget

Planning for a Vibrant South Burlington is available here:

www.southburlingtonvt.gov



southburlington
VERMONT



An Artisan Festival

Illuminate Vermont

April 5-6 | 5:00-9:00p

southburlington
VERMONT

South Burlington School District

FY25 Budget

Pre Town Meeting Day Presentation

Violet Nichols, Superintendent
Tim Jarvis, Sr. Director of Finance and Operations

We inspire all learners to make a difference in the world.



THE FY25 BUDGET

- Prioritizes student-facing positions
- Includes important school safety enhancements
- Supports social and emotional learning needs of students
- Bolsters academic rigor
- Provides structured literacy programming
- Increases multilingual supports
- Maintains Act 173/MTSS
- Features savings for critical future facilities needs



BUDGET INFORMATION



The board-approved FY25 budget is \$71.2 million, which is 13.86% higher than FY24's budget of \$62.5 million (10.82% higher excluding the proposed \$1.9 million allocation to the Capital Reserve Fund).

With the passage of H.850, the homestead education property tax rate increase is now 23.25% (up from 18.26% under the prior Act 127 language).

BUDGET DEVELOPMENT INFORMATION: Contributing Factors

Expenditures

- Current estimated inflation rate of 2.5–3.0% will cause upward pressure on non-compensation expenses (e.g. supplies, professional services, transportation, equipment).
- Combined Impact of negotiated CBA settlements for the teachers and union support staff, increases in non-union wages, higher staff replacement costs and proposed net FTE changes will add approximately 5.4% to the total expense budget for Salaries & Wages. Union negotiation for Administrators is still in progress.
- Estimated 11.76% increase in health insurance and other employee benefits will add approximately 2.5% to the total expense budget.
- Principal and Interest payments on the approved 2023 Bond (ZEMs and Capital Improvements) and other debt will add approximately \$1M in expenses. Continued focus on addressing deferred maintenance/facilities needs and school safety enhancements.

Use of Previous Surplus

- \$2.27M budget surplus from FY22 is proposed to be transferred to the Capital Reserve Fund for future facilities needs (requires voter approval).

Revenues

- Impact fees to offset investment in ZEMs (estimated by city at approximately \$1.1M).

State Factors

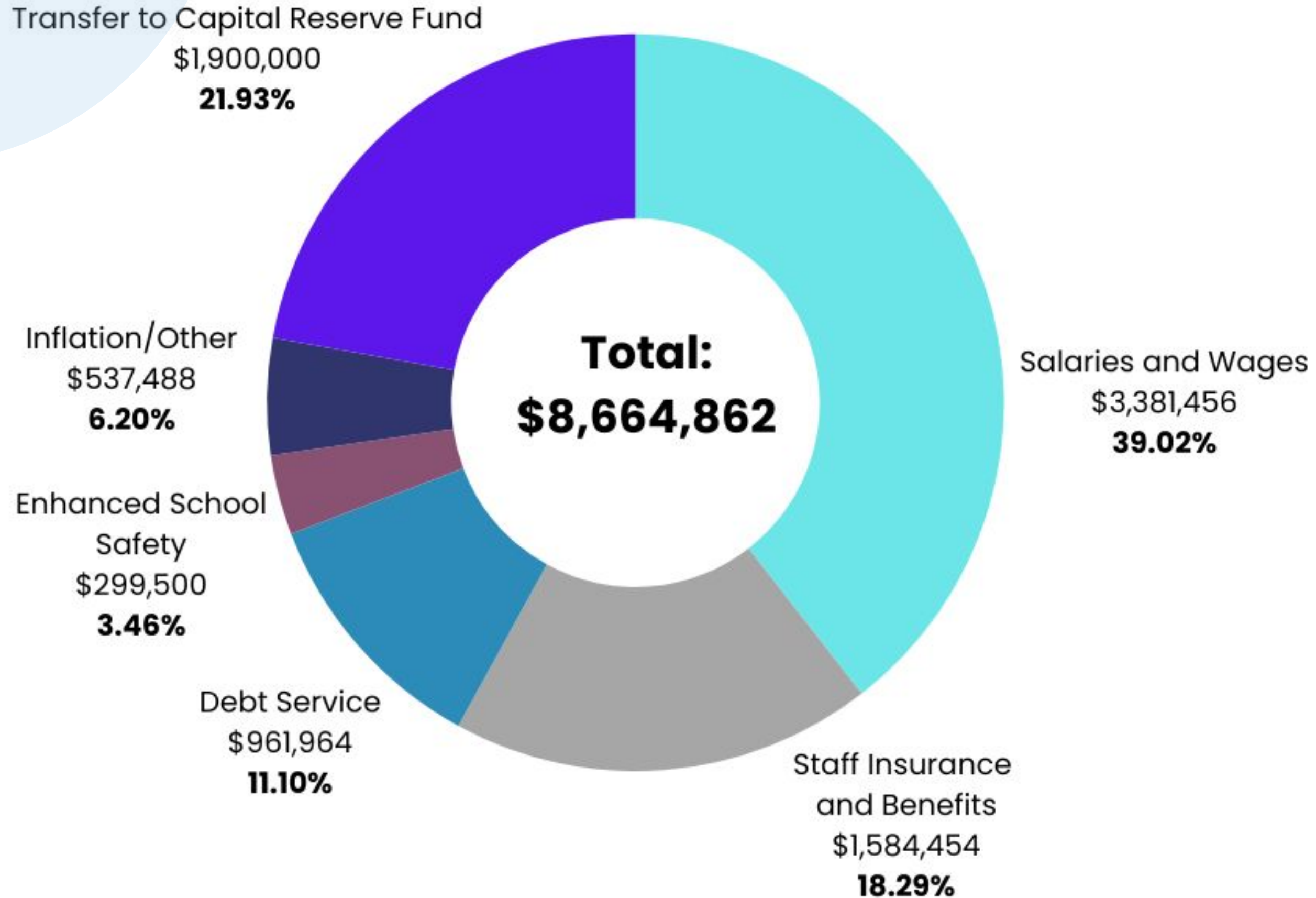
- The Dec. 1st Tax Commissioner's Letter announced a FY25 Yield of \$9,452. It has since been adjusted multiple times (current estimate for model is \$9,775)
- Common Level of Appraisal (CLA) or "Real Estate Inflation Factor" was released the evening of 1/2/24 at 82.54% with SB suffering a 11.22% decrease which dramatically raises the homestead education tax rate

SB Homestead Tax Rates and CLA

SB Historical Homestead Tax Rates and CLA 2015-2025 (proposed)



FY25 NOTABLE INCREMENTAL EXPENSES



EXPLANATORY NOTE ON FY22 AUDIT SURPLUS

The FY22 financial audit reflected a surplus of \$2,266,362. Per Vermont statute, this can be applied in one of 2 ways:

Option 1: Carry the funds into the FY25 budget as revenue to offset expenditures. Given the original mechanics of Act 127, choosing this option in the adopted budget would have had zero impact on the homestead tax rate. This tax dynamic has now changed under H.850 whereby the tax rate could now be lowered under this option.

Option 2: Allocate the funds to our Capital Reserve Fund for future facilities improvements. **This was the option adopted by the Board and will appear on the March ballot for voter approval.**



CONSIDERATIONS FOR PROPOSED STAFFING LEVELS

- Net addition of 0.6 FTEs for FY25 Budget
- Education model changes for Special Education Services driven by requirements of Act 173 (MTSS – Multi-Tiered System of Supports)
- Prioritize elementary literacy program, math and literacy specialists, multilingual students with student-facing positions



PROPOSED STAFFING CHANGES

Orchard

Additions

- 0.5 Health and Wellness
- 1.0 Special Educator
- 1.0 Contingency Teacher

Reductions

- 3.0 Unfilled Interventionists

Net reduction=.5 FTE

District

Additions

- 1.0 Multilingual Coordinator
(partially grant-funded)
- 1.1 Custodians
- 1.0 Pre K Coordinator (grant-funded)

Reductions

- 2.0 Unfilled Bus Drivers
- 0.5 Mentor Coordinator

Net addition=.6 FTE

RMCS

Additions

- 0.5 Health and Wellness
- 1.0 Math Interventionist
- 1.0 Literary Specialist
- 1.0 Special Educator

Reductions

- 2.0 Para Educators

Net addition=1.5 FTE

FHTMS

Additions

- 1.0 Special Educator
- 0.2 Health and Wellness

Reductions

- 1.0 Universal Design for Learning (UDL) Coach
- 2.0 Para Educators

Net reduction=1.8 FTE

SBHS

Additions

- 1.0 Student Engagement Coordinator

Reductions

- 0.4 Art

Net addition=0.6 FTE

Chamberlin

Addition

- 0.2 Health and Wellness

Net addition=0.2 FTE

Total Additions=0.6 FTE





Thank you!

DISCUSSION & QUESTIONS

www.sbschools.net/budgetfy25