

FY24 Budget for Town Meeting

What are we asking voters to approve on Town Meeting Day?

- **4.03%** increase in expenses
 - Inflation: 7.1% (CPI-All Items)
 - 2023 Social Security benefits increase: 8.7%
- **4.89%** projected tax rate increase
 - Emphasis on ***projected*** – this figure will be impacted by multiple factors between now and when the tax rate will officially be set.
 - Includes \$6,876 as tax relief from FY22 audited fund balance over 5%.

The proposed FY24 Budget is fiscally responsible and protects key City services.

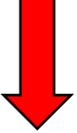
Summary of the FY24 Budget process

1. September 20: FY24 Budget Kickoff
2. October 18: Manager's Office, General Administration, Finance, Clerk and Elections
3. October 25: Police and Fire & Emergency Medical Services
4. November 1: Planning, Permitting & Assessing Services, Buildings & Community Services, Recreation
5. November 29: Public Works, Engineering, and Revenues
6. December 6: Partner organizations
7. December 20: Budget Seminar at Alumni Hall
8. January 10: Approved by Council

FY24 Baseline Conditions – What did the budget situation look like when we started developing the budget?

- Personal Services (PS) costs increasing by \$454K or 5.14%
 - Includes wages and fringe benefits (health care, benefits, pension, OT)
- Other Than Personal Services (OTPS) costs projected to increase by \$100k, or 2.21%
 - Projections above do not include budget subsidies
 - Includes typical inflators for goods such as fuel, supplies, and contracts
- Loss of one-time revenue
 - \$53K of General Fund cell tower revenue lost
 - \$100K + \$50K of FY23 subsidies
 - These subsidies alone represent \$0.03 on the FY24 municipal tax rate
- **Under these conditions, even if we did nothing our FY24 Budget would increase by \$553K, or 4.15%**
 - This would be a “flat” budget that only continues current service levels, pays for mandated expenses (like labor contracts) and does not take into account new services and/or programs.

Major changes to FY24 Budget baseline conditions after we started the budget process

 **Loss of \$57K** in ambulance contract billing revenue in FY24

 Agreement for an annual **increase of Capstone PILOT** for Brook St School

- \$5,000 PILOT since inception, implementing **+2.5% annual increases**

 Anticipated **increase in State of Vermont PILOT**

- FY23 PILOT **+\$35,048** from budgeted amount carried into FY24 assumptions

First Draft FY24 Budget

- Manager and Department Heads identified **\$287,654** in adjustments
 - ~\$227K in cost reductions, efficiencies, and re-estimates
 - ~\$60K in revenue raisers
- Every department is impacted

Examples of savings and efficiencies:

- \$15,000 from retiring debt service early
- \$11,500 in overtime savings
- \$6,500 from closing the jail in the Public Safety Building
- \$3,472 by consolidating office supply purchases

Examples of revenue raisers:

- Increase the rental registry fee by \$10
- Require excavation and stormwater connection permits
- Overweight permits for vehicles over 24,000 lbs
- Additional efforts to collect unpaid parking tickets

Partner Organization FY24 Budget Requests



Partner	Request	Recommended	What are we funding?
The Barre Partnership	+3.5%	+3.5%	Account for inflationary increases
Barre Area Development Corporation	+54.1%	+15.3%	Executive Director compensation, strategic planning
Aldrich Public Library	+8.0%	+4.5%	Maintenance, repairs, service contracts



Thank you.

This year's budget is well below other economic indicators, including the 2023 Social Security benefit 8.7 percent increase and inflation over 7 percent. The City's proposed 4.05 percent increase in expenses contained in the Fiscal Year 2024 budget is responsible, and in my judgement as City Manager deserves voter support.