City of Burlington
Vermont

CHIEF ADMINISTRATIVE OFFICER

City of Burlington

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TO: City Council Members

FROM: Jonathan P.A. Leopold, Jr.

DATE: April 29, 2011

RE: Fiscal Year 2012 Budget Projections

The attached four spreadsheets provide summary information for the current projections for the Fiscal Year 2012 Budget for the General Fund. The reports include year-to-date revenues and expenses through March 31, 2011. The reports also include year-to-date revenues and expenditures for Fiscal Year 2010 through March 31, 2010 and final actual revenues and expenditures for Fiscal Year 2010. In addition, the full budget file is available on the City website under the City Council agenda for the work session on Monday, May 2nd.

The year-to-date revenue and expenditures data indicate that the finances for the current fiscal year are generally consistent with the budget and create a sound foundation for the Fiscal Year 2012 Budget. Generally, revenues are consistent with the budget. The primary revenue sources reflecting general economic activity are showing a strong underlying economy in the City. Gross receipts revenues are up 5% over the prior year. Similarly, Planning and Zoning and Inspection Services permits and fees are up year-to-date approximately 100% and 50% respectively. In addition, the Local Options Sale Tax is approximately 10% higher for the first six months of the fiscal year.

Expenditures are also generally consistent with the budget with a few areas of concern. The expenditures for snow removal this past winter are significantly over budget as are the year to date expenditures for "extra duty" for the Fire Department. In addition, health insurance costs have risen and will meet or slightly exceed the Fiscal Year 2011 Budget. Finally, as a result of the death in service of a firefighter the worker's compensation expenditures will be high and will deplete the insurance reserve. Notwithstanding the above issues, generally, expenditures will come in close to budget and I expect revenues and expenditures will be generally balanced.

On the basis of the data for revenues and expenditures for the first nine months of the fiscal year, the budget projections for Fiscal Year 2012 have been significantly refined. The revenue data has enabled the revenue projections to be increased to reduce the projected deficit of expenditures in excess of revenues to approximately $760,000 as reflected in the attached summary spreadsheets.

The City of Burlington does not discriminate on the basis of political or religious affiliation, race, color, national origin, age, sex, sexual orientation, marital status, veteran status or disability. Persons with disabilities who require assistance or special arrangements to participate in programs and activities of the Clerk Treasurer's Office are encouraged to contact us at 865-7000 or 865-7142 (TTY) at least 72 hours in advance so that proper arrangements can be made.

The first page of the attachments is a general summary of revenues and expenditures by the major function categories in the General Fund. The second page provides a summary of revenues by departments. The third page provides a corresponding summary of expenditures by departments and major expenditure programs.

The fourth spreadsheet provides a new perspective on General Fund expenses. This spreadsheet has allocated the costs for employee benefits, retirement benefits and administrative costs to the different departments of the City. This "stepped down" presentation indicates the true costs of various departments of the City. The highlighted areas are those accounts which are affected by the step down of costs.

The spreadsheet showing the total costs per department readily identifies the major cost increases in the Fiscal Year 2012 Budget. The Police and Fire Departments represent $1.2 million in increased costs in a total operating cost net increase of under $1.6 million. In this context, the Police and Fire Department represent approximately three-quarters of the total increase in costs projected for Fiscal Year 2012. While Police and Fire Department expenditures would rise by $1.2 million, the revenues to support these expenditures are projected to increase less than $100,000. Thus, the net increase in expenditures over revenues for these departments is $1.1 million.

This highlights the primary fiscal challenge of this budget. Police and Fire services are heavily dependent on property tax revenues. The modest growth in the tax base is insufficient to cover the annual increment in the costs for these departments. As a result it will be necessary to offset the increased costs of these departments with disproportionate and unsustainable cuts in other departments and programs or alternatively, an increase in the tax rate to support police and fire services.

CITY OF BURLINGTON
GENERAL FUND SUMMARY

4/18/11

REVENUES	Amended FY 2010 Budget	YTD 03/31/10 FY 2010 Actuals	YTD 06/30/10 2010 Actuals	Amended FY 2011 Budget	YTD 03/31/11 FY 2011 Actuals	Requested FY 2012 Budget	FY 11/12 Difference	% Change
GENERAL FUND								
General Admin. & Taxes	38,693,892	27,883,727	40,056,487	39,762,903	29,216,024	41,251,652	1,488,749	3.7%
Safety Services	5,051,850	3,873,562	5,926,790	5,044,600	3,425,984	5,205,600	161,000	3.2%
Cultural & Recreation	4,935,397	3,112,382	4,572,826	4,827,967	2,835,112	4,283,422	(544,545)	-11.3%
Public Works	986,643	776,965	1,139,870	989,467	795,256	1,076,059	86,592	8.8%
Subtotal Oper. Rev	49,667,782	35,646,636	51,695,973	50,624,937	36,272,376	51,816,733	1,191,796	2.4%
Grants & Capital Projects	3,661,457	5,586,686	3,965,067	2,818,631	5,501,569	2,659,000	(159,631)	-5.7%
TOTAL REVENUES	53,329,239	41,233,322	55,661,040	53,443,568	41,773,945	54,475,733	1,032,165	1.9%
EXPENDITURES								
GENERAL FUND								
General Administration:								
General Departments	3,664,464	2,730,170	4,218,569	3,821,127	2,984,483	4,046,765	225,638	5.9%
General Admin Expense	6,916,313	4,094,252	5,987,242	6,978,862	4,797,579	7,848,902	870,040	12.5%
General Gov't Expense	1,806,138	1,251,552	1,797,370	1,862,202	1,332,137	1,913,342	51,140	2.7%
Subtotal Gen'l Admin	12,386,915	8,075,974	12,003,181	12,662,191	9,114,199	13,809,009	1,146,818	9.1%
Safety Services	16,255,406	11,467,481	16,196,238	16,304,655	12,538,140	16,707,696	403,041	2.5%
Cultural & Recreation	7,340,862	5,134,685	7,172,541	7,378,329	4,934,589	6,875,232	(503,097)	-6.8%
Public Works Function	2,476,085	1,906,758	2,468,151	2,311,199	1,963,716	2,510,941	199,742	8.6%
Operating Transfers Out	8,798,295	9,598,489	8,525,774	9,418,123	6,731,643	9,739,461	321,338	3.4%
Subtotal Oper. Expend.	47,257,563	36,183,387	46,365,885	48,074,497	35,282,286	49,642,338	1,567,841	3.3%
General Capital Improve.	6,125,359	6,142,793	8,233,144	5,490,577	4,593,009	5,594,451	103,874	1.9%
TOTAL EXPENDITURES	53,382,922	42,326,180	54,599,029	53,565,074	39,875,295	55,236,789	1,671,715	3.1%

GENERAL FUND REVENUES SUMMARY LEVEL

Dept. or Account	Amended FY 2010 Budget	YTD 03/31/10 FY 2010 Actuals	YTD 06/30/10 FY 2010 Actuals	Amended FY 2011 Budget	YTD 03/31/11 FY 2011 Actuals	Requested FY 12 Budget	FY 11/12 Difference	% Change
Clerk/Treasurer								
Taxes & Spec. Assessments	31,345,847	21,751,466	31,967,457	32,042,913	22,930,294	33,001,230	958,317	3.0%
Fines & Forfeits	2,000	-	-	2,000	4,975	2,000	-	0.0%
Licenses & Permits	2,330,150	1,849,418	2,605,757	2,422,200	1,903,897	2,632,200	210,000	8.7%
Charges for Services	1,492,500	1,233,749	1,728,316	1,584,500	1,357,001	1,820,700	236,200	14.9%
Misc. Revenues	1,904,000	1,679,062	1,907,046	1,992,758	1,484,526	1,983,372	(9,386)	-0.5%
Interest Income	247,945	211,064	318,881	258,500	184,470	307,000	48,500	18.8%
Intergovernmental Revenue	650,000	706,589	707,426	766,682	12,335	705,000	(61,682)	-8.0%
Trans. In/Debt Proceeds	64,400	48,300	64,400	64,400	793,058	64,400	-	0.0%
Subtotal	**38,036,842**	**27,479,647**	**39,299,284**	**39,133,953**	**28,670,556**	**40,515,902**	**1,381,949**	**3.5%**
City Attorney	193,000	161,296	229,001	213,000	131,008	213,000	-	0.0%
Planning and Zoning	387,550	165,542	450,712	339,450	337,813	445,250	105,800	31.2%
City Assessor	76,500	77,177	77,424	76,500	76,647	77,500	1,000	1.3%
Human Resources	-	65	65	-	-	-	-	
Fire	1,065,000	731,450	1,147,900	1,095,000	834,762	1,110,000	15,000	1.4%
Police	2,778,100	1,718,339	2,753,465	2,831,100	1,690,685	2,877,100	46,000	1.6%
Police Grants	129,340	418,086	812,313	-	324,016	-	-	
Inspection Services	381,500	286,312	458,203	387,000	450,438	450,000	63,000	16.3%
Code Enforcement	697,910	719,374	754,911	731,500	126,082	768,500	37,000	5.1%
Library	74,000	56,569	75,773	74,000	48,476	76,800	2,800	3.8%
Library Trust and Grants	55,000	34,292	53,431	64,000	44,178	59,300	(4,700)	-7.3%
Parks & Recreation	3,794,551	2,538,424	3,579,344	3,744,545	2,340,355	3,150,945	(593,600)	-15.9%
City Arts	1,011,846	483,097	864,278	945,422	402,102	996,377	50,955	5.4%
Public Buildings	2,400	5,720	6,145	4,000	4,591	7,000	3,000	75.0%
Public Works	842,443	704,295	1,019,458	875,767	732,261	959,359	83,592	9.5%
Cemetery	141,800	66,950	114,267	109,700	58,405	109,700	-	0.0%
	49,667,782	35,646,636	51,695,973	50,624,937	36,272,376	51,816,733	1,191,796	2.4%
Capital Projects	3,661,457	5,586,686	3,965,067	2,818,631	5,501,569	2,659,000	(159,631)	-5.7%
Total	**53,329,239**	**41,233,322**	**55,661,040**	**53,443,568**	**41,773,945**	**54,475,733**	**1,032,165**	**1.9%**

GENERAL FUND EXPENSES SUMMARY LEVEL

Dept. or Account	Amended FY 2010 Budget	YTD 03/31/10 FY 2010 Actuals	YTD 06/30/10 2010 Actuals	Amended FY 2011 Budget	YTD 03/31/11 FY 2011 Actuals	Requested FY 2012 Budget	FY 11/12 Difference	% Change
City Council	87,020	41,727	66,642	117,200	43,696	113,684	(3,516)	-3.0%
Mayor	218,897	165,084	224,199	210,552	160,869	220,297	9,745	4.6%
Voter Registration	21,650	15,684	22,272	21,650	19,630	21,000	(650)	-3.0%
Clerk/Treasurer	1,309,330	1,049,738	1,770,743	1,471,363	1,298,234	1,513,814	42,451	2.9%
Payroll Administration	215,999	156,040	216,518	216,523	158,479	220,339	3,816	1.8%
City Attorney	785,407	581,143	905,304	816,747	573,289	898,756	82,009	10.0%
Planning and Zoning	542,276	396,585	555,560	480,923	383,764	491,349	10,426	2.2%
City Assessor	190,103	131,275	187,070	190,315	133,018	193,930	3,615	1.9%
Human Resources	293,782	192,893	270,261	295,854	213,504	373,596	77,742	26.3%
Employee Benefits	1,178,700	819,659	1,192,708	1,168,000	957,423	1,275,900	107,900	9.2%
COLA (multi-year)	662,820	-	263,197	849,967	-	875,000	25,033	2.9%
Health Insurance Net to GF	3,455,000	2,048,389	3,021,204	3,325,000	2,419,891	4,107,000	782,000	23.5%
Insurances	876,254	544,634	661,841	871,754	588,773	803,000	(68,754)	-7.9%
Prop Tax Abatement	20,000	203,435	203,509	40,000	315,116	50,000	10,000	25.0%
Central Computer Management	723,539	478,135	644,784	724,141	516,377	738,002	13,861	1.9%
Regional Programs	1,806,138	1,251,552	1,797,370	1,862,202	1,332,137	1,913,342	51,140	2.7%
Fire/Ambulance	5,730,077	3,964,162	5,596,473	5,774,847	4,259,237	5,928,486	153,639	2.7%
Police	9,115,264	6,337,278	8,945,663	9,232,725	6,903,145	9,459,235	226,510	2.5%
Police Grants	314,359	422,623	619,010	185,019	613,188	140,000	(45,019)	-24.3%
Inspection Services	250,683	172,364	241,244	257,717	180,823	290,106	32,389	12.6%
Code Enforcement	845,023	571,054	793,849	854,347	581,748	889,869	35,522	
Library	1,227,842	879,391	1,223,504	1,228,225	882,431	1,236,215	7,990	0.7%
Library Trust & Grants	61,500	23,762	99,996	86,300	30,825	56,050	(30,250)	-35.1%
Parks & Recreation	4,791,880	3,342,805	4,657,866	4,851,206	3,112,496	4,311,177	(540,029)	-11.1%
City Arts	1,259,640	888,726	1,191,175	1,212,598	908,837	1,271,789	59,191	4.9%
Public Buildings	648,319	456,874	644,711	612,609	435,888	625,541	12,932	2.1%
Public Works	1,641,113	1,329,834	1,641,535	1,516,735	1,403,148	1,695,110	178,375	11.8%
Cemetery	186,653	120,050	181,905	181,855	124,679	190,290	8,435	4.6%
Operating Transfers	8,798,295	9,598,489	8,525,774	9,418,123	6,731,643	9,739,461	321,338	3.4%
Subtotal Operating	47,257,563	36,183,387	46,365,885	48,074,497	35,282,286	49,642,338	1,567,841	3.3%
Capital Improvements	6,125,359	6,142,793	8,233,144	5,490,577	4,593,009	5,594,451	103,874	1.9%
Total	**53,382,922**	**42,326,180**	**54,599,029**	**53,565,074**	**39,875,295**	**55,236,789**	**1,671,715**	**3.1%**

GENERAL FUND EXPENSES WITH BENEFITS

GENERAL FUND EXPENSES

SUMMARY LEVEL

Dept. or Account	Amended FY 2010 Budget	YTD 03/31/10 FY 2010 Actuals	Final 2010 Actuals	Amended FY 2011 Budget	YTD 03/31/11 FY 2011 Actuals	Requested FY 2012 Budget	FY 11/12 Difference	% Change
City Council	87,020	41,727	66,642	117,200	43,696	113,684	(3,516)	-3.0%
Mayor	312,073	227,783	311,949	301,524	228,672	321,637	20,113	6.7%
Voter Registration	21,650	15,684	22,272	21,650	19,630	21,000	(650)	-3.0%
Clerk/Treasurer	1,851,873	1,401,910	2,282,591	2,041,699	1,720,771	2,149,260	**107,561**	5.3%
Payroll Administration	323,668	226,165	303,297	307,114	223,657	320,355	13,241	4.3%
City Attorney	1,012,631	724,569	1,107,937	1,046,560	732,897	1,152,806	**106,246**	10.2%
Planning and Zoning	774,067	548,628	770,406	709,125	552,758	743,689	34,564	4.9%
City Assessor	276,589	188,223	267,724	275,826	195,740	288,422	12,596	4.6%
Human Resources	434,855	282,807	398,620	435,955	313,807	554,968	**119,013**	27.3%
Employee Benefits	-	-	-	-	-	-	-	
COLA (multi-year)	662,820	-	263,197	849,967	-	875,000	25,033	2.9%
Prop Tax Abatement	20,000	203,435	203,509	40,000	315,116	50,000	10,000	25.0%
Central Computer Management	811,025	534,838	736,053	835,921	600,291	862,424	26,504	3.2%
Regional Programs	1,806,138	1,251,552	1,797,370	1,862,202	1,332,137	1,913,342	51,140	2.7%
Fire/Ambulance	8,242,101	5,584,461	7,957,037	8,238,759	5,981,407	8,720,896	**482,137**	5.9%
Police	13,250,771	9,020,387	12,793,891	13,222,399	9,694,395	13,948,762	**726,363**	5.5%
Police Grants	314,359	422,623	619,010	185,019	613,188	140,000	(45,019)	-24.3%
Inspection Services	337,805	229,804	322,321	344,101	244,175	386,094	**41,993**	12.2%
Code Enforcement	845,023	571,054	793,849	854,347	581,748	889,869	35,522	4.2%
Library	1,684,083	1,177,424	1,662,128	1,693,688	1,218,430	1,751,391	57,703	3.4%
Library Trust & Grants	61,500	23,762	99,996	86,300	30,825	56,050	(30,250)	-35.1%
Parks & Recreation	6,038,366	4,151,952	5,815,723	6,077,498	3,973,260	5,606,499	**(470,998)**	-7.7%
City Arts	1,482,957	1,038,905	1,432,307	1,473,593	1,100,381	1,576,696	103,103	7.0%
Public Buildings	648,319	456,874	644,711	612,609	435,888	625,541	12,932	2.1%
Public Works	2,763,097	2,065,184	2,705,497	2,670,909	2,247,789	3,001,421	**330,512**	12.4%
Cemetery	253,728	162,823	242,649	247,977	171,179	263,436	15,460	6.2%
Operating Transfers	4,663,096	6,778,846	4,467,248	4,997,870	3,693,992	4,813,915	(183,955)	-3.7%
Indirect Costs	(1,722,050)	(1,148,033)	(1,722,050)	(1,475,314)	(983,543)	(1,504,820)	(29,506)	2.0%
Subtotal Operating	47,257,563	36,183,387	46,365,885	48,074,497	35,282,286	49,642,338	1,567,841	3.3%
Capital Improvements	6,125,359	6,142,793	8,233,144	5,490,577	4,593,009	5,594,451	(103,874)	-1.9%
Total	**53,382,922**	**42,326,180**	**54,599,029**	**53,565,074**	**39,875,295**	**55,236,789**	**1,463,967**	**2.7%**