

New/Additional Revenues to Address FY 17-FY 21 Capital Needs 9/1/16

Increase Rooms and Alcohol Gross Receipts Tax by 2% - Council vote – No increase in Meals Tax
 Start date 12/1/16
 FY 17 new revenue anticipated (approximately \$800K if started in December 2016)
 Over last ten years yearly average growth of revenue is 7.744%
 12/1/16 through FY 21 total new revenue \$8,670,425
 Apply \$100K p/y starting in FY 18 for economic development activity – not for capital -\$400,000
 Net Gross Receipts tax Revenue for Capital Plan **\$8,270,425**

City Hall Park Donations
 Current commitments of \$100,000 p/y for 10 years starting FY 16 \$1,000,000*
 Additional commitment \$30,000
 Total donations committed **\$1,030,000**

State Transportation Grants for New Work
 Conservative estimate based on past history of average yearly grant \$200,000 x5
 FY 17 through FY 21 total **\$1,000,000**

City Hall Renovation Grants and Rebates – One-time
 Expected grants and energy efficiency rebates due to City Hall renovations FY 17 **\$250,000**

FY 16 Carry-Forward – One-time
 Unspent budgeted FY 16 revenue to pay for FY 16 carry-forward projects **\$307,395**

Traffic Fund Contribution to 10 Year Capital Plan –
 Revenue to be used for streets, traffic calming, curb
 FY 17 contribution budgeted for in FY 17 Traffic Fund budget **\$250,000**

UVM and Champlain College (CC) Contribution to 10 Year Capital Plan
 Significant property owned by UVM and CC are non-taxable
 On-campus students, who live in non-taxable dorms, utilize City facilities
 UVM and CC in good faith negotiations, (methodology to be determined) to contribute
 Starting in FY 18 with combined contribution of \$1,000,000 with yearly increases
 Total contribution FY 18 to FY 21 **\$4,121,208**

Total new/additional revenue **\$14,829,028***

Needed to borrow FY 17 to FY 21 **\$27,573,508**

*\$400,000 actually received FY 22 to FY 26 so not available FY 17 to FY 21

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Plan for New Borrowing FY 17 to FY 21
Total General Obligation Bonds Borrowing Request \$27,573,508,

Goal: To create a schedule that only borrows when we need the revenue, with term length correlated to life expectancy of capital need, and term payments designed to smooth out costs to taxpayers. For modeling purposes, interest rates used are at assumed high range of charge.

FY 17 Borrowing

One bond for \$5,971,568 with 5 year IO then remaining 15 years payments and 4% interest rate	
First five years yearly payments and then next fifteen years the yearly payments	\$238,863 then \$537,089
Or One bond for \$5,971,568 with 20 years interest/principal payments at 3.5% interest rate	\$420,166

FY 18 Borrowings

One bond for \$1,500,000 with term of 12 years and 3.5% interest rate	
Yearly payments are	\$155,226
One bond for \$7,177,031 with 5 year IO then remaining 15 years payments and 4% interest rate	
First five years yearly payments and then next fifteen years the yearly payments	\$287,081 then \$645,510
Or One bond for \$7,177,031 with 20 years interest/principal payments at 3.5% interest rate	\$504,984

FY 19 Borrowings

One bond for \$2,200,000 with term of 12 years and 3.5% interest rate	
Yearly payments are	\$227,665
One bond for \$5,925,663 with 5 year IO then remaining 15 years payments and 4% interest rate	
First five years yearly payments and then next fifteen years the yearly payments	\$237,027 then \$532,961
Or One bond for \$5,925,663 with 20 years interest/principal payments at 3.5% interest rate	\$416,936

FY 20 Borrowings

One bond for \$250,000 with term of 12 years and 3.5% interest rate	
Yearly payments are	\$25,871
One bond for \$3,662,412 with term of 20 years and 3.5% interest rate	
Yearly payments are	\$257,692

FY 21 Borrowings

One bond for \$225,000 with term of 12 years and 3.5% interest rate	
Yearly payments are	\$23,284
One bond for \$661,828 with term of 20 years and 3.5% interest rate	
Yearly payments are	\$46,567

Impact on Taxpayers Owning Medium Value Home

Assumption of Grand List Growth of 1% p/y for FYs 18-19, then .8% FYs 20-21 and then .7% FYs 22-27
 In FY 22 current DPW bond retires - yearly bond payment of \$278,000 will apply to paying new borrowing*
 New Borrowing payment start one year after actual borrowing
 Does not include cost of charter-designated yearly borrowing of \$2M
 Any new borrowing after FY 21 not included in calculations
 Medium Residential Home Value of \$231,500

	Tax amount in each year With 3 Interest Only Bonds	Tax amount in each year With No Interest Only Bonds
FY 18 tax payment	\$14.97	\$26.33
FY 19 tax payment	\$42.26	\$67.02
FY 20 tax payment	\$70.52	\$106.16
FY 21 tax payment	\$87.27	\$122.63
FY 22 tax payment	\$74.05*	\$109.16*
FY 23 tax payment	\$91.49*	\$108.40*
FY 24 tax payment	\$112.28*	\$107.65*
FY 25 tax payment	\$129.07*	\$106.90*
FY 26 tax payment	\$128.17*	\$106.15*
FY 27 tax payment	\$127.28*	\$105.42*

After FY 27 stays level and then lessens

Impact on Other Taxpayers - Please note that by City Charter commercial property pay taxes on 120% of assessed value

Property Value of \$300,000			
FY 18 tax payment	next year	\$19.39	\$34.12
FY 27 tax payment	ten years from current fiscal year	\$164.95	\$136.61
Property Value of \$500,000			
FY 18 tax payment	next year	\$32.32	\$56.86
FY 27 tax payment	ten years from current fiscal year	\$274.91	\$227.68
Property Value of \$1,000,000			
FY 18 tax payment	next year	\$64.65	\$113.72
FY 27 tax payment	ten years from current fiscal year	\$549.82	\$455.36
Property Value of \$5,000,000			
FY 18 tax payment	next year	\$323.24	\$568.59
FY 27 tax payment	ten years from current fiscal year	\$2,749.11	\$2,276.81
Property Value of \$30,000,000			
FY 18 tax payment	next year	\$1,939.45	\$3,411.54
FY 27 tax payment	ten years from current fiscal year	\$16,494.66	\$13,660.85

After FY 27 stays level and then lessens

FY17 – FY21 General Fund Capital Plan Summary by Source

General Fund	Streets/Sidewalks	Vehicle Fleet	Bike Path	City Hall Park	IT infrastructure	Civic Buildings	Total
Traffic Fund	\$250,000						250,000
Gross Receipts			\$7,170,425	\$1,500,000			\$8,670,425
Institutions	\$2,085,320	\$785,888	\$750,000	\$500,000			\$4,121,208
Philanthropy			\$1,000,000	\$1,030,000*			\$2,030,000
Bond Proceeds	\$14,392,032	\$3,357,325	\$3,198,576		\$1,675,000	\$4,950,575	\$27,573,508
Total	\$16,727,352	\$4,143,213	\$12,619,001	\$3,030,000	\$1,675,000	\$4,950,575	42,645,141

*\$500,000 actually received FY 22 to FY 26 so not available FY 17 to FY 21