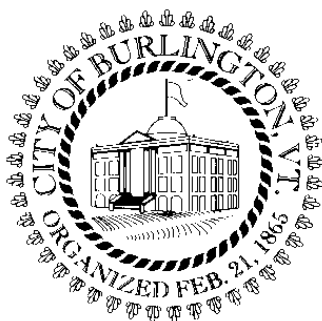


Office of  
the Mayor  
Burlington,  
Vermont



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**MEMORANDUM**

TO: Burlington City Council  
FR: Bob Kiss, Mayor  
RE: FY13 Budget and Tax Increase  
DA: January 13, 2012

A handwritten signature in black ink, appearing to read "Bob Kiss", is written over the "FR:" line of the memorandum header.

As you know the anticipated City budget for FY13 shows significant shortfalls in the Police and Fire budgets. For reference, attached is the memorandum from Interim CAO Scott Schrader regarding projections for general fund budgets in FY13. While there are other departments facing potential budget cuts, the gap for Police and Fire cannot be bridged without significant cuts to services or an increase in the tax rate. We project that an increase of 2.0 cents in the Police and Fire tax rate will be adequate to meet the gap, projected at a total of \$710,000.

The City has not increased the tax rate for City services over the last 6 budget years. The zero percent increase in the tax rate over the last several years has come in the face of normal rising costs of inflation. Increasing the Police and Fire rate is an appropriate investment in maintaining these critical City services at an adequate level.

Attached is a draft resolution which would place a question on the March Town Meeting Day ballot raising the Police/Fire tax rate by 2.0 cents, for your consideration and discussion at the Jan 17 Special Council worksession. While I will be unavailable for this meeting, attending the US Conference of Mayors meeting in Washington, D.C., I have asked Interim CAO Schrader to lead a discussion of the budget and proposed tax increase on Jan 17.

Please do not hesitate to contact me if you have questions. Thank you.