BURLINGTON BOARD OF FINANCE
SPECIAL MEETING
BUSHOR CONF. ROOM, FIRST FLOOR, CITY HALL *OR*
REMOTE MEETING WITH CALL-IN NUMBER
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
April 15, 2024

MEMBERS PRESENT:

Ben Traverse
Mark Barlow
Sarah E Carpenter (via Zoom, then in person at 5:26 PM)
Joe Kane (at 5:02 PM)
Emma Mulvaney-Stanak

OTHERS PRESENT:

Katherine Schad
Kerin Durfee
Kyle Blake
Ashley Parker
Joe Turner
Brian Pine
David White
Nathan Lavery

1.0 CALL TO ORDER and AGENDA

1.1 Motion to amend/adopt the agenda
Mayor Mulvaney-Stanak called the Board of Finance meeting to order at 5:01 PM

MOTION by Councilor Barlow, SECOND by City Council President Traverse to adopt the agenda.

VOTING: unanimous; motion carries (Councilor Kane absent for vote).

2.0 PUBLIC FORUM

2.1 Verbal Comments
None.

3.0 CONSENT AGENDA

3.1 Motion to adopt the consent agenda and take the actions indicated.

3.2 Approval to Execute Master Lease – C/T – approve and recommend that the City Council authorize Katherine Schad, Chief Administrative Officer, or designee, to execute a Tax-Exempt Lease Purchase with NBT Bank for the amount of $1,092,704 with an annual payment of $177,454 to be paid out of Water Resources, and Recycling Budgets within the approved Fiscal Year 2024 Budgets subject to review by the City Attorney's Office.

MOTION by City Council President Traverse, SECOND by Councilor Kane, to adopt the consent agenda and take the actions indicated for items 3.1-3.2.

VOTING: unanimous; motion carries.

4.0 DELIBERATIVE AGENDA

4.1 Memorandum of Agreement Between Burlington Fire Fighters Association (BFFA) and the City of Burlington regarding Retention Bonus, Article 10.5A of the Collective Bargaining Agreement (FY220FY25) – CAO, HR, and Fire
Chief Administrative Officer Schad began by noting that this is the last outstanding item from union contract negotiations between the City and the Burlington Fire Fighters Association (BFFA). She said that the City and the BFFA worked to flesh out the details of a retention bonus program and the amount of funding for the bonus. She said that this has already been voted on by the BFFA union members.

Councilor Kane asked for more detail about the retention issues that this bonus program would address. HR Director Durfee replied that these address some of the concerns raised by firefighters in Burlington, such as staffing shortages and the changing nature of the firefighters' jobs over time (like the launch of the CRT program). BFFA President Blake shared staffing statistics, noting that in the last 5 years, 44 members have left the force, either to retire or to leave the fire service in general. He said that many of the members of the department have between 20 and 25 years of service and are of retirement age, and that this retention bonus would help to prevent the sudden loss of institutional knowledge. He said that this retention bonus could apply to new hires as well as current staff, and does a better job at recognizing and honoring years of service on the force. He said that the intention was to have the previous Council and Administration vote on this, and acknowledged that the timing is not ideal that this is one of the first things needing consideration by the new Council and Administration, but said that this component of the contract is the result of hard work and collaboration between both negotiating parties.

City Council President Traverse expressed his support for BFFA's membership and their hard work.

Mayor Mulvaney-Stanak said that she had been surprised that this hadn't been resolved by the prior administration, but stressed the importance of honoring the hard work done by both parties and the collective bargaining process. She also emphasized the importance of investing in frontline workers, noting similar bonus programs for DPW staff and the Police Department.

MOTION by Councilor Barlow, SECOND by Councilor Kane, to 1. Approve and recommend that the City Council approve and authorize the Fire Chief to execute on behalf of the City, the propose Memorandum of Agreement; and 2. Recommend that the City Council authorize the Chief Administrative Officer, or their designee to affect all necessary budget amendments and transfers of funds to and from the above-referenced funding sources as needed to pay the proposed retention bonuses.

VOTING: unanimous; motion carries.

4.2 FY23 City of Burlington Tax Increment Financing District Annual Reports to the Vermont Economic Progress Council (VEPC) – C/T

Capital Program Director Parker began by noting that this is the Fiscal Year 2023 Tax Increment Financing District annual report, which is a required report under State statute to the Vermont Economic Progress Council (VEPC). She said that every year, the City provides an update on both TIF Districts annually.

4.3 Resolution: Authorization for Refinancing City of Burlington's $18,840,000 General Obligation Waterfront Tax Increment Note, Series 2023 – C/T and CEDO
Director Pine summarized this item, noting that it is routine refinancing of project notes, which are different from tax exempt bonds in that they are typically borrowed for a short period of time due to unknown variables that will determine what the final borrowing amount will be through a bond. He said that notes are typically shorter term in nature and are expected to be rolled over for another short term or taken out with permanent financing. He said that there is a project note for consideration here because the total value of the private improvements that drives the tax increment for the project isn't completely known yet. He noted that the north portion of the project is still evolving and developing, though the south portion is able to be fully scoped in terms of value. He said that until the entire project scope is known, they are unable to determine the total value of the tax revenue and thus unable to determine whether they will have the ability to service any bonds associated with the project yet. He also noted that there are grants coming into the project which could entail an expansion of the scope of the project and result in less borrowing for the City. He said that the City's Amended and Restated Development Agreement (ARDA) requires the City to conduct this refinancing, and that it is necessary interim financing to ensure that the City is doing what it needs to do in order to make the wisest decisions with its long-term commitment. He noted that the $18,840,000 was borrowed and placed in a custodial account and hasn't yet been spent, but has been earning additional revenue that has exceeded the cost of borrowing (also known as positive arbitrage). TIF Consultant White added that under the terms of the ARDA, the CityPlace partners are required to pay any net negative costs associated with this note, so that the City is protected financially. He said that this refinancing gives the City time to be able to roll these costs into a permanent debt arrangement, hopefully within the next year.

Councilor Barlow asked for further details about why the City needed to incur the project note and why it had to implement these temporary measures for its TIF financing. Director Pine replied that the legislature gave every TIF District a deadline to have conducting its borrowing, or it loses the TIF opportunity. He said that the ARDA also compels the City to borrow the funds to finance the public improvements component of this project, while the developer is required to deliver a project that generates the tax revenue to service that financing. He said that in order for the City to comport with this requirement, they had to borrow the funding by the end of June, 2023. He noted that voters approved the use of this funding in 2016 and the City is still operating under that approval.

MOTION by City Council President Traverse, SECOND by Councilor Barlow, to recommend that the City Council approve the attached resolution.

VOTING: unanimous; motion carries.

4.4 Resolution: Authorization for Reimbursement from Public Improvement Bonds for School District Capital Improvements for Integrated Arts Academy – BSD
Burlington School District (BSD) Finance Director Lavery said that in addition to speaking to the public improvement bonds for the Integrated Arts Academy, he would also provide an update on the School District's capital plan process more generally. He began by speaking specifically about the IAA project, noting that work has commenced and will begin in earnest once school is out in June, and the project will consist of improvements such as HVAC work on the building. He said that this reimbursement resolution allows the district to use the proceeds of eventual borrowing to reimburse itself for the costs it is incurring now for the project. He then spoke about the school district's capital plan more broadly, noting that there are three main sources of bond authorization for its capital plan (the standing $2 million per year annual

authorization amount, the $19 million voter-approved authorization from 2017 for general capital investments, and the $165 million voter-approved authorization for the high school and technical school from 2022). He noted that the school district has not fully used the voter-authorized amounts yet, but will have mostly exhausted the $19 million with the IAA project.

City Council President Traverse asked how IAA factored into the initial plan for that $19 million general capital investment bond, and asked whether that was anticipated or whether spending money on that project is taking away from any of the other buildings around the district included in the initial plan for that bond amount. Finance Director Lavery replied that in 2017, BSD conducted a high-level estimate of what different district buildings would require in terms of investment, and noted that the IAA was a significant component of that analysis. He said that the timing of the project at IAA now means that it will result in as little disruption or displacement of students and teachers as possible. He noted that IAA hasn't received any significant investment in a number of years, and that it has the greatest capital needs at this time.

MOTION by City Council President Traverse, SECOND by Councilor Barlow, to recommend that the City Council approve the attached resolution.

VOTING: unanimous; motion carries.

5.0 ADJOURNMENT

5.1 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 5:34 PM.

RScty: AACoonradt