BURLINGTON BOARD OF FINANCE
FY25 BUDGET PRESENTATIONS
BUSHOR CONF. ROOM, FIRST FLOOR, CITY HALL *OR*
REMOTE MEETING WITH CALL-IN NUMBER
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
May 22, 2024

MEMBERS PRESENT:
Ben Traverse (via Zoom)
Mark Barlow
Sarah E Carpenter
Joe Kane
Emma Mulvaney-Stanak

OTHERS PRESENT:
Katherine Schad
Erin Jacobsen
Chapin Spencer
Megan Moir
Kobe Blair
Matt Dow
Tony Berry
Lee Perry
Alan Mashtare
Ashley Parker
Mary Danko
Kim Sturtevant
Kara Alnasrawi
Will Clavelle
Samantha McGinnis
Bill Ward
Melo Grant
Gene Bergman
Marek Broderick

1.0 CALL TO ORDER and AGENDA

Mayor Mulvaney-Stanak called the Board of Finance meeting to order at 5:33 PM.

MOTION by Councilor Carpenter, SECOND by Councilor Barlow, to adopt the agenda.

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.1 Verbal Comments

A member of the public asked about ____. He also asked for an update for the District Energy project.

Sharon Bushor began by speaking about Permitting & Inspection, noting that the loss of the housing manager is a big hit, but spoke supportively of Director Ward's team and their skills. She then spoke about the City Attorney's Office, noting a heavy reliance on consultants and high staff turnover. She said that there could be cost savings if the Office can strike the right balance and reduce turnover. She then spoke about Business and Workforce Development, noting that most of the new businesses coming into downtown are restaurants and expressed concern about the high cost of eating out. She then spoke about parking, which is a challenging aspect. She said she is concerned that they are pricing people out of surface parking, that the parking garages are in bad condition and do not feel safe. She also said that not everyone has access to smartphones and electronic means of paying meters, which is making it difficult for people to find parking downtown. She also said that residential parking needs an overhaul, given the elimination of parking stickers.

MOTION by City Council President Traverse, SECOND by Councilor Barlow, to suspend the rules and move item #11 (Regional Programs) to be item #3 and adjust the order of other agenda items accordingly.

VOTING: unanimous; motion carries.

11.0 REGIONAL PROGRAMS

11.1 Regional Programs

Chief of Staff Jacobsen began by noting that the Regional Programs budget covers small City contributions to various nonprofits in the City, region, and world (with its sister city arrangements). She said this is a budget that staff would like to take a deeper look at in the next year, but that this would be for FY26. She said that for FY25, this budget level-funded line items that were $2,000 or less, reduced items between $2,000-$40,000 by 2%, and reduced items of $40,000 or more by 4%. She said that several exceptions to that included level-funding items related to community safety, such as the Howard Center Street Outreach Program. She noted that Turning Point's funding was removed from the Regional Programs budget because it can be funded through opioid settlement money. She also noted several line items that should be rebucketed into other departments' budgets, including the Regional Programs Arts line item, which moved to the Burlington City Arts budget and was reduced from $62,000 to $35,000 (which is the normal amount for this line item). She noted an additional $2,000 to support the newly-established sister city in the Ukraine. She noted that this budget represents $30,000 in savings from the previous fiscal year.

Councilor Carpenter asked about the reduction in accessibility committee resources. Chief of Staff Jacobsen said that some commissions, committees, and boards had fairly significant funding and that staff worked with the CT Office to determine the maximum amount needed by those boards for adequate staffing. Chief Administrative Officer Schad noted that there was a separate line item for the Accessibility Committee that was moved over to the HR budget, given that the HR department will staff the Accessibility Committee. Councilor Carpenter asked about the Heineberg Senior Center, noting that at one point there was discussion about having this be a City program rather than a regional program. She said that the City is generally short on programs for older adults and raised this as an equity concern. She said it may serve the City well to have this program operate as an independent non-profit. Chief of Staff Jacobsen said that this is helpful feedback and historical information to take into consideration.

Councilor Barlow noted that a number of agenda items had reductions of $50 to $100 and asked why such minor reductions were proposed. Chief of Staff Jacobsen said that they tried to develop a methodology to equitably reduce line items across the board while not reducing any line item too significantly. Mayor Mulvaney-Stanak said that they are working to develop standards and criteria to transparently evaluate the Regional Programs budget as a whole, which will come into play when the City begins its right-sizing activities in earnest in FY25.

City Council President Traverse expressed support for the continued support of Burlington's Sister City programs. He also noted that at the last City Council meeting of the previous Administration, in addition to the sister city in the Ukraine, a sister city relationship with Thies-East, Senegal was also established. He recommended following up with former City Councilor Ali Dieng to determine whether this sister city also needs a line item dollar amount for support. City Council President Traverse also recommended reviewing the sister cities more closely, given that the previous Administration had ceased providing funding for the sister city in Russia, given the current conflict, but that this was added back into this budget as a line item.

Councilor Kane recommended providing additional funding for Burlington's sister city in the West Bank. He also noted that there has been interest in arranging a trip to Burlington's sister city within the West Bank. He also spoke about community conversations around the Israeli/Palestinian conflict being hosted by the Community Justice Center and other partners.

3.0 DEPARTMENT OF PUBLIC WORKS (GENERAL FUND)

3.1 Department of Public Works (General Fund)
Director Spencer began by speaking about the Department of Public Works (DPW) and its mission, which is to steward Burlington's infrastructure and environment. He noted that DPW manages four budgets (General Fund, Water/Wastewater/Stormwater, Traffic/Parking, and General Fund Capital Projects) and has four divisions (Water Resources, Technology Services Division, Parking/Traffic Division, and Maintenance Division) and 150 staff. He noted that divisions are funded through a mix of General Fund and enterprise funds.

Director Spencer then spoke about the FY25 budget goals for DPW. These include improving resiliency of the department, reducing injuries and expanding safety culture, successfully delivering large collaborative projects (such as Great Streets Main Street, Champlain Parkway, the Railyard Enterprise Project, and others), continuing to implement the PlanBTV Walk/Bike work plan, continuing cross-departmental asset management program implementation, earning more billable revenue for the General Fund, enhancing engagement and communication with the public, and continuing to innovate in parking services with new technology and products.

Director Spencer then provided a summary of the proposed FY25 DPW GF budget. He said that this includes a 3.5% increase in revenue and a 4.4% increase in expenses. He also note that DPW's FY25 budget includes $502,000 of additional lease payments and budget, which supports the City's fleet. He provided a summary of the proportion of General Fund programs within DPW's budget, which includes equipment maintenance, street maintenance, engineering, administration, parking services, and recycling. He spoke about key drivers of revenue, which include increased parking services fine revenue, increased solid waste general tax for recycling, increased tech services billable revenue, reduced street maintenance billable work for sidewalk/street capital, increasing street maintenance billable work for water resources to offset the previous reduction, and increasing administrative allocations to the water resources division. He spoke about key expense drivers, which include transferring 3 street maintenance staff to the wastewater division, increasing budgeted lease payments, rebalancing the parking services agent cost allocation, increasing overtime for the street maintenance team, and advancing staffing resiliency and proposing reclassification recommendations. He spoke in more detail about the proposed reclassification recommendations, which include reclassifying division director positions that are under market (which include the technical services, street maintenance, and water resources division directors), creating an upward tier for the street maintenance worker and working foreperson positions, reclassifying garage maintenance workers due to updated job descriptions, reclassifying the project accountant position, and converting the planner position to a public works engineer position to better manage existing capital projects.

Director Spencer spoke about some of the current challenges for DPW. He said that there are challenges associated with managing a complex portfolio of complex capital projects with limited staff, limited consultant funding, and an inflationary environment. He said that there are also challenges associated with hitting ambitious revenue targets with multiple vacancies. He noted challenges around request for unbillable services and new projects. He spoke about challenges with a lack of sustainable funding for the City's GF fleet, insufficient operations and maintenance funding, and working to secure grants to keep adequate capital reinvestment levels.

Director Spencer then spoke briefly about DPW's partnership with other departments within the City and how staff enjoy these types of collaborations on large and important projects.

Human Resources Manager Berry then spoke briefly about the staffing reclassification recommendations. He said that it would be a benefit to the City to implement the tiering structure within DPW, as it will allow staff to gain proficiencies and certifications that the citizens of the City will benefit from. He noted that the union (AFCSME) is in favor of the tiering system, as it will create a meaningful career ladder.

Councilor Barlow expressed concern about some of the conditions of the sidewalks in the City and the criteria used to evaluate them. He noted that there are some small areas of sidewalk, such as only a block length, that are in terrible condition, and that there are many examples of this in the City. He acknowledged challenges with addressing and fixing short lengths of sidewalk. He asked if there is a way to be more focused and surgical about what sidewalks are being fixed. Director Spencer noted that there is money in the budget for shorter runs of repairs, to address those smaller portions of sidewalk that are in poor condition. Councilor Barlow also spoke about the need for making vehicles in the fleet last longer, and asked if this has resulted in the more maintenance costs. Director Spencer replied that the City began shortening the length of time they would keep vehicles such as police cars and light duty pickup trucks, given that they are focusing on replacing vehicles with electric vehicle alternatives. He said that they are trying to do less preventative maintenance on the fleet and utilizing outside vendors for repairs, which is not good asset management. He said that there is also pressure when new programs are created to have additional vehicles, which runs counter to current plans for the fleet.

City Council President Traverse asked about the specialized equipment line item for parking services and the increase of $55,000, given that meters are being removed and the City is moving toward a more phone-based parking system. Director Spencer replied that it is either due to the increased cost in paying parking tickets online as well as the software purchase. He said that he will get back to the Council with more specific information. City Council President Traverse said that it seems that pulling out meters and moving toward a more phone-based system should realize more cost efficiencies for the City over time. City Council President Traverse asked about the donation line item, and Director Spencer replied that it relates to the continuation of the Fines for Food program. City Council President Traverse suggested that the fines could also go toward one of the charitable programs in the Regional Programs budget. City Council President Traverse also noted that there is an increase in budgeting for outside consultant services (not just in DPW but across the board for the City), and said that the City should be taking a good look at what is necessary for that line item.

Councilor Grant expressed support for the Fines for Food program, saying that from a public safety standpoint it is very effective at decreasing crime related to poverty. Director Spencer noted that the City Council approved a 5-year commitment to Feeding Chittenden through the Fines for Food program last year, which runs through 2027. He said he could follow up with more information.

Councilor Kane asked about the amount of sidewalk repair in the budget. Director Spencer replied that the City tries to get 3 miles per year of reconstruction with local funding, but it will be 2 miles of reconstruction this year and 2 miles of new construction of sidewalks for a shared use path or new sidewalks through the Champlain Parkway project. He said that next year will likely be a very difficult year for sidewalk funding in the Capital budget, given that the City needs funding for about 1.8 miles of sidewalk repairs per year and he is unsure where it will come from in future.

4.0 WATER/WASTEWATER/STORMWATER

4.1 Water/Wastewater/Stormwater

Division Director Moir began by noting that the Water Resources budget is an enterprise fund and its funding comes from rate payers, not from taxpayers. They provided a brief overview of the Water Resources Division's organization chart, which comprises the Drinking Water, Wastewater, Stormwater, One Water, and Billing groups. They spoke about the resiliency principles for the Division, which focuses on financial resiliency, infrastructure stewardship, and staff resources. They spoke about how the FY25 budget begins to focus more on staff resources, recognizing the importance of staff and their work in the Division. They spoke about the careful use of excess fund balance and reserve for strategic one-time expenses. They noted that the majority of this presentation focuses on the operating budget, with less focus on the capital budget, though they noted that this year will likely see the draw-down of the remainder of the 2018 wastewater/stormwater bond. They spoke about trying to stay ahead of the City's big push for housing and having the infrastructure and capacity to support increased housing.

Division Director Moir spoke about the revenue and expense portfolio for the Water Resources Division. They said that the proposed FY25 budget has $23.2 million in revenues and $23.9 million of expenses, with the use of approximately $682,000 from fund balance. They noted the projected days of cash on hand for Water, Wastewater, and Stormwater at the end of FY25, which is 172, 151, and 166 respectively. They noted that 69% of revenues are based on volumetric levels (use of water), which they are trying to balance with the high amount of fixed costs that the City has for its Water Division. They spoke about how the expenses are largely in personnel costs and operating and maintenance costs. They spoke about other expenses, including PILOT fees, capital contributions, and debt service, noting that debt service will grow in future years as there is a lot that the City needs to finance. They spoke about the need to balance the use of fund balance, maintaining enough cash on hand, and reasonable rate increases for rate payers. They noted that the FY25 budget overall represents a $2.38 million (11%) increase over the FY24 budget in overall expenses across the 3 funds, driven by increases in personnel costs, more focus on FY25 staffing resiliency, and increased PILOT fees to the General Fund.

Division Director Moir spoke about the FY25 staffing proposal and its strategic goals. They spoke about focusing on incentivizing staffing excellence, ensuring that compensation is commensurate with responsibilities for staff, that there is improved succession planning, that operational efficiencies are realized through the Division's staffing structure, and that there is increased bandwidth for Division-level leadership. They noted the staffing proposal in more detail, saying that they are asking for 3 new positions and a number of reclassifications.

Division Director Moir then spoke about the proposed budget's bill impacts. They noted that this would increase by about 7.7%, that a typical monthly customer bill would be approximately $59.36 per month, and a discount customer (for the low-income affordability program) bill would be about $49.74 per month. They spoke about how they would mitigate the cost of these rate increases through both the revenue and expense sides of the budget. They provided a detailed breakdown of the FY25 rate table.

They then provided an overview of the significant capital investments proposed for FY25 and beyond, and listed the investments. They noted that due to the scarcity of infrastructure grant funding, these projects will likely put pressure on future water resources user rates.

They spoke briefly about the ratepayer affordability program (WRAP) and that they would like to roll this out more and conduct more outreach to ensure that residents are aware of this program and their potential eligibility for it.

Councilor Carpenter spoke in support of the WRAP program, and said that the City should focus more on means testing for this program. Division Director Moir replied that some of the enhancements they would like to pursue are coming up with strategies to help lower and middle-income families. Councilor Carpenter suggested that there could be other ways of reviewing income and eligibility through benchmarking. Division Director Moir noted that a number of departments also have income verification, and said it could be worth it to look into collaborating across departments on this. They also spoke about trying to reach renters with water affordability programs, which has been difficult to do.

Councilor Barlow asked whether any of the budget assumptions are built around the success of the November bond vote. Division Director Moir replied that not having a bond would require significant re-examination of the budget. Director Spencer said that there is not significant capital funding in the budget currently that will come close to meeting needs, and that the need isn't budgeted for without the bond and would require future conversation. He said that if the bond is unsuccessful it will require needing to raise more cash in FY26 to pay for things that the bond would have covered.

5.0 TRAFFIC AND PARKING FACILITIES

5.1 Traffic and Parking Facilities
Director Spencer noted that there are two special revenue funds within the General Fund that are somewhat restricted, which include Fund 264 (the Traffic Fund) and 265 (the Parking Facilities Fund). He noted that the Traffic Fund is largely funded through parking meters. He spoke about the groups within the Traffic Fund, which includes the Signs, Lines, Signals, and Crossing Guards team, the Garage Maintenance team, and the Parking Compliance team.

He spoke about the FY25 goals for the Traffic Fund, which focus heavily on returning the budget for the Traffic Fund to financial health after the impact of the COVID-19 pandemic. He spoke about efforts to remove single-space meters, as there have been problems with vandalism. He said that replacing this with multi-space kiosks driven by phone apps. He said that they are examining on-street meter rates to facilitate turnover and increase revenue to pre-pandemic levels. He noted that they will use strengthened meter revenue to replace impact fees for signal maintenance and upgrades. He said that they are looking to cut outsourcing expenses and begun to earn revenue with a new sign printer. He spoke about efforts to further cross-train employees and the increase in utilization of the Traffic-supported Courthouse Plaza Garage to support downtown visitors.

Director Spencer spoke about the Traffic Fund's FY25 budget of $2.3 million. He said that revenue is 91% funded by on-street parking revenues, with modest supplements from meter hood fees, gateway revenue, and impact fees. He spoke about the Fund's expenses, which include signals and maintenance, signs, pavement markings, grossing guards, on-street parking, and the Courthouse Plaza parking subsidy. He noted that they are projecting FY24 year-end revenue to be just about $2,000,000 and that they are lowering the FY25 budget revenue target to ensure that they are more likely to meet the target. He spoke about how the Traffic Fund supports the General Fund, through contributions to Technical Services and Street Maintenance.

Director Spencer then spoke about the Parking Facilities Fund. He said that this fund is in much worse condition, and that they have not had a positive year-end budget since COVID0-19. He said that their goals are to reverse that trend and pay off a $3 million debt, develop a five-year capital improvement plant, continue to maintain downtown parking facilities owned by the City, better retain garage maintenance staff, better repair and maintain elevators in City-owned garages, and conduct additional patrols through parking lots and garages to increase staff presence and assist other departments in cleaning the parking facilities.

Director Spencer spoke about the Parking Facilities Fund's FY25 budget of $3.4 million. He noted that 96% of its revenues come from off-street parking, with supplemental income from Downtown Improvement District Funds. He noted that its expenses include salaries and benefits, bank and credit card fees, debt service fees, and maintenance and operations expenses. He said that compared to the FY24 budget, they are proposing to grow both the revenue and expense sides slightly. He noted that there are a number of aging garages downtown, which will need to be addressed in the coming years. He spoke about how the Parking Facilities Fund supports the General Fund, which includes payments to the Wastewater Division and Street Division services. He also noted a decrease in the Downtown Improvement District's funding from TIF from $163,000 to $112,000. He spoke about personnel changes, which include reclassifying the parking facilities maintenance positions to recruit and retain more staff. He spoke about the average occupancy for garages and how it is recovering slowly.

Councilor Kane asked for more detail about the Courthouse Plaza parking subsidy. Director Spencer replied that the City Council approved this subsidy for the year and that the City is leasing 85 spaces. He said that the agreement allows for adjusting the number of leased spaces in year 2. Councilor Kane asked whether this money or a portion of it could be reallocated to other items that are needed, such as crosswalk painting. Director Spencer said that because this is a special fund and is restricted in how it can use its revenue, which is specifically for investments that control or regulate traffic, so there are a range of options. Councilor Kane asked about the potential increase in residential permit parking, and Director Spencer replied that the results of the impact study show that an increase to the degree that was originally proposed is not needed. He said that staff are still reviewing the results to determine what fee proposal to bring to the Commission. Councilor Kane asked if there is potential to move to a zoning system for parking, and Director Spencer replied that this was recommended in 2016 and that there is interest in it, though it would require a larger lift in terms of workload for staff than adjusting the residential parking permit rate.

Councilor Grant asked whether the DID funding reduction is a result of the audit from the State Auditor's Office. Director Spencer replied that yes, this reduction came out of a recommendation from the audit conducted by the State Auditor on the TIF fund. Councilor Grant spoke about the residential parking permit issue, noting that she has received complaints from residents who have permits and are unable to park in the areas for which they have a permit, and are ticketed as a result, since they seek parking elsewhere. She suggested a regional residential permit to expand the number of blocks that people can park at around their homes. Director Spencer acknowledged that the RPP program has been difficult to implement and oversee and that staff are interested in looking at potential changes.

Councilor Barlow asked about the reduction in the security line item. Director Spencer replied that this amount had been increased in previous fiscal years and that they are looking to rebid for security services to get a more cost-effective set of services in place. Councilor Barlow noted that until a new program is in place, the primary complaint he hears from constituents and visitors is about safety in the parking garages. He said that in order to increase revenues from parking, they need to offer safer and more comfortable parking experiences to customers. Councilor Barlow then asked for a more in-depth review of alternatives to reducing the DID fee through the TIF fund, and Director Spencer said he would work with the City Attorney's Office to determine what other possibilities may be available.

Councilor Carpenter asked about whether more security would further increase more parking revenue, and asked whether a cost benefit analysis had been done around that. She also stressed the importance of marketing, saying that increased security presence needs to be visible and seen and perceived by customers. She also spoke about the move to kiosks and increased use of credit cards rather than cash to pay for parking, and said that there are still people who don't have credit cards. She asked whether the kiosks will also have a cash option. Director Spencer said that they are piloting a phone-only approach in one section of the City to determine if it's a good fit.

Councilor Kane asked whether meter rates would be increasing in FY25. Director Spencer replied that they are trying to look at which parts of downtown they can promote more turnover. Councilor Kane noted that the City should be incentivizing less driving and perhaps less parking. He also said that the City should assess whether it wants to invest more into the Marketplace Garage, which was noted to be needing maintenance in the near future. Director Spencer said that they are looking at their options, which include determining whether rehabilitating the garage is the right move or whether redevelopment of the lot makes more sense. He said that he hopes to have further conversation with the Council on this in FY25.

6.0 CAPITAL AND FLEET

6.1 Capital and Fleet
Capital Program Director Parker presented on the capital budget and five-year forecast. She began by providing an overview of the capital budget and what it contains. She noted that capital projects are defined in ordinance and involve the construction, renovation, or remodeling of buildings, structures, or parking facilities, street improvements, streetscape improvements, or park/recreational area construction or remodeling. She noted that capital projects don't include repair or maintenance. She noted that capital projects require funding outside of a department's annual general fund budget, and that the City is working to revise its Capital Asset Policy. She said that the General Fund's capital budget includes DPW, Parks, Facilities, I&T, Fire, Police, Public Art, and TIF Districts. She noted that the City has an interdepartmental Capital Committee, which reviews all requests for new capital purchases and projects and recommends the annual capital budget. She spoke about the Capital Committee's operating procedure, which was revised in September 2022 to encourage better planning and equitable distribution of available capital resources. She noted that the Committee has also worked to create a five-year Capital Plan that is updated and adopted by the Council annually. She also noted that the capital budget operates on a carryover budget and that unused funds for a project roll over into the next fiscal year for use by that same project. She also noted that only new budgets or additional project need is included in the annual capital budget, and that only these items are reviewed by the Capital Committee during the fiscal year. She noted that the Committee has been reviewing funding reallocations for transparency.

Director Parker provided an overview of the City's status with its $23.8 million General Obligation Bond. She note that the City is on target to allocate the entirety of bond funds as voters expected when they approved the bond in March 2022. She noted that they were also able to stretch this funding further as they received premiums from two bond draws in 2023 and 2024 that weren't expected. She provided more detail of the allocations across departments. She also provided an overview of the revenues that the capital budget received in FY24, as well as the major capital projects for FY24. She also noted that last year the City put $1.6 million into the capital contingency fund to hold it for local matches and that it has now been allocated. She also spoke about the other FY24 capital allocations that were funded through the annual CIP, noting that they were generally for the Fire Department and I&T Department.

Director Parker then provided an overview of the proposed FY25 General Fund Capital Budget. She noted that it is an expense budget of roughly $38.9 million. She noted that the revenue composition for the budget is 63% grants, 22% bonds, and 12% dedicated taxes. She said they are anticipating a balanced budget for FY25. She said that the budget begins to address a significant portion of deferred maintenance across a number of capital assets. She spoke about outstanding capital needs in a number of areas (Parks, Facilities, Fleet, and Street Paving), what is covered by the General Obligation Bond, and what costs remain. She provided highlights on the capital projects that will be funded, including Champlain Parkway Phases 1 and 2, Fire Stations 1 and 2 floor replacement, the Miller Center Net Zero Energy Project, the Police Station HVAC system, the CY24 street paving contract, North Beach projects, City Hall HVAC replacement, Fire Station 3 bedroom renovations, Fire radio replacement, the Winooski Bridge project's local match, and a 1% allocation to public art.

Director Parker provided an overview of the FY25 General Fund fleet, including master leases and needs. She noted that purchases were frozen in FY24 to focus on existing lease payments, that the FY25 lease payment is $943,000, that the deferred vehicle replacement need is

$5.4 million, that the City continues working to build sustainable fleet funding, and that they are actively securing electrification credits and rebates where possible. She also provided a breakdown of the fleet's FY25 urgent replacement needs, which should be prioritized.

Director Parker then provided an overview of the FY25 TIF District budgets, which include the Downtown and Waterfront TIF Districts. She spoke about capital improvements in the Downtown TIF related to Great Streets Main Street, and that the related cost budget is $123,803. She spoke about capital improvements in the Waterfront TIF related to the CityPlace public improvements, with a related cost budget of $85,089.

She spoke about other Capital Budget items. These include the FY25 dedicated tax budgets that are included in the Capital Budget, which include Penny for Parks ($0.01) and the Conservation Legacy tax (up to $0.01). They also include local match support for projects with grants that require a local match. She noted that the local match need is consistently greater than the funds that are available. She provided local match information for the $23.8 million General Obligation Bond, as well as a local match forecast for FY26-30. She also listed the ongoing General Fund capital projects and purchases that are occurring.

Director Parker then spoke about the Five-Year Capital Plan for FY26 through FY30. It includes expense projections and revenue projections for each year, as well as any funding gap between the two. She said that this plan is a work in progress and reflects changing needs and priorities, that it will be adopted by the Council annually, that it will assist in planning resource needs for major capital investments, and that the current challenge for this plan is identifying future revenues to meet projected expenses.

Councilor Barlow spoke about the importance of grants and having local match available for them, and said that securing local match should be a priority.

Councilor Grant said that the cost of vehicles is increasing exponentially, as well as the cost of used vehicles. She asked for a written explanation about why vehicle expenses are included in this year's budget if the vehicle won't even be arriving to the City for three years. Chief Administrative Officer Schad replied that the answer to this question is somewhat complicated and that she will follow up with Councilor Grant and the rest of the Council in writing shortly.

Councilor Kane asked about the five-year forecast and whether the local match represents what the City would be expected to contribute for projects. Director Parker replied that the forecast includes total cost, and that certain projects' costs are projections, while others are known.

7.0 FLETCHER FREE LIBRARY

7.1 Fletcher Free Library
Director Danko began by providing a summary of the mission statement, vision, and strategies of the Fletcher Free Library. She provided an overview of the FY25 budget. She noted that the majority of expenses (78%) relate to personnel costs, with other smaller portions including services (security), the collection fund, utilities, equipment lease and maintenance, supplies, and the New North End general overhead. She spoke about FY25 budget changes, which include increasing the out-of-town library card patron fees and reducing line items for office equipment and furnishings, maintenance contracts, telecommunications, and overtime. She said that in the face of budgetary challenges, the Library has tried to build a culture of saving money for taxpayers and realizing efficiencies.

Director Danko then spoke about the Friends of the Fletcher Free Library, which is a 501(c)3 non-profit that annually allocates resources to the Library for investment at the discretion of the Library Director. She noted that the total revenue from the Friends for FY23 was approximately $208,000. She said that this funding is largely used for programming, professional development, and special project investments.

Councilor Carpenter suggested more marketing around out-of-City library cards, since many people may not know that they can take advantage of that program. Director Danko said she would bring that back to other leadership as a suggestion.

Councilor Barlow asked if there are any changes anticipated in operations, and Director Danko said that they are putting more into programming for the upcoming year, and that the hours of operation will remain the same.

8.0 CITY ATTORNEY

8.1 City Attorney

Assistant City Attorney Sturtevant began by providing an overview of the personnel in the City Attorney's Office. She noted that the office has 6 attorneys (three of which are currently vacant), a paralegal, a legal assistant, and a public information officer. She noted that the office acts as the general counsel for all City departments and projects, and the majority of the City's legal needs are met by the office. She said that they conduct ordinance enforcement, staff committees, and support departments. She noted that subject matter expert counsel is consulted or retained in complex areas, such as electric utility regulation, airport regulation, commercial real estate, bankruptcy, tax collection, bonding, and environmental issues. She noted that the City will retain outside counsel if a conflict of interest arises for the City Attorney's Office or due to staffing shortages. She noted that the volume of legal work has increased over the years as the City becomes more active in pursuing large, complex projects. She provided more details on the list of outside legal firms used in FY24.

Assistant City Attorney Sturtevant then spoke about the key functions and activities of the City Attorney's Office. She noted that each department has a primary legal support attorney (and she noted examples of these). She also noted that specific projects or boards also have a primary legal support attorney or paralegal. She further noted that specific tasks have a primary legal support attorney or assistant. She said that all City Council resolutions and motions are prepared or reviewed by an attorney, all City contracts are prepared or reviewed by an attorney, and all major employee discipline or discharge matters are reviewed by an attorney.

Assistant City Attorney Sturtevant spoke about the expected internal projects and goals for FY25. These include hiring a new City Attorney, hiring a Deputy Cit Attorney and an additional Assistant City Attorney, working on initiatives to promote retention, and continuing to review City ordinances and charter provisions for sections in need of upgrade or removal. She said that when there is full staffing, individual workloads will decrease, and this will also allow for working on more long-term City initiatives and projects, as well as increase bandwidth for enforcement. She said that there is a continued focus on creating more standardized provisions and practices to increase efficiency.

Assistant City Attorney Sturtevant spoke about the FY25 proposed budget. She said that the main change in the office is due to anticipated full staffing, and that with that, they anticipate reducing expenses for outside counsel. She noted that around 83% of the budget is for personnel costs and 17% is for operating costs.

Councilor Carpenter asked if fulling staffing the department would result in a net reduction in expenses, due to reduction in expenses related to outside legal counsel. Assistant City Attorney Sturtevant replied that it will depend on when the positions are hired and come online. She said that there will be more efficiencies once the office is fully staffed. Councilor Carpenter asked if the salaries for these positions have been market-adjusted recently, and Assistant City Attorney Sturtevant replied that not all positions have been market-adjusted.

9.0 BUSINESS AND WORKFORCE DEVELOPMENT

9.1 Business and Workforce Development

Director Alnasrawi began by noting that the Department of Business and Workforce Development is broken into three divisions. These consist of the Church Street Marketplace, Business Development Citywide, and Workforce Development. She noted that the Church Street Marketplace division conducts full maintenance of that street, conducts marketing and promotion, hosts more than 100 events annually, has incubator business programs, and has community arts and culture programming. She said that the Business Development division includes microbusiness development, a revolving loan fund, direct training and technical support, business recruitment and retention, and business incubation through multiple annual markets. She said that the Workforce Development division houses the Early Learning Initiative, management of the workforce portion of the RAISE grant, holds training programs to meet employer demands, and coordinates with new and expanding businesses.

Director Alnasrawi provided a summary of FY24 highlights. For the Church Street Marketplace, these included receipt of $1 million of Congressionally Directed Spending for repairs and upgrades to the Marketplace, hosting more than 100 events over the year, resumption of pre-pandemic level numbers for about 85% of businesses, securing donations of more than $150,000 for FY24, launching a “Marketplace Summer” and bringing 60 free events to the Marketplace, growing social media presence, and becoming a designated Main Street with Main Street America. For the Business Development division, these include launching two small business revolving loan funds of $500,000, assisting 71 businesses with technical support, managing the City’s $27 million ARPA funding, creating resources for businesses, producing a speaker series, providing opportunities for small and micro-businesses to participate in events and vendor markets, supporting a City-wide celebration for the total eclipse, and growing social media presence. For the division of Workforce Development, this included graduating 31 individuals from the First Steps Training Program for Early Childhood Educators, social-emotional certification for 29 childcare programs, and she provide statistics on the City’s Early Learning Initiative Program. She also spoke about upcoming initiatives for each division within the Business and Workforce Development department. She also provided a list of the new businesses that opened in FY24, and the anticipated businesses that will open soon.

Director Alnasrawi then provided an overview of each the Church Street Marketplace budget, the Business Development budget, and the Workforce Development budget. She said that the Church Street Marketplace fully funds itself and the common area fees and donations ensure this, as well as other fees from advertising revenues. She noted that majority of the expenses are related to personnel costs for administration and marketing and maintenance. She said that the Business and Workforce Development budget has more of an impact on the General Fund, though it has reduced its draw on the GF by securing state and federal grants, as well as by reducing operational costs. She noted that this division will not rely on ARPA funds for FY25, and that Early Learning Initiative expenditures were reduced to respond to state legislation through Act 76. She noted that the major expense drivers for this budget are wages and benefits.

Councilor Carpenter asked for more details on the impact to the General Fund, and Director Alnasrawi replied that the Church Street Marketplace funds itself and that the Early Learning Initiative has a dedicated fund source, and that she is down to asking for about $187,000 of General Fund dollars. She noted that much of the department’s funding and salaries come from multiple divisions within the department.

Councilor Bergman asked about the weatherization component of the Workforce Development work, and invited the department to participate as the City goes through exploring further building emissions policies and ordinances. Director Alnasrawi replied that she would like to be involved in the emissions reductions discussions. She spoke about the RAISE grant, saying that large capital grants from the federal government are beginning to have workforce development components in them, and that the City can anticipate seeing the rollout of weatherization training programs in the next fiscal year. Councilor Bergman asked if there are relationships with the apprenticeship programs in the unions, and Director Alnasrawi replied that they are not that far along in the process yet, but that she would like to connect with Councilor Bergman when they are at that stage in the process.

Councilor Kane asked about the 0% interest loan program, and Director Alnasrawi replied that because this is related to ARPA, the funding needed to be dedicated by 2024 and expended by 2026. She said that they are on track to have all of these funds expended by 2026, and that when they are repaid, they are paid back into the General Fund. Councilor Kane asked about security issues and how the department is involved in those conversations, given that he is worried about silos. Director Alnasrawi replied that she is generally the first point of contact for businesses related to many needs, and that they are feeling the impact of retail theft, especially on locally-owned businesses. She said that much of her concern goes to increase in inability to staff businesses, given perceptions of lack of public safety. She said she also fields calls about construction and its impact on businesses. She spoke about liaising with the Howard Center Street Outreach team as well as the Police Department. She noted a Town Hall that is being hosted by the Mayor for businesses downtown. She also expressed frustrating with the state in terms of untreated mental health and substance use disorder, which is a human services issue as well as an impact on the local economy.

Councilor Grant asked for detailed reporting on the businesses that the Business and Workforce Development department is working with. She shared Councilor Bergman's interest in what can be done to branch out to more businesses that are looking for labor, saying that she has some ideas. She said that one potential source of labor is UVM students who are reluctant to take jobs because they don't have consistent transportation back to the university at the end of the night.

Councilor Carpenter spoke about how she is a big proponent of building emissions disclosures. She said that this department could really help businesses figure out their energy use, with the long-term goal of securing rebates and other types of assistance for decreasing energy use. Director Alnasrawi replied that they have had meetings with the Burlington Electric Department about restaurants and their refrigeration and whether they can upgrade to more energy-efficient appliances, and she agreed that there could be more coordination around that. Councilor Carpenter asked about tracking businesses in Burlington, and Director Alnasrawi agreed that having accurate and actionable data is important.

10. PERMITTING AND INSPECTIONS

10.1 Permitting and Inspections
Director Ward began by providing an overview of the departmental mission of Permitting and Inspections. He said that this includes the inspection of rental housing, health inspections, zoning and development review and issuance of zoning permits, and trades permit review, noting that each of these requires collaboration with a number of boards and commissions in the City. He provided a summary of the department's organizational structure and chart.

Director Ward provided an overview of the FY25 budget for the department. He noted that the FY25 proposed revenues are $3,750,040 and the proposed expenses are $2,303,418. He said that notable changes include an increase in personnel expenses as well as personnel expense savings (given the currently vacant administrative position), an increase in revenue from the rental registration program, and a revenue decrease for the Certificate of Occupancy fees. He spoke about FY25 initiatives and priorities. These include increasing the pace of rental inspections, more short-term rental enforcement, focusing on problem properties and vacant buildings, focusing on enforcement of the Weatherization Ordinance, and implementing fee increases.

Councilor Carpenter said that she continues to hear that building construction in Burlington is difficult, and suggested that the City put together an advisory group to look into whether the City's regulations are an impediment to contractors getting work done. She also expressed concern about vacancies in the Permitting and Inspections Department, given its crucial mandate and work and the significant code problems the City faces.

Councilor Bergman said that he sees no fines for vacant building fees and no provision for relocation expenses on the expense side. He said that there is chronic non-compliance and asked why there are no costs associated with these. Director Ward replied that the vacant building fees can be found in miscellaneous revenue, and that the fines generally go to the Police Department, which issues the tickets and has the revenue go back into the General Fund. He noted that the projected amount for the upcoming fiscal year is $16,000 for vacant building fees. Councilor Bergman said that he would like to see more detail on the number of tickets that have been issued and the number of vacant buildings. Director Ward noted that the relocation expenses were increased and that they are projecting $10,000 for the upcoming year, and Councilor Bergman said that it is critical that the City support residents in getting out of unsafe housing in a timely manner.

Councilor Grant said she would like to see more detail reporting on the number of vacant buildings in the City and said that the City might not be seeing the revenue it could because it may not be aware of all of the vacant buildings in its reporting. She asked how many rental units in Burlington are inspected per month, and Director Ward replied that about 275-300 units are inspected per month. Councilor Grant asked if there is still litigation pending about the short-term rental ordinance and fees, and Director Ward replied in the affirmative. Councilor Grant said it would be helpful to have an update on current litigation status. She asked how this affects enforcement, and Mayor Mulvaney-Stanak replied that the Administration will put together an update for the full Council, given that multiple requests have been fielded on this topic.

Councilor Kane asked about the inspection of rental units and whether this relates to weatherization. Director Ward replied that it is slightly different in that weatherization relates to energy usage and inspections are related to the expiration of Certificates of Compliance. He said that the City is inspecting the worst places more frequently to ensure that they are in compliance and that in terms of weatherization, they are actively inspecting the properties with the highest usage. Councilor Kane asked about whether a rent stabilization ordinance could be folded into the rental inspection process, and Director Ward replied that this would be dependent on the design of the system and how well different departments and stakeholders collaborate with each other. He noted that the City does not collect rent amount information.

Councilor Broderick asked about the status of the City's unoccupied vacant structures. He asked whether in addition to this, the City is tracking vacant dwellings within occupied structures. Director Ward replied that if the building itself is occupied by at least one unit, it is considered occupied by the City. He said that Burlington Electric Department might have more accurate data, given that they track electricity usage of units and could determine occupancy based on that. Councilor Broderick asked about how the department is improving its processes related to enforcing the short-term rental ordinance and the rental weatherization ordinance. Director Ward spoke about the difficulties of identifying property owners and linking them to their rental properties, in order to ensure compliance. He suggested that they could increase the City's payments to the consultant that helps inventory rental properties, to more precisely identify them. Councilor Broderick asked about the process for renters to report derelict apartments, and Director Ward replied that there is a tension because renters often have apartments in poor condition that have rents that are below market rate and are reluctant to report conditions for fear that their rent will increase, so often the department is addressing sub-par conditions after tenants leave.

12. ADJOURNMENT

12.1 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 9:10 PM.

RScty: AACoonradt