BURLINGTON BOARD OF FINANCE
BUSHOR CONF. ROOM, FIRST FLOOR, CITY HALL *OR*
REMOTE MEETING WITH CALL-IN NUMBER
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
December 16, 2024

MEMBERS PRESENT:
Ben Traverse
Sarah E Carpenter
Joe Kane (at 4:41 PM)
Emma Mulvaney-Stanak

OTHERS PRESENT:
Katherine Schad
Jessica Brown
Brad Kukenberger
Cindi Wight
Christian Barry
Lynn Reagan
Marek Broderick
Shannon Trammel
Tim Clancy
Brian Pine
Chapin Spencer
Megan Moir

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 4:33 PM

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

VOTING: unanimous; motion carries.

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 REIB Empowerment Fund Awardees – REIB - 1) Withdraw any Motion as to approving an Empowerment Fund grant for any Burlington School District program; and 2) Move the BOF to approve and authorize the Interim Director of the Office of Racial Equity, Inclusion, and Belonging and the Chief Administrative Officer to issue a grant of City funds from the Empowerment Fund GL, and to execute the grant agreement memorializing the same, having been reviewed and approved by the City Attorney's Office to the Islamic Society of Vermont for a total authorized grant amount of $1,000.
3.3 City Council Initiative Fund Support of Free 2024 Highlight Buttons – BCA – recommend that the City Council approve the use of $5,000 from the City Council Initiative Fund to subsidize Highlight tickets.
3.4 Second Amendment to Work Assignment Agreement #3 with Utility Services Co., Inc. for additional scope items associated with Redstone Tank Rehabilitation – DPW – Water Resources -

approve and recommend that the City Council authorize Chapin Spencer, Director of the Department of Public Works, to execute the second amendment to Work Assignment Agreement #3 with Utility Services Co. Inc. for an amount not to exceed $14,238, subject to the final review and approval of the City Attorney's Office.

MOTION by Councilor Carpenter, SECOND by City Council President Traverse, to adopt the consent agenda and take the actions indicated for items 3.1-3.4.
DISCUSSION:

- **City Attorney Brown noted that related to item 3.2, this motion removes the Burlington School District from the list of awardees of the REIB Empowerment Fund. She spoke about how state statute prohibits a municipality other than the school district to directly or indirectly provide funds for education expenses. She noted that another awardee, the Islamic Society of Vermont, was also flagged regarding the appropriateness of awarding funds. She noted that her office conducted legal analysis and determined that it is constitutionally permissible for the City to make this grant.**

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

4.0 DELIBERATIVE AGENDA

4.1 FY2025 Budget to Actuals Review through October 31, 2024 – C/T
Finance Director Kukenberger said that this presentation will focus on the FY2025 budget to actuals in total, conduct a revenue review for the "Big 5" revenue departments, review a gross receipts year-over-year comparison, conduct an expenditure review of the larger departments within the City, and will provide some conclusions and recommendations. He noted that because the City is one third of the way through its fiscal year, it makes sense to start to compare budgeted versus actuals for expenditures and revenues. He noted that the comparison looks at actual revenue and expenditures to date and applies assumptions in order to develop revenue and expense projections for the remainder of the fiscal year. He noted that as of October 31st and applying projections, the budget is in a break-even to slight deficit (of approximately $90,000) position for Fiscal Year 2025. He spoke briefly about the Big Five revenue categories, which include property taxes, PILOT, fee-for-service, and development fees, gross receipts, local option tax, and franchise fees. He noted that they anticipate the local option tax and franchise fees coming in at slightly under budget. He spoke about the gross receipts tax, noting that the gross receipts submissions are down 12.3% so far in FY25, that gross sales appear down by 9.8% compared to this time period in FY24, but that when factoring in the 2% increase in the gross receipts tax, the overall gross receipts totals are ahead of FY24 by about 13.9%. He noted that with respect to the fewer gross receipts submissions, it may make sense for the City to explore setting up a business registry. He said that they researched how this compares to the gross receipts taxes collected by other municipalities in the state, and that upon observing Tax Department data for other municipalities and counties, it appears that the downward trend Burlington is seeing is also being seen across the rest of the state (except for in Windsor and Rutland counties). He said that this is likely due to larger economic factors. He spoke about FY25 expenditures to date for larger City departments (including Fire, Police, Public Works, and BPRW), noting that expenditures are tracking predictably through FY25 so far. He noted vacancies in Public Works that have led to below-target expenditures, and that Citywide projections for personnel costs appear to be below budget by $4.4 million (largely driven by the vacancy rate in the Police Department). He noted that all other spending categories in the budget are currently spending on target at this juncture. He said that in general, revenues and expenditures are tracking to break even for FY25 and that staff recommend not making changes now, but re-evaluating the budget to actuals after January.

Mayor Mulvaney-Stanak emphasized the focus on tracking the gross receipts revenue, given that increases the tax was a significant policy decision. She noted that these actuals and projections need to be thought about in the context of the economy in the state as well as the economy at the national level.

Councilor Carpenter asked how quickly after January 1 the City will have updated information from November and December. She also asked whether the tax revenue includes internet sales tax. Chief Administrative Officer Schad replied that the gross receipts are due 30 days after the close of the month, so there is a month of lag. She noted that local option tax lag is larger (3 months), since it flows through the State to the City. Councilor Carpenter asked how helpful the State's business registry is, and Chief Administrative Officer Schad replied that it can be helpful if the City is already aware of a business in Burlington, but having a City-owned business registry would raise awareness about what businesses are in Burlington in order to set up and collect their gross receipts.

Councilor Kane asked for statistics on the City's spending on homelessness and how that is spread throughout the course of the year. Director Kukenberger replied that he will do some research and report back to the Board of Finance.

4.2 Resolution: Authorization To Accept U.S. Department Of Transportation Innovative Finance And Asset Concession Grant Of $1 Million For South End Coordinated Redevelopment – CEDO
Director Pine said this is funding for the City to pay for subject matter experts to conduct financial modeling, design work, and develop a financing strategy for the expensive public improvements that need to be made in the South End to make its large development project viable.

City Council President Traverse asked when the Council may next hear an update on the South End Coordinated Redevelopment project. Director Pine replied that they plan to come back to the Council in January to begin the discussion regarding revising the current pre-development agreement. He noted that some of the work related to developing the milestones and commitments for reimbursement for that agreement will be supported by this grant.

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

VOTING: unanimous; motion carries.

4.3 Reclassification of one position, the Recreation Assistant, in the Department of Parks, Recreation, and Waterfront – BPRW
Director Wight said that this relates to reclassifying the Recreation Assistant position in BPRW to take on more duties and begin to operate the City's adult programming facility without the Recreation Specialist having to be on-site. She said this frees up time for the Recreation Specialist to focus on new program development for seniors and other adults. She noted that the increase in salary will be more than offset by revenue increases as a result of new program development.

MOTION by City Council President Traverse, SECOND by Councilor Kane, to approve and recommend that the City Council approve and authorize the reclassification of the Recreation Assistant, a Regular, Part-Time, Non-Exempt, AFCSME, Grade 9 position to a Regular, Part-Time, Non-Exempt, AFCSME, Grade 12 position in the Department of Parks, Recreation, and Waterfront.

VOTING: unanimous; motion carries.

4.4 Reclassification Request for Records Clerk Position – Police
Executive Manager Trammell said that this relates to a request to reclassify four records clerk positions within the Police Department. She noted that this position hasn't been reclassified for many years, that the records team has had to take on more work related to the online incident reporting system to make sure that it functions smoothly and effectively, and that there have been several other functions added to their job description. She noted that there are some vacancy savings from a records clerk who just retired, which would help offset the cost of this reclassification.

MOTION by City Council President Traverse, SECOND by Councilor Carpenter, to approve and recommend that the City Council approve and authorize the reclassification of the four (4) Records Clerk positions, Regular, Full-time, Non-Exempt, AFCSME, Grade 13 positions to Regular, Full-time, Non-Exempt, AFCSMW, Grade 15 positions within the Burlington Police Department.

VOTING: unanimous; motion carries.

4.5 Water Resources FY25 Personnel Reorganization - Various - DPW – Water Resources
Director Spencer said that this proposed reorganization matches similar structures to other utilities, such as Burlington Electric Department (BED), and that it comprises four reclassifications and one new FTE, which were included in the FY25 budget. Division Director Moir spoke about the need for this additional layer of operational management, also noting that the impact would be net neutral given that a retirement will occur right around when the new position would be created. They said that this added capacity would free up time for division managers to participate more fully in continuous improvement.

MOTION by City Council President Traverse, SECOND by Councilor Carpenter, to 1. To recommend that the City Council approve the:
Reclassification of the Wastewater Facilities Manager - a Regular, Full-time, Exempt, Non-Union, Grade 22 position, to Director of Wastewater Facilities - a Regular, Full- time, Exempt, Non-Union, Grade 24 position; Reclassification of the Chief of North, East and Pump Stations - a Regular, Full-time, Exempt, Non- Union, Grade 20 position, to Wastewater Treatment Manager - a Regular, Full-time, Exempt, Non- Union, Grade 22 position; Reclassification of the Drinking Water Facilities Manager - a Regular, Full-time, Exempt, Non-Union, Grade 22 position, to Director of Drinking Water Production – a Regular, Full-time, Exempt, Non-Union, Grade 24 position; Creation of a Drinking Water Production Manager, a Regular, Full-time, Exempt, Non Union, Grade 22, position; Reclassification of the Senior Customer Care - a Regular, Full-time, Non- Exempt, AFSCME, Grade 16 position, to Utility Billing and Customer Care Manager - a Regular, Full-time, Exempt, Non-Union, Grade 20 position; and 2. To approve and recommend that the City Council authorize the Chief Administrative Officer to approve budget neutral amendments to the FY25 Wastewater and Stormwater budgets to move budgeted amounts from Salaries and Wages Total Compensation Contingency lines 480-19-425-000. 5000_910, 460-19-400-000.5000_910 and 245-19-000.5000_910 to the appropriate personnel and benefits expense lines as needed to implement the above actions.

VOTING: unanimous; motion carries.

5.0 ADJOURNMENT
5.1 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 5:22 PM.

RScty: AACoonradt