Board of Finance

Monday, January 13, 2025, 5:00 PM, Bushor Conference Room 1st Floor, City Hall

Please click the link below to join the webinar:
https://zoom.us/j/93006307851
Or Telephone: +1 646 931 3860 US
Webinar ID: 930 0630 7851

****CCTV link: https://www.youtube.com/playlist?list=PLljLFn4BZd2PwCge7lNoKug676jIf_iUA ****

1. Agenda

Subject	**1.1. Motion to amend/adopt agenda**
Meeting	January 13, 2025 - Board of Finance Meeting - Monday, January 13, 2025, 5:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	1. Agenda
Department	Council and Board
Type	Action Procedural
Recommended Action	Motion to adopt/amend agenda

2. Public Forum

Subject	**2.1. Verbal Comments**
Meeting	January 13, 2025 - Board of Finance Meeting - Monday, January 13, 2025, 5:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	2. Public Forum
Department	Council and Board

Type	Action Procedural
Recommended Action	open Public Forum close Public Forum

3. Consent Agenda

Subject	**3.1. Motion to adopt the consent agenda and take the actions indicated**
Meeting	January 13, 2025 - Board of Finance Meeting - Monday, January 13, 2025, 5:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	3. Consent Agenda
Department	Council and Board
Type	Action (Consent) Procedural
Recommended Action	Motion to adopt the consent agenda and take the actions indicated

Subject	**3.2. December 16, 2024 Board of Finance Meeting Minutes, Draft**
Meeting	January 13, 2025 - Board of Finance Meeting - Monday, January 13, 2025, 5:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	3. Consent Agenda
Department	Clerk/Treasurer's Office
Type	Action (Consent) Information Minutes
Recommended Action	approve the minutes

Subject	**3.3. Approval of Parking Fees - BPRW**
Meeting	January 13, 2025 - Board of Finance Meeting - Monday, January 13, 2025, 5:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	3. Consent Agenda
Department	Parks, Recreation, & Waterfront
Type	Action (Consent)
Recommended Action	to approve and recommend that the City Council approve the 2025 Parking fees as recommended by the Parks, Recreation & Waterfront Commission, during its December 10, 2024 meeting, as detailed in the rate table herein

Subject	**3.4. Fletcher Free Library Restoration & Preservation Project Dore + Whittier Contract, First Amendment: Restoration & Preservation of Windows and Masonry to 1904 Building - Library**
Meeting	January 13, 2025 - Board of Finance Meeting - Monday, January 13, 2025, 5:00 PM, Bushor Conference Room 1st Floor, City Hall

Category	3. Consent Agenda
Department	Fletcher Free Library
Type	Action (Consent)
Recommended Action	to approve and authorize the Director of the Fletcher Free Library to execute execution of a Contract Amendment and any related documents needed to carry out said 2nd contract amendment with Dore + Whittier Architects for a contract of services for the Schematic Design - Restoration & Preservation of Windows and Masonry for the Fletcher Free Library in an amount not to exceed $59,175.00 and amend the maximum limiting amount of the overall contract from $183,000 to $272,175.00, as well as authorize the, Director of the Fletcher Free Library, to execute the contract and any related documents needed to carry out said contract, upon subject to final review and approval of the City Attorney's Office

4. Deliberative Agenda

Subject	**4.1. Authorization For Interfund Loan For Department Of Public Works - DPW**
Meeting	January 13, 2025 - Board of Finance Meeting - Monday, January 13, 2025, 5:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	4. Deliberative Agenda
Department	Public Works Department
Type	Action Resolution
Recommended Action	to recommend that the City Council approve the attached resolution

Subject	**4.2. Distribution and Collection System Improvements - Contractor Budget Amendment - DPW - Water Resources**
Meeting	January 13, 2025 - Board of Finance Meeting - Monday, January 13, 2025, 5:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	4. Deliberative Agenda
Department	Public Works Department - Water Resources
Type	Action
Recommended Action	Board of Finance Actions: 1. To approve and recommend that the City Council authorize Chapin Spencer, the Director of Public Works, to execute an amendment in the amount of $211,066.00, for a total Distribution and Collections System contract value with Inliner not to exceed $8,347,199.13 provided that all these authorizations are contingent on the contract and any amendment thereto having the prior approval of the City Attorney and Chief Administrative Officer. 2. To approve and recommend that the City Council authorize the Chief Administrative Officer to execute any budget amendments necessary to implement the budgetary actions outlined in this memo

5. FY26 General Fund Budget Update - CAO

Subject	**5.1. FY26 General Fund Budget Update - CAO**
Meeting	January 13, 2025 - Board of Finance Meeting - Monday, January 13, 2025, 5:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	5. FY26 General Fund Budget Update - CAO
Department	Clerk/Treasurer's Office
Type	Communication Discussion Information Presentation

6. Adjournment

Subject	**6.1. Motion to adjourn**
Meeting	January 13, 2025 - Board of Finance Meeting - Monday, January 13, 2025, 5:00 PM, Bushor Conference Room 1st Floor, City Hall
Category	6. Adjournment
Department	Council and Board
Type	Action Procedural
Recommended Action	Motion to adjourn

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

BURLINGTON PARKS RECREATION WATERFRONT

MEMO

To:	Board of Finance and City Council
From:	Cindi Wight, Director Erin Moreau, Waterfront Superintendent & Harbormaster Rob Peterson, Marina Manager & Deputy Harbormaster
Date:	January 13, 2025
Re:	Approval of Parking Fees

Executive Summary

Parks, Recreation & Waterfront is requesting:

- Approval of increased parking fees effective January 2025.

Background

All parking fee changes require approval from the Parks, Recreation & Waterfront Commission and the City Council. BPRW is seeking a modest increase to parking fees in multiple categories.

Fee Changes

Below is a table of our parking fees. We are seeking to remove those highlighted in red as a parking option, either because of low or non-use or not easily able to regulate with online pass purchase. The yellow fees reflect an increase. We are seeking a moderate raise in most fees to capture the increased costs associated with staffing and service to the parking system and overall department increases.

One change to note because it will significantly impact the rise in revenue is the increase in the Oakledge and North Beach peak-season fees. Currently, they have a lower rate than Perkins Pier and Pease Lot during our peak Summer months. We request that the rates at Oakledge and North Beach be raised from $2/hour to $3/hour so that all of our waterfront parking lots charge the same fee across our system. Both Oakledge and North Beach have high attendance and warrant the same parking rate structure as our central locations.

Altogether, all of these new rates will yield an increase of approximately $50,000 in new revenues, fully realized in the FY26 budget year.

The Parks & Recreation Commission approved the 2025 fees at their 12/10/24 meeting.

Description	Location	2024 Fees	2025 (Proposed)
Season Pass Student	North Beach, Perkins and Oakledge	$35	Remove – Not able to control online for non-students purchasing pass and we also do not need to discount student passes as we offer free low-income passes.

Season Pass Resident	North Beach, Perkins and Oakledge	$50	$55
Season Pass Non-Resident	North Beach, Perkins and Oakledge	$70	$75
Additional Season Pass Resident	North Beach, Perkins and Oakledge	$20	$25
Additional Season Pass Non-Resident	North Beach, Perkins and Oakledge	$35	Remove – little used option here. We recommend that if a non-resident want a second pass, they pay full rate for it.
Boater Second Vehicle Pass	Pease, Perkins	$35	$40
Season Pass for League Participants	Oakledge	$40	Remove – Not supported with online system and ability to confirm league participation. Participants can purchase a seasonal pass or pay hourly rate
Season Boat Trailer	Perkins, Coast Guard	$30	$30
Winter Season Pass	Perkins	$25	$25
Monthly Business Parking Pass	Perkins	$70	$75

Description	Location	Fees	2025 Proposed
Hourly - Peak only (May - October 15) - new hourly at North Beach	North Beach & Oakledge	$2	$3
Hourly - Pease year round	Pease	$3	$3
Hourly - Peak (max $12 May - October)	Perkins	$3	$3
Hourly - Off Season (November - April)	Perkins	$2	$3
Car & Trailer Day Pass ($10 previously)	Perkins, Coast Guard	$12	$12
24 hr Car Pass	Perkins	$12	$15
24 hr Car & Trailer	Perkins	$20	$20
Handicap Car with Trailer	Perkins	Free	Free
Commercial Boat Launch	Perkins	$20	$25
Day Bus	North Beach, Perkins	$20	$25
Event/Holiday	All	Market rate	Market rate

Motions

Board of Finance
To approve and recommend that the City Council approve the 2025 Parking fees as recommended by the Parks, Recreation & Waterfront Commission, during its December 10, 2024 meeting, as detailed in the rate table herein.

City Council
To approve the 2025 Parking Fees as recommended by the Parks, Recreation & Waterfront Commission, during its December 10, 2024 meeting, as detailed in the rate table herein.

Board of Finance and City Council Submission Checklist

Department: Parks Submitter: Cindi Wight

Title/Subject: BPRW Parking Fees

	Approval:	Meeting Date:
☐	Board of Finance	Click or tap to enter a date.
☐	City Council	Click or tap to enter a date.
☒	Concurrent	1/13/2025

This form must be completed by the person submitting the materials, and sent with the final submission. Please do not indicate that a signoff was received until it has actually been obtained.

Signoffs Received

Signoff Needed	Received	Date Received	Note
Department Head	Yes	1/7/2025	Cindi Wight
Mayor's Office informed and approved memo	Yes	1/7/2025	Joe Magee
Board/Commission, if required	Yes	12/10/2024	Parks Commission
City Attorney's Office has approved contract and/or legal documents, -Identify attorney in note	N/A	Click or tap to enter a date.	Click or tap here to enter text.
City Attorney's Office has approved memo and motion(s) or resolution(s) -Identify attorney in note	Yes	1/3/2025	Hayley McClenahan
CAO has reviewed budget, financing, and memo	Yes	1/7/2025	Katherine Schad
Human Resources, if personnel action -Identify HR Manager in note	N/A	Click or tap to enter a date.	Click or tap here to enter text.
CIO, if an IT-related investment/purchase	N/A	Click or tap to enter a date.	Click or tap here to enter text.

Materials Included

	Included?	Note
Final Memo Attached?	Yes	Click or tap here to enter text.
Contract Attached, if applicable?	N/A	Click or tap here to enter text.
Additional Materials, if necessary	N/A	Click or tap here to enter text.
Draft Resolution or Motion?	Yes	Click or tap here to enter text.
If for submission to Council, are sponsors identified?	N/A	Click or tap here to enter text.

To: Board of Finance

From: Mary Danko, Library Director

Date: 1/13/25

Re: Fletcher Free Library Restoration & Preservation Project Dore + Whittier Contract, First Amendment: **Restoration & Preservation of Windows and Masonry to 1904 building**

1. PURPOSE

This memo seeks approval to execute a contract amendment for the Fletcher Free Library's (FFL) Restoration & Preservation Project with Dore + Whittier Architects (D+H) for $30,000.00 by invoking the option of continuing with the same vendor as outlined in our Schematic Design RFP. This amendment will address the **Fletcher Free Library Schematic Design - Restoration & Preservation of Windows and Masonry to 1904 building**

2. BACKGROUND

The Fletcher Free Library (FFL) was founded in 1873 and has proudly inhabited one of the four Carnegie public libraries in Vermont since 1904. Our beautiful Beaux-Arts building was slated for demolition in the 1970s due to a myriad of structural issues. A group of concerned citizens took action to not only restore the original building, but to add the 1981 addition that maintained the individuality and grandeur of the original building that was meticulously designed by famed architect, Walter R.B. Wilcox.

While FFL programs grow and adapt, the physical building limits opportunities. Our next renovation will transform the interior. Upgraded facilities will bring the building up to today's energy efficiency standards, meet modern technological needs, and serve the community into the future – while preserving a Burlington architectural gem.

The Library has worked on a Vision Plan and then a Schematic Design Project for our transformation. During the Schematic Design phase, a building assessment was completed and several areas in need of restoration and preservation were noted.

Exterior restoration and historic preservation are a critical first step to the larger renovation. The exterior of the building is decaying and in urgent need of attention to preserve a deteriorating historic landmark, protect and restore one of the largest public buildings in our City, and move the Library renovation toward the next phase of interior transformation. The historic windows need to be repaired as well as bricks and terra cotta need to be repointed and replaced as needed, as per recommendations in a 2022 FFL library assessment, to prepare for the larger renovation.

The Restoration & Preservation Project is a continuing project from the Schematic Design (SD) Phase. The Library anticipated extending the contract and included the following paragraph in the original RFP:

Future Design/Administration Phases:

The Fletcher Free Library Building Committee (FFL BC) reserves the right to extend the contract with the awarded architect to include future design phases without advertising or to advertise for Architectural Services as best fits the needs of the Committee. The specific scope and fee of future phases will be determined at that time. Respondents must demonstrate to the satisfaction of the FFL BC their capability to perform this scope of work to be deemed qualified. There may be a year or more between the Schematic Design and Detailed Design phases.

4. OVERALL FUNDING SOURCES, BUDGET & ESTIMATE

The entire FFL Restoration & Preservation Project will be funded by several funding sources that are in various stages of acceptance. Each funding source has its own requirements and timelines. All of the funding sources have expressed their willingness to work together on this project as the goal for all of historic preservation of a significant building in the National Register of Historic Places.

1. NEH - National Endowment Humanities – 3:1 Match Required
    - Federal Government/NEH Grant - $245,425
    - City of Burlington Match - $736,275
        - **Total NEH Grant & COB Match funding - $981,700**
    - Grant accepted by BOF/CC on 9/18/23
2. Senator Patrick Leahy CDS - Congressional Directed Spending - 1:1 Match Required
    - Federal Government/National Parks (NPS)-Save America’s Treasures (SAT) Grant- $500,000
    - City of Burlington Match - $500,000
        - **Total NPS/SAT Grant & COB Match Funding - $1,000,000.00**
    - Grant acceptance by BOF/CC forthcoming
3. Vermont Historic Preservation –1:1 Match required
    - Vermont Historic Preservation (VHP) Grant - $20,000
    - City of Burlington Match - $20,000
        - **Total VHP & COB Match Funding - $40,000.00**
    - Grant acceptance by BOF/CC forthcoming

TOTAL FFL RESTORATION & PRESERVATION PROJECT FUNDING: $2,021,700.00

5. PROJECT SCOPE for **Fletcher Free Library Schematic Design - Restoration & Preservation of Windows and Masonry to 1904 building**

The City of Burlington and Dore + Whittier entered into a Schematic Design agreement on 1/13/22 to develop Schematic Design documents that were to build off the FFL Visionary Redesign Project done in 2019.

Dore + Whittier performed the services of developing conceptual Schematic Design documents, which included floor plans, elevations, and sections to describe the building at a Schematic level. Design documents showed compliance with program elements, applicable building and zoning codes/setbacks, environmental and conservation requirements, and included provisions for required permits and variances. Design consideration considered alternative energy and energy conservation design and storm water collection and distribution systems. Also, provided site plans showing utilities, parking and access, site improvements and landscaping.

Recommendations were given based on work with City Utilities to include obtaining rebates, grants and efficiencies. Evaluations of the historical structure and the needs and requirements to maintain the integrity and the feel of the building, was developed.

Now we need to enter into this second contract Amendment in order to continue to undertake further schematic design work specific and detailed for the Restoration and Preservation of the Windows and Masonry of the 1904 building. This includes:

a. Additional site verification and spot-measurement
b. Consultation with a Construction Manager (CM) to further develop the scope of work and means & methods of construction.
c. Consultation with VT Division for Historic Preservation on plans for the façade & roof repairs.
d. Development of schematic design floor plan for scope location, annotated building elevations and/or photographs assembled on drawing sheets indicating façade renovations and reconditioning, conceptual enlarged window elevations and details.
e. Development of SD-level written specifications for the work.
f. Review of the drawings and scope of work, and make modifications if needed.
g. Prepare an estimated conceptual cost prepared by the CM.

The projected costs for Schematic Design - Restoration & Preservation of Windows and Masonry to 1904 building was $30,000.00 to be paid by grant funds and city matching funds.

We entered into an amendment of that contract on 10/25/24 for more Schematic Design work for $30,000.00. That BOF/CC approval is attached, Appendix J, ***BOF/CC approval for First D+W Contract Amendment.***

We are now asking to enter into a second contract Amendment in order to continue to undertake more work. See the D+W attached Scope of work adjustment. They are anticipating the costs to be $53,775, plus we are adding a 10% contingency of $5,400.00 for a total of $59,175.00. All of these costs are still within the projected scope of the overall project and will be paid for by the funding sources mentioned above.

The Contract Amendment (Appendix I) and D+H Scope of Work (***Historic 1904 Building & Structural Repairs, 2nd Amendment 11.4.24)*** (Appendix H) are at the end of this memo.

6. DEPARTMENT RECOMMENDATIONS & MOTIONS

Board of Finance:

"To approve and authorize the Director of the Fletcher Free Library to execute execution of a Contract Amendment and any related documents needed to carry out said 2nd contract amendment with Dore + Whittier Architects for a contract of services for the Schematic Design - Restoration & Preservation of Windows and Masonry for the Fletcher Free Library in an amount not to exceed $59,175.00 and amend the maximum limiting amount of the overall contract from $183,000 to $272,175.00, as well as authorize the, Director of the Fletcher Free Library, to execute the contract and any related documents needed to carry out said contract, upon subject to final review and approval of the City Attorney's Office."

Appendix H – Dore + Whittier Architects(D+W) Contract Amendment Attachment H named ***Historic 1904 Building & Structural Repairs, 2nd Amendment 11.4.24***

Appendix I – Contract Amendment Draft

Appendix J- ***BOF/CC approval for First D+W Contract Amendment***

Board of Finance and City Council Submission Checklist

Department: Fletcher Free Library Submitter: Mary Danko

Title/Subject: Fletcher Free Library Restoration & Preservation Project Dore + Whittier Contract, 2nd Amendment: **Restoration & Preservation of Windows and Masonry to 1904 building**

	Approval:	Meeting Date:
☒	Board of Finance	1/13/2025
☐	City Council	Click or tap to enter a date.
☐	Concurrent	Click or tap to enter a date.

This form must be completed by the person submitting the materials, and sent with the final submission. Please do not indicate that a signoff was received until it has actually been obtained.

Signoffs Received

Signoff Needed	Received	Date Received	Note
Department Head	Yes	1/3/2025	Mary Danko
Mayor's Office informed and approved memo	Choose an item.	Click or tap to enter a date.	1/8/25 Chief of Staff Erin Jacobson
Board/Commission, if required	N/A	Click or tap to enter a date.	Click or tap here to enter text.
City Attorney's Office has approved contract and/or legal documents, -Identify attorney in note	Yes	1/7/2025	CA Sturtevant
City Attorney's Office has approved memo and motion(s) or resolution(s) -Identify attorney in note	Yes	1/7/2025	CA Sturtevant
CAO has reviewed budget, financing, and memo	Choose an item.	Click or tap to enter a date.	1/8/25 Katherine Schad
Human Resources, if personnel action -Identify HR Manager in note	N/A	Click or tap to enter a date.	Click or tap here to enter text.
CIO, if an IT-related investment/purchase	N/A	Click or tap to enter a date.	Click or tap here to enter text.

Materials Included

	Included?	Note
Final Memo Attached?	Yes	Click or tap here to enter text.
Contract Attached, if applicable?	Yes	Click or tap here to enter text.
Additional Materials, if necessary	Yes	Click or tap here to enter text.
Draft Resolution or Motion?	Yes	Click or tap here to enter text.
If for submission to Council, are sponsors identified?	N/A	Click or tap here to enter text.

Resolution Relating to

AUTHORIZATION FOR INTERFUND LOAN FOR DEPARTMENT OF PUBLIC WORKS

RESOLUTION_______

Sponsor(s): Bd. of Finance
Introduced: ____________________
Referred to: ____________________
____
Action: ________________________
Date: __________________________
Signed by Mayor: ________________

CITY OF BURLINGTON

In the year Two Thousand Twenty-Five……………………………………………………………………

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, at its meeting held September 23, 2024, the City Council authorized the Mayor to execute a Purchase and Sale Agreement for the City to purchase a parcel of land at 201 Flynn Avenue (the “Flynn Avenue Parcel”) from the Chittenden Solid Waste District (“CSWD”), for the Public Works Department (“DPW”); and

WHEREAS, the purchase of the Flynn Avenue Parcel was requested by DPW to provide a long-term space for a well-designed location for City soil management and to enable CSWD to expand its Drop Off Center operations at 339 Pine Street in the short term by removing City soil management from 339 Pine Street; and

WHEREAS, as of September 30, 2024, the City and CSWD entered into such purchase and sale agreement for the Flynn Avenue Parcel, and DPW and the City’s Chief Administrative Officer sought lease purchase financing for the purchase of such parcel and associated fit-up and costs of improvements; and

WHEREAS, due to certain environmental conditions at the Flynn Avenue Parcel, the City was unable to complete such lease-purchase financing using the Flynn Avenue Parcel as the collateral; and

WHEREAS, DPW has requested that the City finance the purchase of the Flynn Avenue Parcel through an interfund loan; and

WHEREAS, the City’s s Interfund Loan policy, dated as of August 27, 2018 (the “I-F Loan Policy”), provides that it may be more advantageous from a cost and administrative perspective to obtain needed financing from another City Department rather than through a financial institution, and such I-F Loan Policy provides guidelines for the borrowing of cash or other assets using inter-fund (I-F) loans, which includes allowances for I-F loans to offset timing differences in cash flow, to provide funds for interim financing in anticipation of obtaining long-term financing, and to provide short-term borrowing in place of external financing;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approves an I-F loan in the maximum principal amount not to exceed $520,000 from the Airport Enterprise Fund to DPW for the purchase of the Flynn Avenue Parcel and associated fit-up costs. DPW shall repay such I-F Loan in four installments of principal, together with accrued and unpaid interest, with the first principal installment in Fiscal Year 2025 in an amount of $40,000, and three subsequent annual payments of principal of $160,000 in Fiscal Years 2026, 2027 and 2028. Documentation of such loan shall be provided as set forth in the I-F Loan Policy. Interest on the outstanding principal amount of the I-F Loan shall be 4% per annum, such rate being not less than the Northfield Savings Bank 9-month CD Rate as required under the I-F Loan Policy. DPW may prepay the I-F Loan at any time without penalty. Loan documentation of such I-F Loan shall be prepared by the City Attorney or Bond Counsel to the City; and

BE IT FURTHER RESOLVED that the Chief Administrative Officer, the Director of Finance, and the Assistant Director of Finance are authorized to record and document such I-F Loan as each such officer deems necessary or advisable pursuant to the I-F Loan Policy; and

BE IT FURTHER RESOLVED that the Director of Public Works, the Director of Aviation and the Chief Financial Officer of the Airport Department are authorized to execute such documents as the Chief Administrative Officer deems necessary or advisable to record the I-F Loan; and

BE IT FURTHER RESOLVED that DPW and the Chief Administrative Officer are authorized to pursue other external financing to repay or refund the I-F Loan, if such financing can be obtained at a reasonable cost. The City's Chief Administrative Officer and the Director of Finance are each authorized to declare an official notice of intent to reimburse capital expenditures with the proceeds of tax exempt financing, in accordance with the requirements of Section 1.150-2 of the Treasury Regulations adopted under the Internal Revenue Code of 1986, as amended, if such tax-exempt financing can be reasonably obtained to repay the I-F Loan in a cost effective manner.

TM/Resolutions 2025/Authorization for Interfund Loan for Department of Public Works
1/9/25

CITY OF BURLINGTON
DEPARTMENT OF PUBLIC WORKS

645 Pine St. Suite A
Burlington, VT 05401
802.865.7200 VOX
802.863.0466 FAX
802.863.0450 TTY

Chapin Spencer
DIRECTOR OF PUBLIC WORKS

MEMORANDUM

TO: Board of Finance/City Council

FR: Chapin Spencer, DPW Director
Lee Perry, DPW Division Director – Maintenance Division
Megan Moir, DPW Division Director – Water Resources

CC: Katherine Schad, Chief Administrative Officer, Clerk/Treasurer's Office
Bradley Kukenberger, Director of Finance, Clerk/Treasurer's Office
Nic Longo, Director, Patrick Leahy Burlington International Airport

RE: **Interfund Loan Authorization to Purchase of 201 Flynn Avenue from the Chittenden Solid Waste District**

Date: January 13, 2025

Request:
To improve solid waste drop off services for Burlington residents and businesses, as well as ensure the City has a united and functional soil management area and associated storage, the Department of Public Works (DPW) requests authorization to execute a four-year interfund loan up to a maximum amount of $520,000 with Patrick Leahy Burlington International Airport to finance the acquisition and fit up of 201 Flynn Avenue. Additionally, DPW requests authorization to use up to $234,000 of fund balance in DPW Water Resources to fund its share of the property purchase and subsequent fit up.

Background:
On September 23, 2024, DPW received approval from the Board of Finance and City Council to enter into a purchase and sale agreement with Chittenden Solid Waste District (CSWD) for the purchase of 201 Flynn Avenue parcel to enable relocation of the City's soils management activities, and associated storage of equipment and materials. The purchase and sale agreement was executed on September 30, 2024 and required the closing on or before November 30, 2024.

Due to the time needed to complete the property survey and secure the project financing, City staff has requested two one-month extensions through January 31, 2025. To obtain the second one-month extension, City staff was requested to attend the CSWD Board meeting and share a letter from the Mayor stating the City's ongoing commitment to complete this sale. CSWD Board members expressed that this second extension should be understood to be the last and that the closing needs to happen no later than January 31, 2025.

Securing private financing for the purchase of 201 Flynn Avenue was challenging due to concern from traditional lending institutions that the parcel has contaminated soils. We sought lease purchase financing and the institutions were concerned that the collateral, the parcel itself, may be difficult to sell if the City defaulted. Based on the two Environmental Site Assessments (ESAs) that the City completed on the parcel, DPW has determined that the known level of contamination is manageable and does not hinder the City's interest in establishing a soil management site at this location. Furthermore, we have budgeted for the targeted remediation necessary for the intended use. Despite sharing the full ESAs with the lenders and explaining our remediation plans, we were unable to convince traditional lenders to finance this purchase. It is for this reason that we are proposing a short duration interfund loan from the Patrick Leahy International Airport to finance the purchase of 201 Flynn Avenue.

$751,250 is the remaining amount needed to purchase and fit up the property as well as complete the needed upgrades to 339 Pine Street for CSWD drop off center expansion. The payment of this remaining amount will be split between DPW's General Fund Recycling program (66% / $517,500) and Water Resources (33% / $233,750) -- in proportion to the projected use of the soil management facility by the respective DPW divisions. For a detailed breakdown of costs and funding sources, please see funding section below. More background on the history of the 201 Flynn Avenue parcel and the negotiations between the City and CSWD can be found in the September 23, 2024 City Council packet.

Funding:
Below are the costs associated with the purchase and the fit up of 201 Flynn Avenue – and the City's responsibilities for site prep for CSWD's expanded Drop Off Center at 339 Pine Street.

Item	**City Cost**	**Notes**
Soft Costs		
Phase I Environmental Study	$7,750	City covered
Phase II Environmental Study	$20,000	CCRPC grant & City $
Conceptual Planning	$20,000	Initial work in-house
Deed Research	$5,000	
Permitting (est.)	$3,000	
Appraisal	$6,500	City appraisal
Purchase		
Purchase Price	$375,000	$274K once Option $ applied
Closing Costs	$10,000	Estimate
Interest	$50,000	Conservative estimate
Flynn Avenue Fit Up Costs		
Site Clean Up	$103,000	Cost estimate from VHB
Flynn Soil Management Fit Up	$170,000	Based on conceptual design
Building stabilization	$25,000	Assessment and rec. work
Contingency	$68,250	25% fit up, remediation costs
Total Flynn Avenue Expenses	$863,500	
339 Pine Fit Up		
Stormwater improvements	$25,000	City responsible
Paving	$25,000	City to pave access road
Fencing		CSWD will cover
Total City 339 Pine Street Expenses	$50,000	

Projected Grand Total	**$913,500**	
Soft Costs (Already paid)	$62,250	
Option Payments (Already paid)	$101,001.32	
Remaining Projected Grand Total	**$750,248.68**	
Proposed Funding Split		
DPW General Fund – 66% + 339 Pine Street Work	~$517,500	
DPW Water Resources – 33%	~$233,750	

There is a multi-bay garage on the property. A small business rents one space in the building. DPW proposes to continue renting this space and use the rental income to pay for the utilities and building maintenance. The other garage spaces will be used as unheated storage for municipal equipment. A building assessment is underway and any urgent repairs for the structure beyond the $25,000 budget will be covered by the project contingency.

The DPW Water Resources portion of the purchase and fit up is projected to be $233,750. As a result, we are seeking Council authorization to use fund balance from Water (Fund 460) in an amount not to exceed $140,000 and fund balance from Stormwater (Fund 245) in an amount not to exceed $94,000. These are the primary funds that will benefit from the use of this parcel. Water ended FY24 with $5.47M of cash on hand, and with this use of funds as well as other approved uses of these funds, is still projected to have 197 days of cash on hand for end of FY25. Stormwater ended FY24 with $2.36M of cash on hand, and with this use of funds as well as other currently known potential uses would still have 361 days of cash on hand.

The DPW General Fund portion of the purchase and fit up is projected to be $517,000. DPW has been long planning to finance the General Fund portion. As a result, we are seeking Council authorization to execute an interfund loan through Patrick Leahy Burlington International Airport. The loan amount would be up to $520,000 and, in accordance with the City's Interfund Loan policy, have a four (4) year term at a rate of 4% (equal to the NSB 9-month CD rate) with no early repayment penalty. The initial payment for FY25 will be in the amount of $40,000 (budgeted in FY25 Recycling budget) and the balance of the loan will be included in future Recycling budgets – split between FY26, FY27 and FY28. Repayment of the principal plus interest is projected to be approximately $549,500.

The loan will be repaid with revenues from the Solid Waste Generation Tax (SWGT). On February 26, 2024, the City Council revised City Ordinance in Chapter 14 to expand the definition of recyclable materials to include soils. This enables the SWGT to be used to support the City's soil recycling activities. The projected monthly increase to the SWGT for FY26 would be ~$1.13 per residential unit ($13.56 annually). This SWGT rate would continue for FY27 and FY28 to cover the loan payments for those years. The SWGT would then be able to return to previous levels in FY29.

Proposed Solid Waste Generation Tax Rate	SWGT Rate Per Residential Dwelling Unit	Annual Cost Per Residential Dwelling Unit	Approximate Interfund Loan Payment
FY'25	$6.90	$82.80	$40,000
FY'26	$8.03	$96.36	$160,000

FY'27	$8.03	$96.36	$160,000
FY'28	$8.03	$96.36	$160,000
FY'29	$6.90	$82.80	$0

If the City decides, as part of its ModernGov initiative, to discontinue its municipal recycling service, the SWGT for FY26, FY27 and FY28 would see an overall net decrease even with the tax covering the purchase and fit up of 201 Flynn Avenue because the tax would no longer need to support municipal recycling collection. We will be bringing the recycling policy question to the City Council at a subsequent meeting.

Next Steps:
- January 13, 2025: Return to City Council for authorization to execute an interfund loan to cover the acquisition and fit up costs for 201 Flynn Avenuee
- January 31, 2025: Deadline to close on the property acquisition
- Summer 2025: Undertake site work improvements at 201 Flynn Ave and 339 Pine St
- Fall 2025: City soil management activities are projected to begin at 201 Flynn Avenue
- Fall 2025/Spring 2026: CSWD plans to expand the Drop-Off Center at 339 Pine Street

Don't hesitate to reach out to us with any questions in advance of the Council meeting.

Motions:

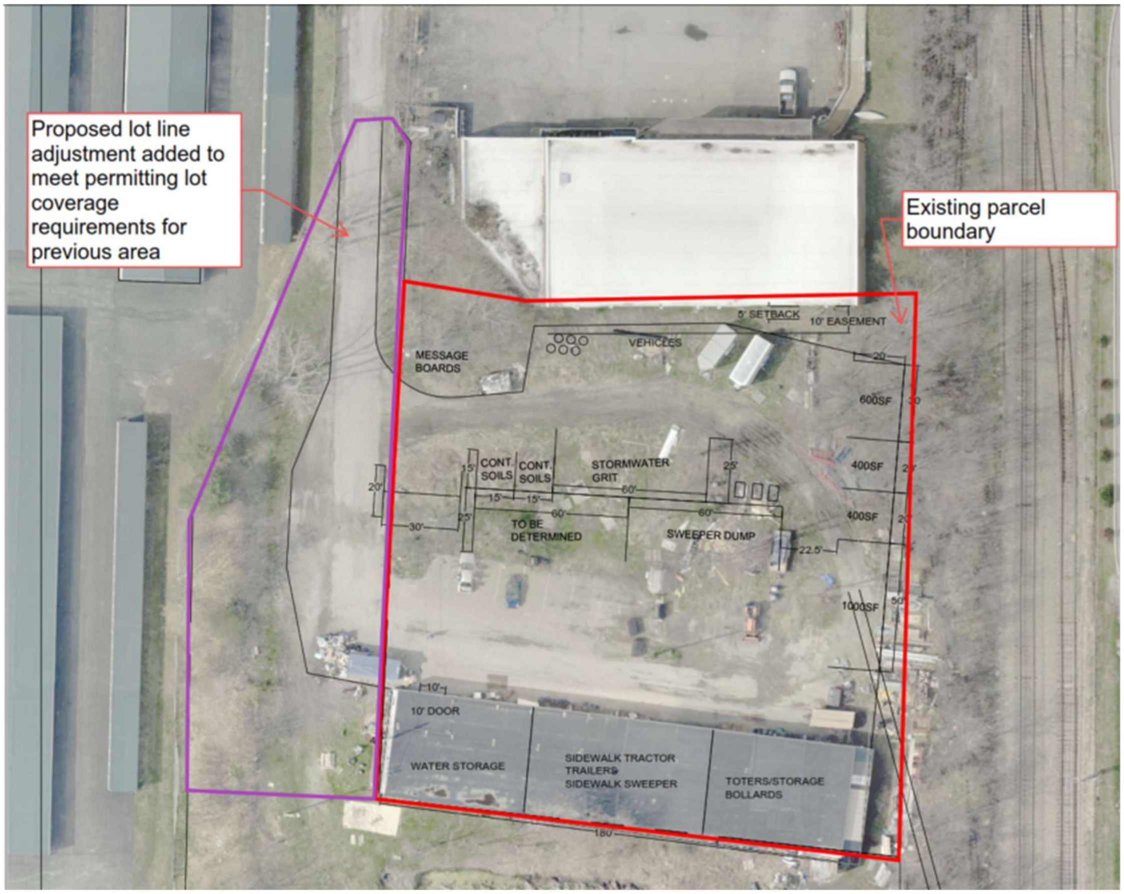
Board of Finance
To approve and recommend that City Council:
- Waive the reading and adopt the resolution regarding a $520,000 interfund loan from the Patrick Leahy Burlington International Airport to finance the purchase and fit up of 201 Flynn Avenue, subject to the review and approval of the City Attorney's Office,
- Authorize a FY25 budget amendment to use fund balance from Water (Fund 460) in an amount not to exceed $140,000, and to utilize fund balance from Stormwater (Fund 245) in an amount not to exceed $94,000 for the purchase and fit up of 201 Flynn Avenue, and
- Authorize the Mayor, Chief Administrative Officer, and DPW Director to take such further actions and to execute such further instruments approved as to form by the City Attorney as may be necessary or convenient to effectuate the transactions contemplated hereby.

City Council
To approve and:
- Waive the reading and adopt the resolution regarding a $520,000 interfund loan from the Patrick Leahy Burlington International Airport to finance the purchase and fit up of 201 Flynn Avenue, subject to the review and approval of the City Attorney's Office,
- Authorize a FY25 budget amendment to utilize fund balance from Water (Fund 460) in an amount not to exceed $140,000, and to use fund balance from Stormwater (Fund 245) in an amount not to exceed $94,000 for the purchase and fit up of 201 Flynn Avenue, and
- Authorize the Mayor, Chief Administrative Officer, and DPW Director to take such further actions and to execute such further instruments approved as to form by the City Attorney as may be necessary or convenient to effectuate the transactions contemplated hereby.

Attachment: 201 Flynn Avenue Map

201 Flynn Avenue Map

(Conceptual Design with Lot Line Adjustment)



Board of Finance and City Council Submission Checklist

Department: Public Works Submitter: Lee Perry/Chapin Spencer

Title/Subject: 201 Flynn Avenue Financing Memo

	Approval:	Meeting Date:
☐	Board of Finance	Click or tap to enter a date.
☐	City Council	Click or tap to enter a date.
☒	Concurrent	1/13/2025

This form must be completed by the person submitting the materials, and sent with the final submission. Please do not indicate that a signoff was received until it has actually been obtained.

Signoffs Received

Signoff Needed	Received	Date Received	Note
Department Head	Yes	1/7/2025	Approved by Chapin Spencer
Mayor's Office informed and approved memo	Yes	1/8/2025	Approved by Joe Magee
Board/Commission, if required	Choose an item.	Click or tap to enter a date.	Click or tap here to enter text.
City Attorney's Office has approved contract and/or legal documents, -Identify attorney in note	N/A		
City Attorney's Office has approved memo and motion(s) or resolution(s) -Identify attorney in note	Yes	1/8/2025	Approved by Erik Ramakrishnan
CAO has reviewed budget, financing, and memo	Yes	1/8/2025	Approved by Katherine Schad
Human Resources, if personnel action -Identify HR Manager in note	Choose an item.	Click or tap to enter a date.	Click or tap here to enter text.
CIO, if an IT-related investment/purchase	Choose an item.	Click or tap to enter a date.	Click or tap here to enter text.

Materials Included

	Included?	Note
Final Memo Attached?	Yes	Click or tap here to enter text.
Contract Attached, if applicable?	Choose an item.	Click or tap here to enter text.
Additional Materials, if necessary		
Draft Resolution or Motion?	Yes	Resolution
If for submission to Council, are sponsors identified?	N/A	

MEMORANDUM

TO: Board of Finance / City Council

FROM: Ashley Walenty, PE DPW Water Resources Engineer
Martin Lee, PE DPW Water Resources Engineering Manager

CC: Megan Moir, Division Director Water Resources
Chapin Spencer, DPW Director

DATE: January 13, 2025

RE: Distribution and Collection System Improvements – Contractor Budget Amendment

---

REQUEST

The Department of Public Works ("DPW") and its Water Resources Division ("WRD") seek authorization, through the attached motions to increase the Inliner construction budget to cover anticipated overages for the completion of the water, sewer, and storm line rehabilitation work for a total increase of $211,066.

Project Summary

The Distribution and Collection System Improvement project ("project") is a large ($7M+) multi-year comprehensive construction project that included improvements to the following infrastructure: water mains, sewer mains, stormwater mains, and street pavement. The project involved collaboration between the General Fund Technical Services and the Water Resources work groups at the Department of Public Works, with each infrastructure type funded or financed through appropriate sources. The construction project started in 2021 and is substantially complete as of October 2024. Overall, this project included 1,905 feet of sewer pipe replacement, 22,000 feet of sewer pipe relining, 20 feet of stormwater pipe replacement, 25,000 feet of stormwater pipe relining, 575 feet of water main replacement, 5,600 feet of water main relining, and 0.82 miles of full width pavement restoration on select streets. The result of this work will be more resilient water distribution and wastewater/stormwater collection systems for the City resulting in fewer water main breaks, wastewater/stormwater collection system failures and unplanned service disruptions. The initial contract with Granite Inliner was approved by City Council in August 2021[1].

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[1] http://go.boarddocs.com/vt/burlingtonvt/Board.nsf/goto?open&id=C5LRXF6FEC03

PROJECT COST AND FUNDING SUMMARY:

Inliner Project Costs:
After a competitive bidding process, City Council in August 2021 gave authorization to execute a contract with Granite Inliner for a value of $6,744,196 with a contingency of $736,935.13 for a maximum limiting amount of $7,481,131.13, funded by loans from the Clean Water State Revolving Funds (CWSRF), Drinking Water State Revolving Funds (DWSRF), Bond proceeds from the 2016 Water Bond, Water Capital and City street capital paving funds. In August of 2022, City Council authorized amending the contract to increase the budget by $520,000 for water work on Overlake Park funded by City ARPA funding[2]. In May 2024, City Council authorized a contract amendment to increase the budget by an additional $135,000 for water work on Ledge Road funded by City capital funds[3]. As such, the approved budget for the project is currently $8,136,131.13.

Over the course of the completion of the project, there have been various unanticipated change orders that have exceeded the contingency for the drinking water, sewer and stormwater portions of the project:

- Additional paving in areas where existing soil conditions required wider trench limits than anticipated, including the need for a full width restoration on Greene Street as a result of the condition of the existing road surface, and water main breaks that expanded the trench limits.
- Additional excavation point repairs of water, sewer and storm mains needed to ensure a successful lining installation.
- Additional water relining pits needed to accommodate unanticipated water pipe conditions.
- Managing a water main break adjacent to the project area on Greene Street.

Water Resources staff closely tracked all of the contract change orders throughout the project. All sewer and storm change orders fell within the project's contingency budget until the final contract work started on Greene Street. The contract work on Greene Street and the subsequent unforeseen circumstances surrounding the water main break, and the condition of the roadway (requiring additional paving) resulted in additional change orders that ultimately increased the final project cost beyond the project contingency. The finalization of the change order accounting was delayed due to multiple rounds of review and comments as well as unforeseen personnel changes within the contractor's team which delayed resolution, resulting in not having the final totals until December 2024

Additional cost increases over the course of the project which consumed portions of the contingency included inflation on the cost of construction materials that were documented to substantially increase from the time of the bid to the time of installation on this multi-year project. These inflation costs were documented for epoxy used in the pipe liners as well as fuel. After assessing the impact of the change orders the remaining contract value for the anticipated project costs, we estimate that an additional $52,101 of water capital funding, $49,182 of sewer capital funding, and $109,785 of

[2] https://go.boarddocs.com/vt/burlingtonvt/Board.nsf/goto?open&id=CGXR7W6AD839
[3] https://burlingtonvt.portal.civicclerk.com/event/7001/files/agenda/10719

stormwater capital funding, for a total of $211,068, will be necessary to close out the financials of the project. The following tables detail each of the specific project costs for this project. This additional money makes the budget whole and allows the City to close out this multi-year project.

Table 1: Project Budget Summary Table for Water Project Closeout

Approved Water Funding Sources 1. ARPA Water 2. Remaining Water Capital Approved in 2024 3. Remaining other Water Capital Approved with Original project Authorization in August 2021 4. **Total Approved Funding**	 1. $13,629.58 2. $98,024.06 3. $37,987.32 4. **$149,640.96**
Anticipated Remaining Water Project Costs	$201,741.04
Water Funding Needed to Close Out Water Project	**$52,100.08**

Table 2: Project Budget Summary Table for Sewer Project Closeout

Approved Sewer Loan SRF Authorization RF1-187	$305,213.76
Anticipated Remaining Sewer Project Costs	$354,394.85
Sewer Funding Needed to Close Out Sewer Project	**$49,181.09**

Table 3: Project Budget Summary Table for Stormwater Project Closeout

Approved Stormwater Loan SRF Authorization RF1-278	$241,379.65
Anticipated Remaining Stormwater Project Costs	$351,164.29
Stormwater Funding Needed to Close Out Stormwater Project	**$109,748.64**

Funding for the remainder of the additional water capital work will come from a use of 460 fund balance to fund the $52,100.08 needed for this capital project in the Water Capital Fund Account (861). There is sufficient cash on hand ($5.47M.) in 460 for this use.

Funding for the remainder of the additional sewer capital work will come from a carry forward of remaining unspent approved capital expense ($111K remaining) from the FY24 Sewer capital expense line (480-19-425-000.9500) to the appropriate capital project in the Sewer Capital Fund Account (862).

Funding for the remainder of the additional stormwater capital work will come from a carry forward of remaining unspent approved capital expense ($121K remaining) from the FY24 Sewer capital expense line (245-19-000.9500_110) to the appropriate capital project in the Stormwater Capital Fund Account (863).

The carry forward amendments are within the CAO's authority as authorized under the FY25 Budget Resolution.[4]

[4] line 79-82 of https://burlingtonvt.portal.civicclerk.com/event/7005/files/attachment/5120

MOTIONS:
The Department of Public Works' Water Resources Division respectfully requests that the Board of Finance and City Council approve the following motions:

Board of Finance Actions:

1. To approve and recommend that the City Council authorize Chapin Spencer, the Director of Public Works, to execute an amendment in the amount of $211,066.00, for a total Distribution and Collections System contract value with Inliner not to exceed $8,347,199.13 provided that all these authorizations are contingent on the contract and any amendment thereto having the prior approval of the City Attorney and Chief Administrative Officer.
2. To approve and recommend that the City Council authorize the Chief Administrative Officer to execute any budget amendments necessary to implement the budgetary actions outlined in this memo.

City Council Actions:

1. To authorize Chapin Spencer, the Director of Public Works, to execute an amendment in the amount of $211,066.00, for a total Distribution and Collections System contract value with Inliner not to exceed $8,347,199.13 provided that all these authorizations are contingent on the contract and any amendment thereto having the prior approval of the City Attorney and Chief Administrative Officer.
2. To authorize the Chief Administrative Officer to execute any budget amendments necessary to implement the budgetary actions outlined in this memo.

Thank you for your consideration of this request.

Board of Finance and City Council Submission Checklist

Department: DPW-Water Resources Submitter: Ashley Walenty

Title/Subject: Water Resources Distribution and Collection System Contract Overage

	Approval:	Meeting Date:
☐	Board of Finance	
☐	City Council	Click or tap to enter a date.
☒	Concurrent	1/13/2025

This form must be completed by the person submitting the materials, and sent with the final submission. Please do not indicate that a signoff was received until it has actually been obtained.

Signoffs Received

Signoff Needed	Received	Date Received	Note
Department Head	Yes	1/7/25	Chapin Spencer
Mayor's Office informed and approved memo	Yes	1/8/25	Erin Jacobsen
Board/Commission, if required			
City Attorney's Office has approved contract and/or legal documents, -Identify attorney in note	N/A		
City Attorney's Office has approved memo and motion(s) or resolution(s) -Identify attorney in note	Yes	1/7/25	Erik Ramakrishnan
CAO has reviewed budget, financing, and memo	Yes	1/7/25	Katherine Schad
Human Resources, if personnel action -Identify HR Manager in note	N/A	Click or tap to enter a date.	Click or tap here to enter text.
CIO, if an IT-related investment/purchase	N/A	Click or tap to enter a date.	Click or tap here to enter text.

Materials Included

	Included?	Note
Final Memo Attached?	Yes	Click or tap here to enter text.
Contract Attached, if applicable?	N/A	Click or tap here to enter text.
Additional Materials, if necessary	N/A	
Draft Resolution or Motion?	N/A	
If for submission to Council, are sponsors identified?	N/A	Click or tap here to enter text.

FY26 General Fund Budget Update to City Council

January 13, 2025

Goals for this Conversation

- Provide an **initial overview** of FY26 general fund budget.
- Let residents know **what to expect** on their municipal property tax bill.
- Offer clarity on **whether or not the City will seek a general city property tax increase** on the Town Meeting Day ballot.

Context

- Last year at this time the City predicted a $9M budget gap that was **successfully closed** without a general city tax increase.
- The City is **reducing use of one-time funds** (ARPA or use of fund balance) in the general fund budget:
  - FY24 = $5M
  - FY25 = $3.5M
  - FY26 = $1.3M (expected)
- The City is **following best practices** and reviewing budget to actual reports monthly and sharing these with BOF (with more in depth quarterly assessments).
- These contribute to **more sustainable, longer-term strategies that provide predictable information** for taxpayers.

FY26 General Fund Budget Introduction

Assumptions in Building the Budget

- $3.5M of one-time revenues used in FY25 and must be replaced or those expenses reduced.
- Gross receipt rates level.
- All departments were asked to level-fund their budgets as a first step. This is essentially at **least a 4% reduction for each department** (they must find a way to absorb COLA + step increases).
  - It became apparent that the safe staffing levels required for Police and Fire departments result in nearly 100% fixed costs for these departments.
  - Additionally, there were $2.4M of one-time funds used as revenues in FY25 in the Police and Fire departments.
  - While all department budgets were reviewed with equal scrutiny, the Police and Fire department budgets were not able to be held level like other departments.
- **No new projects** or initiatives were included.
- We are prioritizing **affordability** for taxpayers.

Drivers of the Budget

- $3.5M of **one-time revenues** used in FY25 and must be replaced or those expenses reduced.
- Health insurance costs expected to rise about **11%.**
- The Fire and Police budgets comprise **almost 40% of the City's budget** and both contract up for negotiation so increases for those employees are **not yet known but estimated** in the budget.

FY26 Budget Caveats

- All departments have submitted initial draft budgets but there is still a fair amount in flux and **we expect numbers to shift during the process.**
- Without a contract for police or fire unions, we can only make **informed estimates** about the impact on the FY26 budget.
- As a self-insured entity, our health insurance numbers cannot be “locked in” and **will fluctuate** based on actual experience in FY25 (and we are less than 50% of the way through the year).

Expenses

Initial FY26 Known Expense Estimates

- Overall projected expense increase across GF departments over FY25 is **between $5-6M. <u>This number will change</u>.**

  - 89% of that is from Fire and Police

  - The additional 11% is made up of small amounts in different departments to either:
    - allow to continue public safety initiatives started in FY25 (e.g. increased library at FFL); or
    - for small urgent one-time investments (e.g. case management system in City Attorney’s Office).

Initial FY26 Additional Expected Expense Estimates

- Plus additional costs totaling about **$2M.** **<u>This number is even more variable than the previous one</u>**. These include:

  - Additional FY26 health insurance costs
  - True-up for FY24 health insurance and worker's compensation insurance
  - Enforce 5% vacancy on all general fund departments except fire and police
  - Small buffer for upcoming negotiations

- **$5.5M + $2M = $7.5M additional expenses to cover**

Revenues

Initial FY26 Revenue Estimates

Additional revenues of about **$3M expected in FY26 over FY25:**

- Last of ARPA funds (less than $300K)
- Retiring of WTF TIF (last year of Business Personal Property tax per Charter)
- Enforce 5% vacancy on all GF departments except police and fire
- Organic grand List growth
- Employ last $.01 public safety tax approved by voters last year
- Additional $.01 from parks dedicated (splinter) tax (does not require voter approval)

- $7.5M - $3M = **approximate $4.5M gap presently**

Initial FY26 Municipal Tax Estimate

- **Not recommending a general City property tax rate increase.**
- Do plan to utilize remaining approved $0.01 of previously voter-approved public safety tax.
- Also plan to employ an additional $0.01 of parks tax (requires City Council but not voter approval).
- Dedicated taxes for GMT, Debt Service, and Retirement will also go up as allowed by Charter.
- In total, we expect **municipal tax rate to go up 6-7%** next year vs 11% this year.

Additional Considerations

Cost Savings and Efficiencies from ModGov

- The Administration will move forward cost-saving and revenue-generating initiatives that will **save or generate $1-1.5M.**

- We have reordered the phases to **accelerate items**, including department mergers, previously in later phases, to help deal with the budget gap.

- Currently moving forward with process with affected unions and departments before **providing more information at Jan 27 City Council meeting.**

Reducing Non-Essential Services

- As part of the FY26 budget process, the 11 departments with public services have completed a **“service inventory”** which details every service they provide to the public, to whom, how frequently, under what authority, etc.

- Services evaluated in collaboration with departments and unions and provide recommendations to Mayor about **which non-essential services could be cut.** Evaluation factors include who needs the service (equity lens), affordability of providing the service, and who else is providing the service.

- Departments will report back with any proposed service reductions.

FY26 Budget Summary

- No **general fund tax increase** on TMD ballot.

- Projected **overall municipal tax increase at 6-7%** vs an 11% increase last year – mostly retirement and debt service.

- Many **conversations and decisions** in the coming months.

Next Steps

- Provide **“service inventory”** evaluation and recommendations to Mayor.
- Continue review and refinement of **departmental budgets**.
- Continue honing **benefit budgets** and allocation (Retirement, Health, etc.).
- Discuss and implement **ModGov efficiencies**.
- Begin **Tax Fairness Working Group**.
- Further updates to **Board of Finance**.

Questions and Discussion