BURLINGTON BOARD OF FINANCE
BUSHOR CONF. ROOM, FIRST FLOOR, CITY HALL *OR*
REMOTE MEETING WITH CALL-IN NUMBER
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
January 27, 2025

MEMBERS PRESENT:	Ben Traverse (via Zoom) Mark Barlow Sarah E Carpenter Joe Kane (at 5:29 PM) Emma Mulvaney-Stanak
OTHERS PRESENT:	Katherine Schad Jessica Brown Cindi Wight Kim Bleakley Ashley Parker Brad Kukenberger Chapin Spencer Megan Moir

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1.0 CALL TO ORDER and AGENDA

1.1 Motion to amend/adopt the agenda
Mayor Mulvaney-Stanak called the Board of Finance meeting to order at 5:31 PM

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

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

2.0 PUBLIC FORUM

2.1 Verbal Comments
Sharon Bushor spoke about the bond items on the agenda. She expressed support for the $20 million General Obligation bond and asked for confirming of how much that would impact residents' taxes. She also asked about the ramifications of the water bond passing and the wastewater/stormwater bond failing, in terms of whether it would go forward and what the financial implications would be. She applauded the Department of Public Works for trying to reduce the maximum bond amount as much as they have, but said she is still gravely concerned about implications for affordability. She asked whether a longer repayment term or a repayment structure that contains a balloon payment at the end of the term (which could then be refinanced) are possibilities for repaying the bond debt, given concerns about the impact for rate payers.

3.0 CONSENT AGENDA

3.1 Motion to adopt the consent agenda and take the actions indicated.
3.2 January 13, 2025 Board of Finance Meeting Minutes, Draft – approve the minutes.

MOTION by Councilor Barlow, SECOND by Councilor Carpenter, to adopt the consent agenda and take the actions indicated for items 3.1-3.2.

VOTING: unanimous; motion carries.

4.0 DELIBERATIVE AGENDA

4.1 Re-classification of one position, the HVAC Technician, in the Department of Parks, Recreation, and Waterfront to Central Facilities Working Foreperson Heating, Ventilating and Air Conditioning (HVAC) Technician – BPRW/HR

Director Wight said that this position is within the Central Facilities team, and would reclassify one of the trades team members to a role that can provide more support to the trades team as a working foreperson, to coordinate day-to-day work and scheduling for the team (which is currently performed by the Central Facilities Manager).

MOTION by Councilor Barlow, SECOND by Councilor Carpenter, to approve and recommend that the City Council authorize the reclassification of the HVAC Technician, a regular, full-time, non-exempt, AFSCME, Grade 17 position to the Central Facilities Working Foreperson Heating, Ventilation and Air Conditioning (HVAC) Technician, a regular, full-time, non-exempt, AFSCME , Grade 18 position in the Department of Parks, Recreation & Waterfront.

VOTING: unanimous; motion carries.

4.2 Resolution: March 4, 2025 Annual City Meeting – Pledging The Credit Of The City Issue General Obligation Bonds For City's Five-Year Capital Plan – C/T
Capital Program Director Parker provided a brief overview of the $20 million General Obligation bond, why it is needed, and what assets the funding would go toward. She spoke about what the current $2 million in annual bonding capacity the City has the authority to borrow under, noting that it is not enough to invest in the capital assets that need funding currently. She said that the $20 million would be spread out over three years and would provide stable funding to focus on critical infrastructure, such as fleet, sidewalks, streets, bridges, transportation safety, buildings, and parks. She provided a summary of proposed allocation of the $20 million between these asset classes. She noted that there is enough headroom in debt capacity for the City to be comfortable with this ask. She said that even with this bond, the City will be working on developing a sustainable, strategic capital funding plan for the future.

City Council President Traverse noted that grand list growth is an important component in ensuring that the City remains within its expected debt to value ratio, and asked how the grand list growth will occur. He also asked for more detail about the City's aggressive approach for paying off the high school bond. He further asked whether conversations have occurred with Moody's or the City's bond advisors to ensure that any additional incurred debt does not negatively impact the City's credit rating. Finance Director Kukenberger replied that the grand list growth projections used in 2022 were lower than what is currently being experienced, that two large developments will be coming online in the next several years (CityPlace and additional Cambrian Rise buildings), and that a reappraisal will likely be triggered in the next several years, all of which contribute to growth in the grand list. He provided more details about debt repayment, noting that certain debts will be cleared when the City goes to take on debt related to this GO bond. He said that the City has been in touch with its bond counsel at PFC but not with Moody's, but said that because the City is well within its debt capacity, he doesn't foresee negative impacts on credit ratings.

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

VOTING: unanimous; motion carries.

4.3 Resolution: March 4, 2025 – Annual City Meeting Issuance Of Revenue Bonds For Drinking Water Utility Projects – DPW/Water Resources
Director Spencer began by expressing appreciation for the Board of Finance's engagement on these two bonds, appreciation for its participation in tours of the wastewater plants, appreciation for its engagement with constituents about the bonds, and for its ideas on phasing and other affordability strategies.

Division Director Moir began by recognizing the engagement and collaboration in bringing down the bond asks from $21 million to $20 million for the water bond, and from $218 to $152 million for the wastewater/stormwater bond. They also noted the language in the resolution that would require DPW to provide frequent updates to the public and Board of Finance/City Council/DPW Commission on the projects after certain milestones are met, as well as requirements to procure an engineering entity to conduct a comprehensive peer review at 60% final design and pursuing a construction management at-risk methodology for the construction phase of the project. They then spoke briefly about the

impact on rates, saying that current forecasts estimate that water resources bills could increase up to 89% between 2025 and 2030 (over a series of annual increases).

Councilor Carpenter asked what would happen if the water bond passes but the lake bond (stormwater/wastewater bond) does not. Division Director Moir replied that what will likely happen is that infrastructure and wastewater facilities may break and require repair, and that the City will begin to hit up against its capacity for growth, both of which could be detrimental for the City's permits. Councilor Carpenter asked if using a construction management at-risk methodology would limit the number of qualified bidders for the construction contract, and Division Director Moir replied that this model fits in best with several of the contractors the City has in mind for this project, but will keep this in mind as a potentially limiting factor as it moves forward.

Councilor Kane asked if there is flexibility in how the question appears on the ballot, in terms of putting it into plain language for voters' consideration. Division Director Moir replied that state requirements might not be very flexible, but that they are working with the City Attorney's Office on plain language versions for supplemental information along with the ballot. City Attorney Brown replied that her office has been working on neutral language for all charter changes that will be posted on the City's website, and Chief Administrative Officer Schad confirmed this, and confirmed that the language will be translated.

City Council President Traverse noted that constituents continue to have concerns about affordability, even though they acknowledge the critical need for these investments. He expressed appreciation for the additional of requirements for third-party assessment and the inclusion of the construction management at-risk methodology for contracts, as they provide guardrails and help ensure that costs remain under control for the projects associated with these bonds. He noted that if these bonds pass, the City will need to work very diligently to ensure that affordability concerns are addressed in FY26 and beyond.

MOTION by Councilor Carpenter, SECOND by City Council President Traverse, to approve and recommend that the City Council waive the reading and adopt the attached resolution authorizing the placement of a bond request for an amount not to exceed $20,000,000 for capital improvements and additions to the waterworks system on the ballot of the Annual City Meeting to be held March 4, 2025 as more specifically set forth in the attached resolution.

VOTING: unanimous; motion carries.

4.4 Resolution: March 4, 2025 – Annual City Meeting Issuance Of Revenue Bonds For Wastewater And Stormwater Utility Projects – DPW/Water Resources

MOTION by Councilor Carpenter, SECOND by City Council President Traverse, to approve and recommend that the City Council waive the reading and adopt the attached resolution authorizing placement of a bond request for an amount not to exceed $152,000,000 for capital improvements and additions to the wastewater and stormwater systems on the ballot of the Annual City Meeting to be held March 4, 2025 as more specifically set forth in the attached resolution.

VOTING: unanimous; motion carries.

5.0 ADJOURNMENT

5.1 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 6:27 PM.

RScty: AACoonradt