Burlington Department of Public Works
Water Resources Division
235 Penny Lane
Burlington, VT 05401
(802) 863-4501

To: Board of Finance

From: James Sherrard, Stormwater Program Manager

Date: May 8th, 2023

Cc: Megan Moir, Division Head, Water Resources
Chapin Spencer, DPW Director

Re: Authorization to Execute a Stormwater O8 Pond Fence Replacement Contract and Budget Amendment

---

Request:

The Department of Public Works' Water Resources Division (WRD) seeks approval and authorization to execute a construction contract up to $59,225 with Land and Rock Works LLC facilitating the demolition and disposal of the existing 08 Pond fencing and associated support posts and installation of a new 6' high vinyl privacy fence equivalent to the existing fence.

Additionally, in order to fund this project WRD is seeking approval and authorization to execute a budget amendment of $59,225 from Repair and Maintenance (6800_182) to Capital (9500_110) for this capital project.

Introduction & Background

The City is responsible for the operation and maintenance of a variety of stormwater water quality treatment practices many of which have a shared border with private property. While not all of these properties contain privacy fencing, for those that do the Stormwater Program is responsible for their maintenance and replacement.

The 08 Pond, located due west of Champlain Elementary, is a pond system installed in 2000 to reduce the impact of urban pollutants and excess stormwater flow on Englesby Brook. At the time the pond was constructed, a wooden privacy fence was also installed along the northern property line of which eight (8) Birchcliff Pkwy residences abut. In recent years residents have reached out to the City requesting maintenance be performed on the original fence. While Streets Maintenance staff have temporarily propped up individual fence segments, due to failing support posts and the fence's overall age a full replacement is needed.

The City posted a Request for Proposals on February 23rd, 2023 seeking bids from qualified firms to perform the demolition and disposal of the existing fence along with the installation of a new vinyl fence. Two bids were received by the March 31st, 2023 deadline for this work. A summary table of the bid results is shown below.

Contractor	Bid	Union Deterrence	Livable Wage	Outsourcing Ordinance
Waterman Siteworks	$65,100	X	X	
Land and Rock Works LLC	$51,500	X	X	X

As Land and Rock Works LLC was both the lowest qualified bidder and the only contractor to provide the full suite of requested documentation, the Stormwater Program has selected them as the chosen contractor.

Budget & Timeline

The Stormwater Program seeks to execute a contract for an amount up to $59,225 (including 15% contingency) with Land and Rock Works LLC by June 5th, 2023 with work potentially taking place during both FY23 and FY24. The funds will be encumbered in FY23 and will be carried forward as necessary into FY24.

As this investment is a full replacement of this asset, funding will need to come from GL 245-19-000.9500_110 (Capital Outlay Capital Expenditures). A budget amendment is necessary to transfer funding from the Stormwater Repair and Maintenance Drainage and Catch Basins line (245-19-000.6300_182). There are ample funds remaining in Repair and Maintenance (> $300K) to support this transfer.

Motion for Board of Finance

1. To authorize Chapin Spencer, the Director of Public Works, to execute a construction contract up to $59,225 with Land and Rock Works LLC for the demolition and disposal of the existing 08 Pond fencing and associated support posts and installation of a new 6' high vinyl privacy fence equivalent to the existing fence, subject to the prior review and approval of the City Attorney's Office and;
2. To approve and authorize CAO Schad to execute a budget neutral amendment to decrease the FY23 GL 245-19-000.6300_182 by $59,225 and increase GL 245-19-000.9500_110 by $59,225.

Board of Finance and City Council Submission Checklist

Department: DPW-Water Resources Division Submitter: James Sherrard

Title/Subject: Stormwater O8 Pond Fence Replacement Contract and Budget Amendment

	Approval:	Meeting Date:
☒	Board of Finance	5/8/2023
☐	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	5/1/2023	Chapin Spencer
Mayor's Office informed and approved memo	Yes	5/3/2023	Jordan Redell
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	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	5/2/2023	Hayley McClenahan
CAO has reviewed budget, financing, and memo	Yes	5/2/2023	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?	No	Submitted to Legal for review and Approval.
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 and City Council
From:	City Councilors Barlow, Bergman, and King
Date:	May 4, 2023
Subject:	Use of Council Initiative Funds for TEUC Sponsored McNeil Symposium

We are requesting that the Board of Finance approve and recommend approval to the City Council expending up to $5,000 of the budgeted City Council Initiative Funds to pay for expenses associated with promoting and producing the TEUC sponsored McNeil Symposium and securing the attendance of academic experts on climate considerations associated with biomass electricity generation.

Details on the Symposium
At a date in June 2023 still to be determined, the Transportation Energy and Utility Committee of the City Council (TEUC) is sponsoring a public event at Contois Auditorium that will take up questions about burning biomass at McNeil Generating Station. After a brief introduction about McNeil by Burlington Electric Department (BED), panelists selected by BED and academic experts on climate considerations associated with biomass electricity generation selected by the TEUC will discuss questions posed by the TEUC. Questions and comments by the public will also be considered and addressed by the panel.

Need for the Symposium
The burning of biomass for electricity generation at McNeil Station is a topic that has recently generated significant public interest. The City Council has received numerous email messages and comments in various public forums on this topic. Some have questioned the renewable status of biomass and called for a plan to phase out or close McNeil. Others argue that McNeil is our best option for reducing fossil fuel use and is a sustainable alternative. The public interest in this topic is particularly timely given the City Council's anticipated consideration of a district energy plan involving McNeil. TEUC believes that a symposium will address claims, answer questions, and ultimately help clarify decisions that the Council will be asked to make.

Budget

Expense	Expense Description
Up to $5,000	Honoraria for academic experts, promotion, and production related expenses for TEUC sponsored McNeil Symposium.

Suggested Board of Finance Motion
To approve and recommend approval by the City Council the expenditure of up to $5,000.00 of budgeted City Council Initiative funds for honoraria and expenses associated with promoting and producing a TEUC sponsored McNeil Symposium.

Suggested City Council Motion
To approve the expenditure of up to $5,000.00 of budgeted City Council Initiative funds for honoraria and expenses associated with promoting and producing a TEUC sponsored McNeil Symposium.

Thank you for your consideration,

City Councilors Mark Barlow, Gene Bergman, Hannah King

Burlington Department of Public Works
Water Resources Division
235 Penny Lane
Burlington, VT 05401
(802) 863-4501

MEMORANDUM

TO: Board of Finance and City Council

FROM: Megan Moir and Steve Roy, DPW - Water Resources

DATE: May 8, 2023

CC: Chapin Spencer, DPW Director

RE: Amendment of Work Assignment Agreement #3 with Utility Services Co., Inc. for Project Cost Increases associated with Redstone Tank Rehabilitation

---

REQUEST:

The Department of Public Works ("DPW") and its Water Resources Division ("WRD") seeks authorization to amend Work Assignment #3 with Utility Services Co. and increase the maximum limiting amount (MLA) by $135,385 for price increases associated with the Redstone Tank Rehabilitation bringing the total MLA to $685,365. This increase from our original 2019 contract with Utility Services is a result of project delays due to COVID and delays in response by our lessee, AT&T, who owns cellular antennas on the tank and who needs to temporarily remove said antennas in order for the rehabilitation project to move forward.

AT&T has agreed to pay for the entire $135,385 cost increase due to their contribution to the project delays, thus mitigating the financial impact on the Water Enterprise Fund. As such, Water Resources is also seeking approval to execute an agreement with AT&T/New Cingular Wireless LLC to accept a lump sum payment which will be paid to Utility Services once the work is complete.

BACKGROUND:

Since 1991 the City has leased space on the Redstone tank to a number of the cell carriers for their antennas with the latest being AT&T. Leasing space to cellular carriers on existing elevated structures is an alternative source of revenue for municipalities. In our case, the FY23 anticipated revenue is approximately $98K.

On July 23, 2019, after approval by the Board of Finance and City Council, the City executed a long term Master Service Agreement (MSA) with Utility Services Co., Inc., a company that specializes in the maintenance and rehabilitation of water tanks. Both tanks needed substantial repairs in order to ensure reliability of Burlington's water supply – and this MSA was deemed the best approach to perform this specialized work while limiting impact on the ratepayers. Work under this contract is authorized via Work Assignment Agreements (WAA). Below is a listing of the work assignment agreements to date:

- WAA #1: Rehabilitation of the UVM Tank (annual payments for 5 years) - total $853,460
- WAA #2: Inspections and Maintenance of UVM Tank (annual payments over 10 years) – total $443,334
- WAA #3: Rehabilitation of the Redstone Tank (annual payments for 5 years) - total $549,980

- WAA #4: Inspections and Maintenance of the Redstone Tank (annual payments over 10 years) – total $220,887
- WAA #5: Installation of an FAA compliant beacon on UVM Tank - $2,334
- WAA #6: Design of Cell Antenna Corral - $15,000
- WAA #7: Design of Redstone Tank Structural Fortifications - $7,204
- WAA #8: Construction cost of Redstone Tank Corral and Structural Fortifications - $245,000

We are seeking approval to accept a total price increase of $135,385 per the attached 2/22/23 letter from Chief Operating Officer Jonathan Cato with Veolia (formerly Utility Service Co.) and to amend WAA#3 to increase the MLA from $549,980 to $685,365.

Because interior and exterior recoating must be completed well in advance of colder temperatures, given that the required FAA permits have not been issued and that the logistics of this project require significant advanced notification, the window for 2023 project completion is unfortunately closed. This project is anticipated to be completed in 2024.Utility Service Co. is aware of this schedule and this will be reflected in the WAA to guard against additional increases.

<u>*Funding Contribution from AT&T*</u>

WRD notified AT&T in December of 2019 of the need to remove their cellular antennas so that WRD could perform rehabilitation work on the Redstone Tank. After a lengthy lack of responsiveness by AT&T, the company finally hired a third party in late 2021 and the project has been slowly advancing with AT&T agreeing to install a temporary cell tower to maintain cellular coverage and filing for the necessary FAA permits (which are still pending issuance). Given these delays, WRD approached AT&T about contributing funding to the project, and AT&T agreed to contribute $135,385. This funding will be held by the City and paid to the tank contractor upon completion of the project. Because of this contribution, this work assignment agreement amendment does not financially impact the Water Enterprise Fund.

<u>MOTIONS:</u>

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

<u>Board of Finance Actions:</u>

1. "To approve and recommend that the City Council authorize Chapin Spencer, Director of the Department of Public Works, to execute an amended work assignment agreement work assignment agreement #3 with Utility Services Co., Inc. for an amount not to exceed $685,365, subject to review by the City Attorney's Office."
2. "To approve and recommend that the City Council authorize the acceptance of $135, 385 from AT&T/Cingular Wireless to be used towards Red Stone Water Tank Rehabilitation, and authorize Chapin Spencer, Director of Public Works, to execute an agreement with AT&T/Cingular Wireless LLC memorializing such acceptance of funds, subject to the final review and approval of the City Attorney's Office."

<u>City Council Actions:</u>

1. "To approve and authorize Chapin Spencer, Director of the Department of Public Works, to execute an amended work assignment agreement #3 with Utility Services Co., Inc. for an amount not to exceed $685,365, subject to review by the City Attorney's Office."

2. "To approve and authorize the acceptance of $135,385 from AT&T/Cingular Wireless to be used towards Red Stone Water Tank Rehabilitation, and authorize Chapin Spencer, Director of Public Works, to execute an agreement with AT&T/Cingular Wireless LLC memorializing the acceptance of such funds, subject to the final review and approval of the City Attorney's Office."

Thank you for your consideration of this request.

Attachments:

A. Notification of price increase

ATTACHMENT A

VEOLIA

February 22, 2023

Steve Roy
Burlington Public Works, VT
235 Penny Lane
Burlington, Chittenden VT 05401

RE: Addendum to Water Tank Maintenance Contract with Utility Service Co., Inc.

Dear Mr. Roy:

This letter agreement shall serve as an addendum to the Water Tank Maintenance Contract ("Original Contract") described as follows:

Original Contract Date	Tank Name	Gallons	Type	Tank Project#	Customer #
23-JULY-2019	REDSTONE TANK	150,000	ELEVATED	147956	37193

The following changes shall be made to the Original Contract :

TERMS: Due to renovation delays on the Redstone Tank, the parties have agreed to revise and update fees under the Original Contract as follows:

Work Assignment Contract #3, Redstone Water Tank Rehabilitation.

Section 5.A. and 5.B. shall be deleted and replaced with the following:

A. **Contract Fee**. The City shall pay Contractor in five installments as follows:

Contract Year 4 (FY 2023): $137,073.00
Contract Year 5 (FY 2024): $137,073.00
Contract Year 6 (FY 2025): $137,073.00
Contract Year 7 (FY 2026): $137,073.00
Contract Year 8 (FY 2027): $137,073.00

The initial installment for Contract Year 4 shall be due and payable within 30 days of completion of the renovation and repairs described in §4 and Attachment A of this Contract. Each additional yearly installment payment shall be made as two equal annual payments on or before December 31 (payment 1) and on or before June 30 (payment 2) of each City Fiscal Year. Invoices for Year 4 payments shall be submitted by November 1 and May 1. Contractor agrees to accept this payment as full compensation for performance of all services and expenses (including those of subcontracts, if any) under this Contract.

B. **Maximum Limiting Amount**. The total amount that may be paid to the Contractor for all services and expense under this Contract shall not exceed the maximum limiting amount of $685,365.00. The City shall not be liable to Contractor for any amount exceeding the maximum limiting amount without duly authorized written approval.

Work Assignment Contract #4, Redstone Water Tank Maintenance.

Attachment B shall be deleted and replaced with the following:

Table of Annual Maintenance Service Fees: Redstone Tank

Year	Fiscal Year Ending June 30	Annual Maintenance Service Fee
1	2020	$2,500.00
2	2021	$19,943.00
3	2022	$19,943.00
4	2023	$19,943.00
5	2024	$19,943.00
6	2025	$19,943.00
7	2026	$28,136.00
8	2027	$29,132.00
9	2028	$30,163.00
10	2029	$31,231.00
	Total:	$220,877.00

Open Invoice Reversal

As a result of the changes detailed above, and upon full execution of this Addendum, the following three (3) invoices shall be reversed:

Invoice No. 547133 dated November 1, 2021 in the amount of $54,983.00;
Invoice No. 558577 dated May 1, 2022, in the amount of $54,983.00; and
Invoice No. 570132 dated November 1, 2022, in the amount of $54,988.00.

Any and all other aspects of the Original Contract not addressed in this addendum shall remain unmodified and in full force and effect.

I appreciate this opportunity and look forward to working with you in the future.

Sincerely,

Jonathan Cato
Chief Operating Officer

Burlington Public Works, VT

Authorizing Signature: ____________________________________ **Title:** ____________________________
The above signatory certifies that he or she is duly authorized to sign this Addendum on behalf of the entity(ies) represented.
Printed Name: ____ **Date:** _____________________________

Veolia North America | Advanced Solutions
535 General Courtney Hodges Blvd
P O Box 1350
Perry, GA 31069
tel. +1 866 919 3471

www.veolianorthamerica.com

Board of Finance and City Council Submission Checklist

Department: DPW-Water Resources Submitter: Megan Moir / Steve Roy

Title/Subject: Redstone Rehabilitation Work Assignment Agreement Amendment (Cost Increase) and Acceptance of Cost Contribution from Cellular Lessee

	Approval:	Meeting Date:
☒	Board of Finance	5/8/2023
☒	City Council	5/15/2023
☐	Concurrent	

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	5/1/2023	Click or tap here to enter text.
Mayor's Office informed and approved memo	Yes	5/3/2023	Click or tap here to enter text.
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	5/2/2023	Hayley McClenahan approved
City Attorney's Office has approved memo and motion(s) or resolution(s) -Identify attorney in note	N/A		Click or tap here to enter text.
CAO has reviewed budget, financing, and memo	Yes	5/2/2023	Click or tap here to enter text.
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	Motion reviewed by CA
If for submission to Council, are sponsors identified?	N/A	Click or tap here to enter text.

Burlington Department of Public Works
Water Resources Division
235 Penny Lane
Burlington, VT 05401
(802) 863-4501

MEMORANDUM

TO: Board of Finance and City Council

FROM: Ashley Walenty, Water Resources Engineer
Megan Moir, Assistant Director of Public Works

DATE: May 8, 2023

CC: Chapin Spencer, Director of Public Works

RE: Request for Approval to Execute Contract with ADS Environmental Services for the Flow Monitoring and Data Hosting Services

---

REQUEST

The Department of Public Works Water Resources Division (WRD) seeks approval and authorization to execute an agreement for up to $478,161 with ADS to provide flow monitoring and online data hosting services over a three year period.

Currently, ADS is providing flow monitoring and online data hosting services for all five (5) Combined Sewer Overflow ("CSO") locations as well as the associated rain gauges. This contract will provide continual monitoring, maintenance and data oversight of these locations. In addition, there is a monthly meter rate option that will allow the City to request additional flow monitoring installations to aid in further calibration of our collection system Hydraulic/Hydrologic ("H/H") modeling program to support the City's Combined Sewer Long Term Control Plan.

EXECUTIVE SUMMARY

Background

In 2016, the State of Vermont updated the 1990 Combined Sewer Overflow (CSO) policy and implemented more stringent requirements on CSO communities. This includes higher expectations for the monitoring of CSOs and evaluating and remediating locations where, due to stormwater inputs, the sewer collection system capacity can be exceeded and overflows or flooding can occur, potentially exposing the public to sewage. The City is obligated to meet these and other requirements via a 1272 Order issued to the City by the State. We simply cannot meet these regulations and design the most cost effective solutions for the prevention of CSOs and collection system capacity issues without robust flow metering to support our predictive models.

As a result of the adoption of the 2016 CSO Policy and our 1272 Order, in 2017 the City purchased and installed flow meters (Blue Siren) and quickly learned of the challenges of managing a flow metering program in-house without dedicated staffing. Safe installation and maintenance (which can be frequent due to the harsh operating environment) takes 3 staff members and the installation process (for meters that need to be moved around) can be very challenging due to varying site conditions. From there, the data processing and analysis to translate the data into useable information is time intensive. Given the many other duties which WRD staff are responsible for, there were several CSO events where precise data was not captured due to equipment in need of repair or replacement which impacts the long term datasets WRD needs to capture for our Long Term Control Plan (LTCP), which is mandated by our 1272 order. While the technology has improved over the years, it can be finicky and requires frequent touches to ensure that the data integrity is not compromised – in short it is best performed by industry experts whose singular focus is flow metering.

Procurement and Selection:
The Blue Sirens reached the end of their useful life in early 2022. Given the challenges with meeting this on-going regulatory requirement in-house and because significant additional flow metering was necessary in 2023 for a sewer collection system model update, the City opted to have its Hydrologic and Hydraulic (H/H) collection system consultant, Hoyle Tanner (HT) procure and sub-contract out flow metering. As part of procurement, HT obtained quotes from the two large scale flow metering providers in the region, ADS and Flow Assessment Services. Given that pricing from the two vendors was substantially similar, HT awarded the contract to ADS based on their approach being more well thought out and their level of experience with similar projects.

The flow metering included installation of flow meters at our 5 CSO locations as well as additional locations throughout the City in support of fine tuning the model, particularly in focused project locations such as the Ravine Sewer relocation project and the Railyard Enterprise project. ADS performed installation, maintenance, online data monitoring and hosting services. The quality and ease of data retrieval and analysis and the minimal burden on staff during 2023 were notable, allowing engineering staff to focus on their many other duties. The costs for flow metering for one year (2023) were included in the $751,391 H/H 2023 Modeling project, which is funded by a State Revolving Fund Loan – both approved by the Board of Finance and City Council in February 2022 (https://bit.ly/Feb2022FlowMetering).

In that communication to the Board and Council, WRD forecast the intention to continue leasing the equipment from the same vendor (pending vendor performance). In order to maintain continuity of this data (the 5 CSO meters are still installed) WRD obtained an updated quote (Table 1) from ADS for the services we anticipate for the next 3 years: 1) maintaining the 5 permanent flow meter equipment installations at the CSOs, the associated rain gauges and data hosting and 2) installation and maintenance of additional flow meters (priced on a per meter/month basis) that can be deployed as necessary to meet the additional regulatory requirements of the LTCP, such as continued collection system capacity evaluations to reduce and eliminate street level surcharge and flooding.

Table 1: Pricing from ADS Environmental Services

Item	Year 1	Year 2	Year 3
Permanent Flow Metering Program (5 locations)	$102,502	$106,389	$110,430
Temporary Flow Metering (per meter/month	$1,272	$1,323	$1,376

WRD intends to structure this as a main agreement containing a maximum limiting amount for the estimated maximum value of a 3 year work plan that allows for a “base” work assignment agreement for the 3 years of permanent flow metering with additional funding authorization to support the deployment of up to 5 additional “temporary” meters for up to 8 months each year. The additional “temporary” flow meters will be authorized via separate work assignment agreements which can specify the location and duration as necessary throughout the City. See Table 2 for resulting calculations.

Table 2: Maximum Limiting Amount Calculation for 3 year program:

Item	Year 1	Year 2	Year 3
Permanent Flow Metering Program (5 locations) “Base”	$102,502	$106,389	$110,430
“Temporary” Flow Metering (up to 5 locations per year for up to 8 months)	$50,880	$52,920	$55,040
Total (maximum annual)	$153,382	$159,309	$165,470

Total maximum 3 year cost: **$478,161**

Funding
This project will be funded 25% from the Wastewater Fund and 75% from the Stormwater Fund. Funding will be programmed into the FY24 and subsequent budgets for the 3 year period.

MOTIONS

Board of Finance:

1. “To approve and recommend that the City Council authorize the Director of Public Works to execute a main agreement with ADS Environmental Services for flow monitoring and data hosting services for a term of 3 years and maximum limiting amount of $478,161, and subsequent work assignment sub-agreements for temporary flow metering, subject to final review and approval by the City Attorney’ Office.”

City Council:

1. “To approve and authorize the Director of Public Works to execute a main agreement with ADS Environmental Services for flow monitoring and data hosting services for a term of 3 years and maximum limiting amount of $478,161, and subsequent work assignment sub-agreements for temporary flow metering, subject to final review and approval by the City Attorney’ Office.”

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: ADS Flow Metering Program

	Approval:	Meeting Date:
☒	Board of Finance	5/8/2023
☒	City Council	5/15/2023
☐	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	5/2/2023	Click or tap here to enter text.
Mayor's Office informed and approved memo	Yes	5/3/2023	Click or tap here to enter text.
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	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	5/2/2023	Hayley McClenahan
CAO has reviewed budget, financing, and memo	Yes	5/2/2023	Click or tap here to enter text.
Human Resources, if personnel action -Identify HR Manager in note	N/A		
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?	N/A	Click or tap here to enter text.
If for submission to Council, are sponsors identified?	N/A	Click or tap here to enter text.

FY24 General Fund Budget Overview

May 8, 2023

A Challenging Budget Period

As with the past three budget years since the pandemic, FY24 has again been a very challenging, evolving, and difficult to project budget. In some ways this is the most difficult of the pandemic-era budgets and many of these challenges will ripple into future years.

Factors contributing to challenges in FY24's budget and future years:

- **Inflation-driven COLA increases** across all unions for FY23 and FY24 add substantial costs to operating budget.
- **Rebuilding of police officer ranks, three new firefighters, and growth of CSLs and CSOs** also contribute to considerable public safety cost increase.
- **Significant and sustained inflation rate** increases all of City's operating costs.
- **We are in 3rd and final year of phasing out federal support for dramatically expanded equity initiatives that began in 2020** (Initial funding was $2,760,000 and this year will be only $970,000).

A Challenging Budget Period

More factors contributing to challenges in FY24's + future budgets:

- **Pandemic-impacted revenue shortfalls continue to persist** across numerous diverse sources of revenue, such as boat slip rental at the waterfront and parking.

- **Limited capacity of CT staff** for budgeting challenges due to staff transitions, the Waterfront TIF Audit, and older financial software.

- **No voter-approved property tax-increase since 2020** (which was used to pay for the cost of adding an ambulance crew).

FY23 - FY24 Budget Gap

Category	FY23 Adopted	FY23 Amended	FY24
Revenues	$96.5M	$98.0M	$93.7M
Expenses	$96.5M	$97.4M	$98.7M
Difference	$0	$600K	($5.0M)

Major Elements of $5 Million Challenge

- **$1M of Vehicle Fleet Costs**
- **$1.3M of increased BPD personnel costs**
  - $950K for increased uniform officer costs, including 7 new hires and COLA
  - $350K for other increased staffing costs, including dispatch and community support
- **$950K of increased BFD personnel costs**
  - All for firefighters - for COLA and 3 new hires
- **$1.7M of COLA increases to non-public safety staff and general inflationary pressures**

Budget Principles to Address Challenge

- **Restoring public safety through rebuilt and expanded Burlington Police Department and additional public safety resources is top priority of the budget.**
- **Minimizing increases to property tax burden** as constituents and Burlington businesses recover from pandemic and absorb costs of new high school.
- **Retaining current City employees through the volatility of the pandemic and recovery continues to be** a high priority as it has been since 2020.
- **Continuing historically high level of public infrastructure investment** as in all years since 2016.
- Cuts are focused on **non-personnel** budget lines.
- **Few, if any, new initiatives** can be added to the structural budget this year unless funded externally.
- **We will need a multi-year plan to address the challenges that are coming into focus as we emerge from the pandemic**
- We will continue to invest heavily in addressing the **climate emergency** in significant part through expanded BED efforts.
- Additional new **federal and state opportunities are** available and we continue our expanded efforts to apply for them.

Budget Direction for Department Heads

- All departments are funded at current staffing levels, only new hires are in public safety

- As in FY’23, revenues are aggressively but realistically budgeted (and we expect to use ARPA funds for a Revenue Replacement Reserve again)

- Department Heads level-funded all operating budgets with few exceptions (ambulance supplies, diesel fuel, etc)

FY24 Budget Solutions

- Use of City Council Charter Authority to Properly Fund Parks -- $1.1 million
- Repurposing of Revenue Replacement Reserve and other reserves to Fund First year of Multi-year Plan to Phase in new Public Safety costs to the structural budget – up to $2.25 million
- Use of one-time funds (approximately half-fleet related) to address one year of vehicle fleet challenge -- $1 million
- Approximately $750,000 of additional cuts and adjustments

BPRW Appropriation

- The City Council has a Charter ability (Chapter 3-67) to make a tax assessment for reasonable appropriates for the care and improvement of park property and for the City Recreational Program, and meeting the expenses of the Park and Recreation Department.
- This Parks and Recreation Tax was last increased in FY13.
- An increase of $.02 to the current rate would yield an additional $1.1M of revenue to pay for BPRW expenses the City is already incurring
- When combined with all other municipal taxes (including the debt service and retirement taxes which will both have planned increases this year), the total projected municipal tax rate increase including this change in the Parks tax will be less than 5% (which is comparable to this year's projected State Education tax rate increase)

BPRW Appropriation

Category	Total
Expected FY24 BPRW Expenses	$9,700,000
Less expected FY24 BPRW Revenues	($5,200,000)
Less FY24 Parks Tax @ current rate	($1,400,000)
Less FY24 Penny for Parks revenue	($ 550,000)
Unfunded FY24 BPRW Expenses	$2,550,000

Phase in of new Public Safety Costs

- As noted above, increased Public Safety costs are driving approximately 45% of this year's budget gap.
- This pressure will increase in the next two budget years as the Rebuilding Plan is implemented and police officer ranks return to the authorized levels (this will be detailed in the BPD budget presentation).
- To maintain Public Safety Investment, we will need to phase into the structural budget these costs over approximately three years.
- Source for Phase-in: the FY23 budget allocated $2M to Revenue Replacement Reserve, to be used if revenues did not meet budgeted levels
- Won't hit revenue targets but spending has been slower than expected too (tough hiring market has made it difficult to hire and retain staff across City)
- Confident we will have $1.5M left to allocate to FY24 budget

Fleet Challenge – The History

- FY17-18: After 4-year moratorium on purchases, fleet team begins rebuilding fleet, identifies financial challenges and hires consultant.
- Oct 2019: Fleet Policy approved by City Council.
- FY20: Fleet resources pooled into one location to create efficiencies as recommended by consultant. Fleet reserve established.
- FY20-22: Numerous staff transitions, exacerbated by pandemic, lead to lack of implementation of system to try to make fleet reserve revolving and sustainable.
- FY23: Fleet team receives approval for use of $751K from GF to support lease payments.
- FY24: Freeze on purchases of new vehicles for GF depts, have $1M of existing lease payments to make.

Fleet Challenge

FY24 Fleet requires approximately $1M for existing lease payments:

- Fleet Committee **has already identified $615K from one-time sources** specifically fleet gains, impact fees, and the last of the Fleet reserve
- Fleet Committee **requests $450K from one-time funds** to meet the FY24 need
- Fleet will need **an additional $1M in FY25 and $1M in FY26 from the General Fund** to meet existing lease obligations
- **$2M/year** is needed for vehicle purchases to maintain a sustainable Fleet capable of meeting level of service expectations.

Next Steps

- **Departmental Budget Presentations to Board of Finance**
  - Wednesday, May 10
  - Monday, May 15
  - Wednesday, May 17
- **May 30— Board of Finance Work Session: Present CAO Draft GF Budget**
- **June 20 — Board of Finance and City Council Act on Mayor’s Budget**