

**BURLINGTON BOARD OF FINANCE
FY24 BUDGET PRESENTATIONS
BUSHOR CONF. ROOM, FIRST FLOOR, CITY HALL *OR*
REMOTE MEETING WITH CALL-IN NUMBER
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
May 10, 2023**

MEMBERS PRESENT:

Karen Paul
Ali Dieng (via Zoom)
Joe Magee
Mark Barlow
Miro Weinberger

OTHERS PRESENT:

Katherine Schad
Jordan Redell
Kerin Durfee
Nic Longo
Marie Friedman
Mary Danko
Kim Sturtevant
Scot Barker
Meagan Tuttle
Gene Bergman
Sarah Carpenter
Melo Grant

1.0 CALL TO ORDER and AGENDA

Chief Administration Officer Schad called the Board of Finance meeting to order at 5:06 PM.

MOTION by Councilor Magee, SECOND by Councilor Dieng, to amend/adopt the agenda as follows:

- **Move Item #6.01 (City Attorney) to #9.01.**

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

Sharon Bushor thanked staff for the tax budget presentations that they produce, as they are extremely helpful for the residents of Burlington to understand the budget. She also asked for more details about the book tax. She further asked about projections for the amount of funding for outsourced staff. She expressed concern about the budget million shortfall and about utilizing City Council charter authority to raise taxes through BPRW, since municipal taxes are not income-sensitive like State taxes, and that there could be negative impacts for those with lower or fixed incomes.

3.0 HUMAN RESOURCES

3.01 Human Resources – Kerin Durfee

Human Resources Director Durfee began by reviewing the Human Resources organizational chart, noting that the department is in the process of recruiting for an assistant director of benefits and risk management, as well as a safety manager, and that the payroll division has moved to the department. She provided a summary of the City's workforce demographics, noting efforts taken to recruit a workforce for the City that is representative of the community. She noted other highlights, including that the City hired over 150 positions over the past year, conducted over 1,000 online/in-person trainings, and that they hosted a number of job fairs. She outlined the FY24 Human Resources budget, noting that 79% of the budget is for personnel costs, with the remainder going to supplies, recruitment, consulting services, training, and utilities/leases. She noted that the department would like to increase in-person trainings and development, in order to utilize City spaces and have more in-person connections. She also noted that the department will be prioritizing employee wellness and mental health over the next year.

Councilor Grant asked whether digital marketing is utilized to advertise and recruit for vacant City positions. Human Resources Director Durfee replied that that the City does not engage in digital marketing yet, but that it is something that the City is pursuing for the next year.

Councilor Barlow noted that the personnel budget is 26% higher than it was for FY23 and asked whether that is the result of absorbing the payroll division and filling vacant positions, and Director Durfee replied in the affirmative.

Councilor Bergman asked whether there are opportunities for departmental savings this year. He also asked if there are any initiatives that the department would like to be doing but can't. Director Durfee replied that she would like to spend more time on the ground recruiting and said that she is looking into more opportunities for savings, but that the City is also looking as a whole at ways to realize more efficiencies.

Councilor Dieng asked for more details around the organizational chart and new positions, which Director Durfee provided. Councilor Dieng asked where the department could further cut if they were asked to, and Director Durfee replied that she would need to decrease the supply line item and do more digitization if asked to further decrease the budget. Councilor Dieng asked how the City is doing in terms of retention, and Director Durfee replied that there has not been much turnover over the last year.

4.0 AIRPORT

4.01 Airport – Nic Longo

Aviation Director Longo began by outlining fiscal highlights for the 2024 budget. He noted that the budget reflects a positive industry outlook, as passenger recover for the region is exponentially growing and are forecasted to exceed 2019 levels, and that non-aeronautical revenues continue to grow with new tenants and major development opportunities. He noted that operations (landings and takeoffs) continue to be at a regional record, and that there are a significant number of capital projects being funded by the Federal Aviation Administration (FAA). He spoke about revenues, noting that passengers are likely to rebound to over 95% of 2019 levels, and that parking garage and car rental

concession revenues are projected to exceed 2019 levels. Chief Financial Officer Friedman spoke about the Airport's expenses, noting that its major components are salaries and benefits, maintenance and janitorial contracts, professional and consultant services, and repairs and maintenance. She noted increases in expenses across all components. She noted around \$4 million in ARPA funding that is available and has not yet been spent.

Councilor Dieng asked how the Airport is doing compared to other regional airports, asked about the Airports efforts around climate change, and asked for further details about janitorial costs. Aviation Director Longo replied that the City is now on par with other regional airports in terms of passengers. He noted that the Airport has \$250,000 for projects related to climate change set aside in its budget. He noted that the Airports capital projects have climate initiatives built into its projects. Chief Financial Officer Friedman noted that the Airport had already requested an increase in janitorial expenses to cover the larger footprint of the Airport as it has expanded, though there is not much of an increase between FY23 and FY24.

Councilor Bergman asked which capital projects are not eligible for FAA funding. Aviation Director Longo replied that the FAA looks at whether a project is directly related to revenue generation, in which case it is not eligible for FAA grant funding. He also noted safety requirements. He noted that runway center line work is a great example of a grant-eligible project, but that any work on the parking garage would not qualify. Councilor Bergman said it would be helpful to know if there are unmet capital needs that wouldn't qualify for FAA grant funding.

5.0 FLETCHER FREE LIBRARY

5.01 Fletcher Free Library – Mary Danko

Director Danko began by providing an overview of the Library's mission, vision, and strategies. She then provided an overview of the FY24 budget, beginning with expenses. She noted that 77% of the library's expenses are for personnel costs, with the remainder for utilities, equipment lease and maintenance, the collection fund, supplies, services (security), and the New North End (NNE) Branch overhead. She spoke about the Friends of the Fletcher Free Library 501(c)(3), which bring in revenue to the Library through an annual appeal, contributions, grants, book sales, online sales, a bookstall, fundraising events, merchandise sales, and interest.

Councilor Barlow noted that there is no grant line in the revenue budget and asked whether the Library anticipates receiving grants in FY24. Director Danko replied that they do not anticipate any grants for FY24. She noted several large grants that come through capital, but not in the departmental budget.

Councilor Dieng asked whether the NNE branch line is adequate, and Director Danko replied that she believes it is.

Councilor Grant asked whether the security line item in the budget has been in the budget previously or whether this is an addition over the last several years. Director Danko replied that the security line item has been in the budget for a number of years. Councilor Grant asked whether they anticipate this line item increasing. Director Danko replied that the Library is a place for everyone and that staff and the City have worked hard to put in place policies and ordinances that allow access while ensuring that everyone in the Library is safe.

Councilor Bergman asked about the increase in the security line, and Director Danko replied that security is now present at the Library during all hours the Library is open. Councilor Bergman asked how often the police are called. Director Danko replied that the Library has an average of two to three serious incidents per week, though they do not often involve the police. She said that they have an excellent relationship with the Howard Center's street outreach team as well.

6.0 INNOVATION AND TECHNOLOGY

6.01 Innovation and Technology – Scot Barker

Chief Innovation Officer Barker began by providing an overview of the Innovation & Technology Department's organizational chart, mission, and purpose. He spoke about activities over the past year, noting that the department added a helpdesk support technician, replaced backbone servers in City Hall, upgraded old and unsupported storage area network devices and added new storage space, engaged with the Cybersecurity & Infrastructure Security Agency on several cybersecurity initiatives, replaced the City's security camera backend software system, began relocating critical networking equipment from Memorial Hall, and replaced the BoardDocs agenda and meeting management software with CivicClerk. He spoke about plans for FY24, which include increasing the City's cybersecurity posture, becoming a "digital first" organization, completing the relocation of critical networking equipment from Memorial Auditorium, and applying an equity and accessibility mindset and practices to efforts across the City. He noted that in terms of the FY24 budget, the department is requesting expenses of \$1,954,994 and an operating budget of \$998,760, which represents a 3.2% increase over FY23 (mainly due to normal and expected software licensing maintenance and support increases).

City Council President Paul noted that for FY24 operating budgets were intended to be level-funded, and this 3.2% increase is an exception to that. Chief Innovation Officer Barker acknowledged this, noting that there were also some savings within the department.

Councilor Barlow asked if there is a City policy to centralize software development or whether each department purchases its own software without involving IT. Chief Innovation Officer Barker replied that he is involved in all large software purchases and that all smaller software purchases are generally for one individual staff member. He said that departments are not permitted to make large IT purchases without involving the IT department. Councilor Barlow asked whether there is a plan to virtualize any of the remaining physical servers and storage, and Chief Innovation Officer Barker replied that the City tries to move data to cloud servers where possible, to decrease the need for physical servers.

Councilor Dieng asked whether there is a timeline for moving servers from Memorial Auditorium, and Chief Innovation Officer Barker replied that they anticipate having servers and equipment moved from Memorial Auditorium by October or November.

7.0 PLANNING

7.01 Planning – Meagan Tuttle

Director Tuttle began by noting the Office of City Planning's essential functions, which include work in the areas of comprehensive planning, ordinance development, urban analytics and design, and board and commission support. She noted that the department is almost exclusively General Fund supported, with the remaining 4% coming from grants. She said that they are anticipating requesting approximately \$490,000 in FY23 rollover to continue funded projects. She noted that in terms of expenses, 80% of the budget covers salaries and benefits, which maintains staffing of 5.1 FTEs and the continuation of intern and data fellows as temporary positions. She noted that the FY24 request is for \$843,629, which is \$46,000 less than the FY23 request, as a result of reduced consultant services and staff training. She noted that the department has only been fully staffed for 5 of the last 19 months. She outlined projects that the department will be working on in FY24.

Councilor Dieng suggested that there could be a cost-saving mechanism if the City consolidated data, technology, and planning as one department. He also asked how much the two intern positions cost. Director Tuttle replied that the intern position costs around \$10,000 per year and that the data fellow positions are funded through vacancy savings and cost savings from reductions in consultant services.

Councilor Bergman noted that there are planning services being used by other departments, such as BPD and Parks, and whether interdepartmental resources and charges are masking the true costs of each department. Director Tuttle replied that there is one analyst who serves as a resource for the entire City and that there is another who has been focused currently on BPD data, but as that report become standardized, they will be able to support other departments' data and analytics needs. Chief Administration Officer Schad added that several departments charge out there services in a number of ways, but that the Planning Department isn't one of them. She said that she will bring this up with the City's auditors to determine whether these services should also be charged out in some way.

8.0 CLERK/TREASURER

8.01 Clerk/Treasurer – Katherine Schad

Chief Administration Officer Schad began by providing the Clerk Treasurer's Office mission. She spoke about the work of outside firm CLA to conduct a departmental organizational assessment in June 2021, and provided the results of this assessment. She provided a summary of the office's organizational chart, noting that though they have vacancies, they are well-staffed. She noted that the office is projecting \$4.5 million in revenue in FY24, and that there are also time-limited sources of revenue of approximately \$450,000. She noted that 80% of the CT budget is for personnel costs and that there are large general operating expenses for elections, audits, and CCTV. She said that they have cut expenses in professional and consulting services.

Councilor Dieng asked whether the pandemic-era-created grants manager position will still be useful in future, and Chief Administration Officer Schad replied that there will be an ongoing need for a grants manager position, especially as the City looks to focus more on non-property-tax-related revenue generation in future years.

Councilor Carpenter recommended more strongly and proactively advocating for grants from State and federal levels.

9.0 CITY ATTORNEY

9.01 City Attorney – Kim Sturtevant

Acting City Attorney Sturtevant began by providing a breakdown of the Office's personnel, which includes 6 attorneys 1 paralegal, 1 legal assistant, and 1 public information officer. She noted vacancies in the City Attorney and Deputy City Attorney positions. She provided an overview of the legal services provided by the City Attorney's Office. She provided a breakdown of the legal firms that the office used in FY23. She spoke briefly about expected internal projects and goals for FY24. She noted a proposed budget for FY24 of \$1,350,325 (an increase from the FY23's budget of \$1,273,966). Chief Administration Officer Schad asked how much is budgeted for the new City Attorney RFP. Acting City Attorney Sturtevant replied that it is \$300,000.

City Council President Paul would like to take another look at the budget and understand how \$120,000 is going to cover the cost of an outside attorney. She asked for more information on where that number is coming from. Chief Administration Officer Schad replied that the number is \$300,000 and that it was given to the City Attorney's Office by the Mayor, based on the amount in the RFP. She asked if the \$120,000 and the \$178,000 are to fund the deputy and City Attorney. Chief Administration Officer Schad replied that both positions are budgeted for in the FY24 budget. City Council President Paul advocated strongly for more resources for legislative representation and support. Chief Administration Officer Schad said that she can put together a summary of what has been spent in FY23 in those activities. Councilor Carpenter said it would also be helpful to see how much of that funding is reimbursed through enterprise or other funding and what is being paid from the General Fund. Chief of Staff Redell said that it would be difficult to determine which specific firms are providing what legislative support or consulting, though they have a top-line number.

Councilor Dieng asked if non-departmental-related requests are being tracked, and Chief Administration Officer Schad replied that any requests that come to her are being tracked.

Councilor Bergman asked for more detail about the assumptions that are brought into the hiring of a new City Attorney or other staff attorneys. Chief of Staff Redell said that she would follow up with Councilor Bergman offline and provide additional information. Councilor Carpenter suggested that the Council or the Board of Finance have a more focused discussion on the legal services RFP and what is included in the scope of work for those services and whether additional services (such as stronger legislative representation and support) are desired.

City Council President Paul asked if there is money set aside in the budget for lobbying at the Statehouse and if it is legal for a municipality to do so. Acting City Attorney Sturtevant replied that there is around \$25,000 set aside for legislative representation and that the City is required to report how much it spends on it, and that it is legal.

10. ADJOURNMENT

10.01 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 7:54 PM.

RScty: AACoonradt