BURLINGTON BOARD OF FINANCE MEETING
CITY HALL, SHARON BUSHOR CONF. ROOM
REMOTE MEETING WITH CALL-IN NUMBER
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
April 10, 2023

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

OTHERS PRESENT: Katherine Schad
Jordan Redell
Jeremy Farkas
Lynn Reagan
Kerin Durfee
Nic Longo
Jeff Glassberg
Gene Bergman
Cindi Wight
Sophie Sauve
Chapin Spencer
Martin Lee
Megan Moir
Matthew Dow

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 5:35 PM.

MOTION by Councilor Magee, SECOND by Councilor Dieng, to adopt the agenda.

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments
None.

3.0 CONSENT AGENDA

3.01 motion to adopt the consent agenda and take the actions indicated
3.02 Board of Finance Meeting Minutes, February 27, 2023, Draft – approve the minutes.
3.03 Special Board of Finance Meeting Minutes, March 13, 2023, Draft – approve the minutes.
3.04 Board of Finance Meeting Minutes, March 20, 2023, Draft – approve the minutes.
3.05 Special Board of Finance Meeting Minutes, March 27, 2023, Draft – approve the minutes.

MOTION by City Council President Paul, SECOND by Councilor Magee, to adopt the consent agenda and take the actions indicated for items 3.01-3.05.

VOTING: unanimous; motion carries.

4.0 FOR APPROVAL AND RECOMMENDATION TO CITY COUNCIL

4.01 Airport Strategic Evolution Through Reorganization – Airport
Aviation Director Longo said that this a proposal for the reorganization of the Leahy International Airport. He said that its intent is to add four managers to a tiered system that includes the two deputy directors, the finance department, the engineering department, and a new department called the innovation and marketing department. He said that in addition to the four managers, it would include the creation of an additional maintenance specialist, removal of several positions, and reclassification of additional positions to union positions. He said that this would be budget neutral for the current fiscal year, and will be included in the proposed budget for the next fiscal year. He said that this reorganization would allow for career growth and development for more positions at the Airport.

MOTION by Councilor Dieng, SECOND by City Council President Paul, to approve the reorganization plan for the Burlington International Airport and to authorize the Director of Human Resources and the Director of Aviation to reorganize and reclassify the affected positions as outlined in the organizational chart attached thereto, subject to final review and approval by the City Attorney's Office.
<u>DISCUSSION:</u>

- **Councilor Barlow noted that this is a significant restructuring and asked whether the Airport anticipates a long transition period and how they will ensure continuity of operations during a transition period. Aviation Director Longo replied that because these are manager-level positions with competitive salaries, there are qualified internal applicants and he is confident that the Airport can hire and fill the positions quickly.**

VOTING: unanimous; motion carries.

4.02 Request approval to modify the previously approved form of Ground Lease Agreement with BTV Hotel, LLC, the developer of the proposed hotel at Burlington International Airport – Airport
Aviation Director Longo said that this began in 2017 with an RFP process and awards in 2018-2019. He said that DEW Corporation is the partner to the City on hotel development and that the Airport is looking to redesign and review the site, as well as secure permits through the end of the year prior to the commencement of construction.

Jeff Glassberg reminded the Board that the parameters set forth for the development of a hotel at the Airport stipulated that the development occur with other money (rather than the City's money) and that the ground lease is less than 50 years. He said that in order to move forward with the project, there have been some revisions to the financial structure of the proposed ground lease. He said that the proposed agreement would modify the revenue streams for the development.

MOTION by City Council President Paul, SECOND by Councilor Dieng, to approve and recommend that the City Council authorize the Mayor of Burlington to execute the revised ground lease agreement with BTV Hotel, LLC, subject to the final review and approval by the Office of the City Attorney and once all contingencies are met in the Option Agreement made with BTV Hotel, LLC dated May 11, 2018, as amended.
<u>DISCUSSION:</u>

- **Councilor Bergman asked about the proposed location for the hotel, noting a concern with expansion by the Airport into the Chamberlain School neighborhood. Aviation Director Longo said that the original RFP proposed locations at the north and south sides of the parking garage. He said that the hotel project team is currently targeting the north side of the parking garage, which currently has surface parking lots.**

VOTING: unanimous; motion carries.

4.03 Penny for Parks and Bike Path Project Close Out Budget Amendments – BPRW
Parks Comprehensive Planner Sauve said that this is a request to move unused Penny for Parks funding back into the unallocated restricted fund balance, as they are not anticipated to be needed in Fiscal Year 2023 or Fiscal Year 2024.

MOTION by Councilor Dieng, SECOND by Councilor Magee, to approve and recommend that the City Council authorize the Chief Administrative Officer, or their designee, to affect the necessary budget amendment and transfer of $335,008.36 in funds from the Penny for Parks Projects as outlined on the Budget Amendment Request form to BPRW's unallocated restricted fund balance.
DISCUSSION:

- **City Council President Paul noted that when Penny for Parks was created, the intent was to spend the money every year, not necessarily to hold onto it. She asked that moving forward, the funding be spent as intended. Parks Comprehensive Planner Sauve replied that many projects are completed and the funding is being moved back because the City overbudgeted for the projects.**

VOTING: unanimous; motion carries.

4.04 Distribution and Collection System Improvements - Consultant Amendment - DPW - Water Resources
Water Resources Engineer Lee noted that this is a request for an amendment to increase the total contract value for a contract with DuBois & King. The contract began in 2021 and is for a construction project relating to improvements to water mains, sewer mains, stormwater mains, and street pavement. He noted that the increase in cost is due to an increase in scope beyond the base contract, increased hourly rates for all 2023 work due to inflationary impacts, and an extended construction timeline.

MOTION by Councilor Dieng, SECOND by Councilor Barlow, to approve and recommend that the City Council authorize Chapin Spencer, the Director of Public Works, to execute an amendment to the previously executed contract with DuBois & King for construction administration and inspection services in order to cover the cost of additional hours needed in 2023 for the Construction Inspection Services for the Distribution and Collection System Improvements project for a contract amendment amount of $267,552.00, resulting in a total contract value not to exceed value of $546,291.00, 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.

VOTING: unanimous; motion carries.

5.0 BOARD OF FINANCE APPROVAL ONLY

5.01 Authorization to Accept Grant Funds for the Leddy Gully Stormwater Evaluation – BPRW
Parks Comprehensive Planner Sauve noted that this is for approval to accept a grant from the Addison County Regional Planning Commission (ACRPC) related to the Leddy Park North Outfall Water Quality Improvement Plan, in the amount of $26,500. She said that the grant would be to review existing conditions at the gully, perform a stormwater treatment assessment, and then summarize findings into a report about the gully. She noted that there is no match required for this grant.

Councilor Dieng asked why the grant is coming from the Addison County RPC. Parks Comprehensive Planner Sauve replied that it's due to a management decision on the part of State, and that the grant doesn't necessarily need to come from the Chittenden County RPC.

MOTION by Councilor Dieng, SECOND by Councilor Magee, to approve and authorize the acceptance of grant funds in the amount of $26,500 from the Addison County Regional Planning Commission for the Leddy Park North Outfall Water Quality Improvement Plan and authorize the Director of Parks, Recreation and Waterfront to

execute all documents necessary to accept the funding, subject to the final review and approval of the City Attorney's Office.

VOTING: unanimous; motion carries.

5.02 Request for Approval to Execute Contract for Seasonal Lawn Maintenance Services of Water Resources Facilities - DPW - Water Resources
Wastewater Facilities Manager Dow said that this is for a contract for seasonal lawn maintenance services at the wastewater facilities located throughout the City.

Councilor Dieng asked whether it would be better to hire seasonal City employees to do this work, in terms of cost. Wastewater Facilities Manager Dow replied that they reached out to Parks & Recreation to gauge whether this would be possible, but noted that there has been a lack of capacity and needs would not be met. He said that they will continue to reach out to Parks & Recreation to determine whether seasonal staff can meet these needs in future years, as a best practice.

MOTION by Councilor Magee, SECOND by Councilor Dieng, to approve and authorize the Director of Public Works to execute a contract with Paragon for Seasonal Lawn Maintenance Services for $55,302, with $8,298 in contingency, resulting in a maximum limiting amount of $63,600, subject to final review and approval by the City Attorney's Office.

VOTING: unanimous; motion carries.

5.03 Request for Approval to Execute Contract for Installation of Security Camera Node at Reservoir - DPW - Water Resources
Division Director Moir said that this request is for a contract to upgrade existing camera systems as well as expand the camera system at the reservoir. They said that this need has arisen because there has been evidence that people have been entering the reservoir area and there is concern about security and the risk of someone tampering with the water supply.

MOTION by City Council President Paul, SECOND by Councilor Dieng, to approve and authorize the Director of Public Works to execute a contract in a total amount not to exceed $80,400 with Royal Group in furtherance of the Reservoir Camera project, subject to the prior review and approval of the City Attorney's Office.

VOTING: unanimous; motion carries.

6.0 OVERVIEW OF THE FY24 BUDGET

6.01 Overview of the FY24 Budget – CAO
Mayor Weinberger said that the administration is beginning to put together a budget proposal for the Fiscal Year 2024 General Fund. He said that one of the goals is not to seek a tax increase for the next fiscal year, one reason for which is that the school bond will have an impact on taxes in the coming year.

Chief Administration Officer Schad began by providing context for the FY24 budget. She noted changes to public safety resources, increases in staffing costs due to inflation and the pandemic, revenues recovering somewhat to pre-Covid levels, level-funded department operating budgets (despite inflation), and that the only new positions being added are in public safety (3 firefighters, 7 police officers, and potentially 2 dispatchers).

Chief Administration Officer Schad then provided revenue projections for the current fiscal year (FY23), noting a $2.3 million anticipated shortfall. She said that the shortfall is related to over-projected revenue for parking services, waterfront events, recreation facilities, recording fees in the Clerk/Treasurer's office (related to a slowdown in property sales), and permitting/inspection fees. Mayor Weinberger noted that the budget was built assuming that revenues would resume to pre-pandemic levels, and added that the budget contains a $2 million revenue replacement fund that was created with ARPA dollars, which the City could use to address this revenue shortfall.

Chief Administration Officer Schad provided a first look at General Fund expenses for FY24, which are projected to be approximately $96.4 million, and General Fund revenues for FY24, which are projected to be approximately $94.5 million. She said that to address the projected $1.9 million gap for FY24, the City is proposing to refine revenue/expense projections, strategically use one-time funds (with permission), and explore the possibility of using BPRW's charter revenue authority to increase revenue. Mayor Weinberger noted that in terms of one-time strategies, there is a $1 million fund available for additional revenue replacement through ARPA. He added that the administration will also likely seek one-time funding to support changes to public safety staffing.

Chief Administration Officer Schad provided an overview of the FY24 budget timeline, which includes departmental budget presentations to the Board of Finance during the month of May, a presentation of the draft budget to the Board of Finance in early June, a presentation of the Mayor's budget to the City Council by June 15th, and FY24 budget passage by the City Council by June 30th.

Councilor Bergman said that he is interested in progressive alternatives to the property tax. He asked when the Council will be receiving the impact fee study, which could relate to this conversation. He noted that personal income has grown in the City by around $300 million, which has played out in the gentrification of the housing market, and said he would like to see proposals for more progressive tax strategies to help low and moderate-income homeowners.

7.0 ADJOURNMENT

7.01 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 6:55 PM.

RScty: AACoonradt