BURLINGTON BOARD OF FINANCE
BUSHOR CONF. ROOM, FIRST FLOOR, CITY HALL *OR*
REMOTE MEETING WITH CALL-IN NUMBER
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
June 12, 2023

MEMBERS PRESENT:	Ali Dieng (via Zoom) Joe Magee Mark Barlow Miro Weinberger
OTHERS PRESENT:	Katherine Schad Jordan Redell Samantha Dunn Michael LaChance Kerin Durfee Phillip Peterson Laura Wheelock Lee Perry Chapin Spencer Jeff Padgett Nicole Losch

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1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 5:06 PM.

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

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

Sharon Bushor expressed concern about the balance between compensating City employees fairly and what the residents of Burlington can afford in terms of salaries and benefits for City employees. She noted that many residents don’t have salaries or benefits packages, and that the process can potentially be encouraging residents to live elsewhere, as affordability is a huge issue. She also expressed concern about the potential burden on the retirement system.

3.0 CONSENT AGENDA

3.1 Draft Minutes for May 15, 2023 Special Board of Finance Meeting – approve the minutes.
3.2 Draft Minutes for May 30, 2023 Board of Finance Meeting – approve the minutes.
3.3 Budget Neutral Amendment – Human Resources (Board of Finance Approval Only) – approve and authorize the Chief Administrative Officer to effectuate a budget neutral amendment, moving $28,728.37 from Professional and Contractual Services 101-08-000.6355 to Recruitment 101-08-000.6500_118 within the FY23 budget for the Human Resources Department.
3.4 Authorization to Accept Grant Award from T-Mobile Hometown Grant for Champlain Street Park – BPRW (Board of Finance Approval Only) – to approve and authorize the Director of BPRW to accept the grant award of $50,000 from T-Mobile and execute all necessary documents thereto upon final review and approval of the Chief Administrative Officer and the City Attorney's office; and to approve and authorize the Director of BPRW to accept the grant award of $25,000 from King Street Neighborhood Revitalization Corporation and execute all necessary documents thereto upon final review and approval of the Chief Administrative Officer and the City Attorney; and to approve and authorize the Director of BPRW to accept the grant award of $7,249 from VCOEO and execute all necessary documents thereto upon final review and approval of the Chief Administrative Officer and the City Attorney's Office.
3.5 Request for Authorization of a Budget Neutral Amendment to the FY2023 Patrick Leahy Burlington International Airport AIP-125 Project Budget in the Amount of $1,050,000 – Airport – authorize and recommend that the City Council authorize a budget neutral amendment to the FY2023 Patrick Leahy Burlington International Airport budget to increase Federal Grant Revenue by $93,965 and Interfund Transfer Proceeds by $126,035, and to increase Capital Expenditures by $1,050,000, for a total increase of overall expenditures by $1,050,000.

MOTION by Councilor Magee, SECOND by Councilor Dieng, to adopt the consent agenda and take the actions indicated for items 3.1-3.5.

VOTING: unanimous; motion carries.

4.0 FOR APPROVAL AND RECOMMENDATION TO CITY COUNCIL

4.1 Authorization To Apply To Downtown Sales Tax Reallocation Program Re The Howard Plant Project – 176 South Winooski Avenue – CEDO
Assistant Director Dunn provided an overview of the project, noting that it is the site of the current VFW post and that the City has an agreement to redevelop the site into 38 units of housing and commercial spaces. She noted that the site is a brownfield with a corrective action plan. She noted that 11 of the units will be for those exiting houselessness, 5 of which will be for veterans. She said that this fits well within the Main Street Great Streets project.

Assistant Director Dunn spoke briefly about the sales tax reallocation program, saying that it takes a portion of sales tax and allows the City to access it. She said that the City applies for the funding in partnership with a developer and that the funding can go toward public improvement. She said that they would be able to use this for new sidewalks and trees and would extend those improvements into the Main Street Great Streets project.

Councilor Barlow asked if this property is being added for the allocation, and Assistant Director Dunn said that every property is eligible for this allocation. Assistant Director Dunn added that the program is run for downtowns in the State and is based on the amount of sales tax that certain construction materials would generate. She said that this would be requesting the State to take their portion of the sales tax and reinvest it in public improvements like stormwater, sidewalks, landscaping, etc. She noted that the program has a once-a-year application and that applications are due in July.

MOTION by Councilor Dieng, SECOND by Councilor Magee, to recommend that the City Council approve the attached resolution.

VOTING: unanimous; motion carries.

4.2 Authorization To Apply To Downtown Sales Tax Reallocation Program Re CityPlace Project – 75 Cherry Street – CEDO

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

VOTING: unanimous; motion carries.

4.3 Fire Leadership Pay Scale (FLPS) – Fire
Fire Chief LaChance provided context for this request, noting that the separation between Fire Department leadership pay and union pay resulted in a compression factor between the lowest paid non-union employee (Battalion Chief) and the highest-paid union employee (Captain), in turn resulting in difficulty recruiting for these roles. He said that they are proposing to permanently correct this issue by making wage scale adjustments consistent between leadership and union employee positions.

Councilor Dieng expressed discomfort with this proposal, saying that he does not think the City can afford it at this juncture, especially the retroactive pay that puts pressure on the FY23 budget. Fire Chief LaChance said that this conversation started in 2022 and that staff have been anticipating it for almost a year, and that some form of retroactive pay signals to staff that the Fire Department supports them.

Chief Administrative Officer Schad noted that there seem to be two distinct issues here, which are the City's retroactive pay policy and more generally the disparity between compensation structures for the union and non-union police positions. HR Director Durfee said that this has been an issue for at least a year now. She noted that compression over time is a management issue, not an issue with any of the positions or the quality of their work. She said that one of the goals related public safety for the City is retention within the Fire Department and that a fully-staffed Fire Department is imperative for the City.

MOTION by Councilor Magee, SECOND by Councilor Barlow, to approve and recommend that the City Council approve and authorize the wage scale adjustments to the Fire Leadership Pay Scale for Burlington Fire Department Command staff, comprised of the positions of Battalion Chief and Deputy Chief, as further detailed in the above proposed tables; and allow future wage adjustments to be consistent with BFFA annual COLA increases, and, further authorize back wages to be paid according to such revised Pay Scale, effective retroactively to January 1, 2023.

VOTING: 3-1 (Councilor Dieng dissenting); motion carries.

4.4 CY22 Street Reconstruction Program Contract Amendment for Paving Work on Flynn Avenue – DPW
Public Works Engineer Peterson noted that this amendment is the result of an additional unanticipated expense for the Birchcliff Parkway paving project in 2022, as it was discovered that the roadway had 1.5 inches of base course rather than the standard 3 inches of asphalt. This resulted in the adjustment to asphalt thickness for 11 residents' driveway aprons to ensure proper drainage and thickness.

MOTION by Councilor Dieng, SECOND by Councilor Barlow, to approve and recommend that the City Council authorize the Director of Public Works to execute an amendment to the Calendar Year 2022 Street Reconstruction Program contract with S.D. Ireland Brothers to effect a maximum limiting amount increase of $93,990.97 to the previously authorized contract expenditure limit with S.D. Ireland of $2,979,535.11, for a total authorized maximum contract expenditure of $3,073,526.08, 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.

4.5 CityPlace Public Improvements Construction Costs – DPW
Senior Engineer Wheelock said that this is for public improvements associated with Pine Street and St. Paul Street between Cherry and Bank Streets, through the CityPlace project and ARDA 2.0. She noted that S.D. Ireland is the contractor for this work. She noted that the public improvements include construction of a new street, decorative lighting, benches, and bike racks, landscaping, stormwater collection, and curbs and sidewalks.

MOTION by Councilor Barlow, SECOND by Councilor Magee, to approve and recommend that the City Council accept the construction costs of the Public Improvements by S.D. Ireland Brothers, Inc.; and, authorize payment for such construction costs in an amount not greater than $11,600,624 with an additional authorized contingency of $1,903,299, for a total authorized expenditure for such construction costs not to exceed $13,503,923, subject to necessary review and approval by the Chief Administrative Officer and in accordance with ARDA 2.0.

VOTING: unanimous; motion carries.

4.6 FY24 Vehicle Purchase Recommendation – DPW
Division Director Perry said that this is the proposed FY24 Fleet Purchasing List, which was proposed to the TEUC at its May meeting, and noted that it contains 7 vehicles recommended for purchase. He noted that the list is lower than it has been in the past, due to lack of funding in the General Fund budget (and that no vehicles will be purchased through the General Fund, but through several enterprise/special revenue funds).

Councilor Dieng asked why vehicles newer than 8 years old are being replaced. Division Director Perry replied that with electric vehicles, they have shortened the life cycle so that the vehicle will be more valuable as a trade-in. He said that they have 5-year, 7-year, and 10-year cycles, depending on the vehicles. He also noted high impacts of inflation on maintenance costs. Councilor Dieng asked if there are vehicles on the list that could be kept for 2 or 3 more years. Division Director Perry replied that a number of the vehicles are older and may potentially not pass inspection.

Councilor Barlow acknowledged the work that has been done to try and extend the life of vehicles on its deferred list, and noted that the TEUC will be discussing longer-term sustainability strategies in the coming months.

MOTION by Councilor Barlow, SECOND by Councilor Magee, to 1. Approve and recommend the City Council approve the proposed FY24 Fleet Purchasing List as detailed in Attachment F, and authorize purchase of the vehicles listed therein, for a total authorized expenditure in the amount of $517,000.00; and, 2. Approve and recommend that the City Council authorize the

Department of Public Works, to auction the FY24 replaced vehicles/equipment through various online public auctions; or, to trade in such vehicles/equipment to the vendor where replacement(s) are purchased; or, if such auction and/or trade-in is unsuccessful or not financially feasible, to arrange for such vehicles/equipment to be hauled away for scrap at the current market price.

VOTING: unanimous; motion carries.

4.7 195-201 Flynn Avenue 2019 Second MOU Extension – DPW
Director Spencer said that the City has been working with Chittenden Solid Waste District on two issues: a drop-off center for the public and to unite and improve the City's soil management operations at two locations. He said that they are working with CSWD on a purchase and sales agreement for 195-201 Flynn Avenue, but noted that the CSWD Board of Managers has requested more time and an extension so that they may conduct an appraisal of the site. He said that they are seeking to extend the MOU (at no cost) for 3 months.

MOTION by Councilor Magee, SECOND by Councilor Barlow, to approve and recommend the City Council approve a three-month, term-only, no cost extension of the Second 2019 Chittenden Solid Waste District – City of Burlington Memorandum of Understanding through September 30, 2023, and authorize the Mayor to execute said agreement subject to the review and approval of the City Attorney's Office.

VOTING: unanimous; motion carries.

4.8 FY24 Traffic Markings Contract Award Request – DPW
Division Director Padgett said that this is for the FY24 traffic markings contract, which includes white lines, yellow lines, and bicycle lane markings. He said that this had previously been awarded on a calendar year basis (awarded in spring for summer through fall activities), but they have shifted to awarding on a fiscal year basis (awarded in spring for July through June activities), which allows for marking activities to begin in the spring after street cleaning is conducted.

Councilor Magee asked whether crosswalks are included in this scope of work, and Division Director Padgett replied that crosswalks are not in this scope, and that the City typically uses seasonal workers in summer to repaint sidewalks.

Councilor Dieng asked

MOTION by Councilor Dieng, SECOND by Councilor Magee, to approve and recommend that City Council authorize the Director of Public Works to execute a contract with L&D Safety Markings for a maximum limiting amount of $154,804.43 for pavement marking, subject to review and approval by the City Attorney's Office.

VOTING: unanimous; motion carries.

5.0 PRESENTATION

5.1 FY23 Grant Summary in Preparation for FY24 Budget – C/T
Mayor Weinberger noted that the City had created several new positions over the past several years to help monitor and oversee grant and other funding opportunities. He noted that during budget review, Councilors had had questions about the number of grants that the City is currently pursuing or receiving, and that the grants team has put together an overview of current grant status.

Grants Director Losch said that the Grants Team is primarily focused on funding opportunities at the federal level, with the goal of reducing financial burden on the General Fund. She said that these grants tend to focus on infrastructure, public health, and facilities, and also support underfunded projects or programs. She noted interdepartmental grant efforts in a number of departments. She provided an overview of the grant activity in FY23, which included grant requests of $67.9 million, 58% of which were transportation related. She noted that $1.5 million has been awarded in State and federal grants and that $26.5 million in grants are pending announcements. She spoke about anticipated opportunities in the upcoming year related to transportation, equity/community, and facilities. She noted challenges over the last year, which include struggling to find local match, staff capacity, and limited opportunities that match specific needs. She also noted opportunities for the next year. She spoke about next steps, including more preparation for Congressionally Directed Spending requests, more communication between departments to present grant updates, developing a grant award database, improving announcements of funding opportunities, and continuing to identify non-cash match strategies.

Councilor Barlow asked if there is funding earmarked for local match. Grants Director Losch replied that there is money earmarked in the capital budget for local match for grants. Councilor Barlow asked how the grants team is working with the State legislative delegation. Grants Director Losch replied that the grants team does not work directly with the legislative delegation, but rely on department directors to help liaise with legislators. She noted that at the federal level, they work to ensure that the Congressional delegation is aware of grant applications that have been submitted. Councilor Barlow asked for more detail on the facility information data that the grants team is collecting, and Grants Director Losch provided further detail.

Councilor Dieng asked whether the grants team needs more capacity. Grants Director Losch replied that the grants team doesn't have capacity to tap into philanthropy, or non-state/federal grants, and that additional staffing could help realize opportunities for grants or funding in that area. She also noted that managing grants is administratively burdensome. Councilor Dieng asked for more information on how the grants team works with the enterprise departments, which Grants Director Losch provided.

6.0 PRESENTATION OF CAO'S FY24 BUDGET

6.1 Presentation of Chief Administrative Officer's Fiscal Year 2024 Budget

Chief Administrative Officer Schad began by providing context for the FY24 budget that is being submitted. She noted challenges around increases in public safety personnel costs, vehicle fleet costs, and COLA increases, as well as general inflationary pressures. She summarized the General Fund budget, which represents a 3-4% increase over last year's budget, and that the accompanying municipal tax rate increase is 6.2% (from $0,7082 to $0.7523). She noted that the impact of this on the median homeowner (of a $370,000 home) represents a $13.60 monthly increase in total municipal taxes.

Chief Administrative Officer Schad then spoke about changes to the GF budget since June 1st. These include increasing the CA budget for legislative representation by $25,000, restoration of the VNA line item of $116,699 (which was inadvertently left out of the initial budget presentation), an increase in funding for Turning Point of $13,450, an increase in the BTV CARES (formerly CAHOOTS) budget of $65,000 and moving it to the BPD budget, and increased contingency from $100,000 to $175,000. She also provided updates to the additional increases that were discussed at the May 30th Board of Finance meeting.

Chief Administrative Officer Schad then provided a summary of the breakdown of proposed FY24 revenues and expenses by department. These include 69% of revenues in the non-departmental budget (which includes property taxes), and 6% of revenues in Public Works (DPW) and Parks & Recreation (BPRW), 5% in Clerk Treasurer revenue, 4% of revenues in Fire and Permitting & Inspections, 3% of revenues in Other, and 2% of revenues in each the Police Department and Burlington City Arts. She then provided the same breakdown but for proposed

FY24 expenses. She noted non-department expenses at around 20% of the budget (which includes a variety of items), public safety (fire and police) expenses at 34%, DPW and BPRW at 19%, and then smaller percentages for other departments.

Chief Administrative Officer Schad spoke about next steps related to passing the FY24 budget. These include the Mayor submitting the proposed budget to the City Council on June 15, the City Council meeting to discuss the budget on June 20th, and then potential passage of the budget at the City Council's subsequent meeting on June 26th.

Chief Administrative Officer Schad spoke about looking ahead to FY25. She noted a number of challenges with the FY24 budget that will intensify in FY25 and beyond, particularly the unsustainability of relying on cuts and one-time funds. She spoke about a number of strategies for approaching a tougher budget cycle for FY25, and noted that fiscal monitoring will be imperative.

Councilor Dieng said that the City should do more to try and reduce the fiscal impact on taxpayers of this budget, given that water rates, electricity rates, and recycling rates are also increasing. Councilor Magee said it would be helpful if the City could give the full picture of financial impact to residents when communicating about the budget for FY24.

7.0 ADJOURNMENT

7.01 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 6:52 PM.

RScty: AACoonradt