BURLINGTON BOARD OF FINANCE
SPECIAL MEETING
BUSHOR CONF. ROOM, FIRST FLOOR, CITY HALL *OR*
REMOTE MEETING WITH CALL-IN NUMBER
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
June 26, 2023

MEMBERS PRESENT:	Karen Paul Joe Magee Mark Barlow Miro Weinberger
OTHERS PRESENT:	Katherine Schad Jordan Redell Chapin Spencer Jeff Padgett Sarah E Carpenter Zoraya Hightower

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1.0 CALL TO ORDER and AGENDA

Chief Administrative Officer Schad called the Board of Finance meeting to order at 5:05 PM.

MOTION by City Council President Paul, SECOND by Councilor Barlow, to adopt the agenda.

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.1 Verbal Comments
None.

3.0 FOR APPROVAL AND RECOMMENDATION TO CITY COUNCIL

3.1. Authorization Of Parking Revenue Financing For The Department Of Public Works – DPW
Division Director Padgett noted that this item is for a $750,000 revenue bond to repair the Downtown Garage and Marketplace Garage, including work to replace the stair tower on the Downtown Garage and beam, deck, and concrete repair in the Marketplace Garage. He noted

that these repairs were completed using capital expenses from the General Fund with the understanding that a debt instrument for the parking facilities fund would be secured to pay back the General Fund.

City Council President Paul expressed concern that repaying the bond loan in a three-year period may not be feasible. Mayor Weinberger replied that the City will be able to control future revenues through policy decisions that could generate increases in those revenues. He said that if revenues don't recover organically on their own, the City has policy levers to increase them. He noted that DPW will return to the Board of Finance and City Council within the next 3-6 months to present a roadmap and plan to rebuild the financial health of the Traffic Fund and Parking Facilities Fund, recognizing that they were hard hit by the pandemic and that revenues are not picking back up to pre-pandemic levels.

Councilor Barlow asked about the mechanics about the repayment of the bond. Division Director Padgett replied that there will be interest payments in Years 1 and 2 of repayment and then repayment of principal plus interest in Years 3 through 5 of the repayment terms.

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

VOTING: unanimous; motion carries.

3.2. Annual Appropriation And Budget For Fiscal Year Beginning July 1, 2023 And Ending June 30, 2024 - Mayor Weinberger
City Council President Paul spoke about the current proposed gap between revenues and expenses, saying that there are opportunities to find an additional $290,000 without affecting the public safety funding, funding for positions, or funding for streets (which are all high priorities). She said that for example, line 7850 (contingency) in FY19 was around $3,000 and was budgeted at $100,000 for FY23 and only $22,000 has been spent. She said that for FY24, the line-item contingency is $175,000, and asked why it can't be level-funded at $100,000 for FY24. She said that it would set an incredible tone if the City can bridge this gap through creative ways. Councilor Magee said that he thinks it will be difficult to find a solution at this 11th hour without knowing the impacts that any additional changes would have. Mayor Weinberger replied that this has been the most challenging budget year he has had to oversee, given historic inflation, volatility, and revenue shortfalls related to the pandemic. He spoke about the difficulty of shifting funding for equity investments to sustainable sources, as federal supports and funding are drying up. He said that this budget continues to advance the City and community in many ways, as well as the efforts to rebuild public safety and improve infrastructure. He noted that in terms of the contingency example, the line item has been up to $500,000 in some years, and it was proposed at $175,000 recognizing continued volatility, inflationary pressures, and workforce challenges for FY24.

MOTION by Councilor Barlow, SECOND by City Council President Paul, to recommend that the City Council approve the attached resolution.
DISCUSSION:

- **Councilor Magee recognized that this has been a challenging budget year, citing cost-of-living increases, a number of grants where local match fund sources haven't been secured, and other examples. He appreciated the efforts to develop a budget that does not cut staff or services, but said he cannot support a budget that includes tax increases and that the City needs to urgently look into more sustainable ways of balancing its budget without overburdening residents through property taxes. Mayor Weinberger clarified that Councilor Magee's lack of support is due to the $0.005 increase in the street tax. He noted that with the initial budget, the deficit for street patching would have been $450,000, and this increase would bring that deficit to around $200,000, and would allow for triaging for patching where it is most needed. He noted that the impact on the average property bill (on a $370,000 home) would be $1.50 per month.**

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

3.3. Annual Tax Assessments On The Property Grand List Of The City For The Fiscal Year Beginning July 1, 2023 And Ending June 30, 2024 - Mayor Weinberger

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

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

Councilor Carpenter spoke about a resolution Councilor Magee submitted a year ago asking for the City to conduct an analysis of property taxation and how the homestead income sensitivity at the State level relates to Burlington. She noted that around 70% of citizens get some sort of subsidy at the State level, and she said that the cutoff for a significant homestead credit is $90,000 per year. She said that the City needs to understand how that matches up with Burlington residents. Mayor Weinberger said that the proposed FY24 budget will fund studies to examine operational efficiencies, the fleet, opportunities through CEDO and HUD, and a property tax equity study.

4.0 ADJOURNMENT

4.1 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 5:52 PM.

RScty: AACoonradt