Board of Finance Meeting, Monday, June 6, 2022, 4:30 pm **Bushor Conference Room, Room 102, 1st Floor, City Hall OR remotely via ZOOM 6/6/2022

BURLINGTON BOARD OF FINANCE

REMOTE MEETING WITH CALL-IN NUMBER

OR

CITY HALL, 1ST FLOOR: SHARON BUSHOR CONF. ROOM

BURLINGTON, VERMONT

MINUTES OF MEETING

June 6, 2022

MEMBERS PRESENT: Karen Paul

Zoraya Hightower

Ali Dieng

Joe Magee

Miro Weinberger

OTHERS PRESENT: Katherine Schad

Rich Goodwin

Jordan Redell

Gene Bergman

Megan Moir

Kara Alnasrawi

Cindi Wight

Chapin Spencer

Kerin Durfee

Michael Ahern

Ben Traverse

James Sherrard

Ashley Walenty

Kate Komorowski

Kerin Durfee

Darren Springer

Emily Stebbins-Wheelock

1.0 CALL TO ORDER and AGENDA

Chief Administration Officer Schad called the Board of Finance meeting to order at 4:37 PM.

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

VOTING: unanimous; motion carries (City Council President Paul and Mayor Weinberger not present for vote).

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

Sharon Bushor asked if the administration has discussed a list of small items that could be done for Memorial Auditorium, rather than a larger bond. She noted that the IT equipment is moving out of Memorial Auditorium in the next 18 months, but said she is not sure what that would entail. She asked whether some smaller stabilizing activities could be conducted at that point.

3.0 CONSENT AGENDA

3.01 Motion to adopt the consent agenda and take the actions as indicated

3.02 Board of Finance Minutes, May 23, 2022, Draft – approve the minutes.

MOTION by Councilor Dieng, SECOND by Councilor Hightower, to motion to adopt the consent agenda and take the actions as indicated for items 3.01-3.02.

VOTING: unanimous; motion carries (City Council President Paul and Mayor Weinberger not present for vote).

4.0 REVIEW OF GENERAL FUND BUDGET

4.01 Review of General Fund Budget

Chief Administration Officer Schad began by noting highlights of the Fiscal Year 2023 draft budget. She said that the FY23 revenue and expenses are at approximately $95.3 million, which includes $2.445 million of one-time expenses from the Assigned Fund Balance. She noted that without the one-time funding, the budget represents an approximately 5% increase from 22 to FY23 for the general fund budget. She provided a comparison of the tax rates from FY22 to FY23, including information on the education tax rate and municipal tax rate.

She outlined changes from the departmental budget presentations throughout May. These included cleaned up and amended budgets as needed, such as adding benefits that were accidentally missing from the FFL and BPD/Community Service staff, making airport revenue clearer in the BPD budget, and adding the proposed reclassifications for BPD community support salaries. She also noted that they increased the Gross Receipts and Local Option Tax by about $500,000. She further noted proposed changes in the Assigned Fund Balance, including the addition of $100,000 to BPRW to finish the Dewey Park quick build. She then spoke about the proposed uses for allocating ARPA funding to the FY23 budget, noting that there were no changes from the initially-proposed allocations.

Councilor Hightower requested adding in the Fiscal Year 2019 figures as a reference.

Councilor Bergman requested information on the percentage of the budget that is taken by each department compared to the total budget. He also asked how many civilian officers there are, including CSOs, CSLs, and urban park rangers. Director Wight replied that there are 2 full-time urban park rangers. Councilor Bergman said that there should be more urban park rangers in the budget.

Councilor Dieng asked about park maintenance for City Hall Park. Chief Administration Officer Schad replied that that is a partnership between the Church Street Marketplace and the Parks Department. Executive Director Alnasrawi replied that it is a partnership and that there is a local maintenance team (rather than coming from Pine Street).

City Council President Paul noted that some of the proposed positions for the BPD budget were included in the budget but some of the one-time expenses have not been. Chief Administration Officer Schad replied that she is still waiting for more information on what will be requested for a recruitment firm but said that it should be budget-neutral since it will use carry-forward funding from the FY22 BPD budget. Councilor Paul asked about the one-time funds related to housing incentives, recruitment coordinators, hiring bonuses, etc. Chief Administration Officer Schad replied that the positions are included in the budget but that there are not firm numbers yet for total costs related to educational bonuses. City Council President Paul noted that there is funding put toward education and recruitment/retention bonuses and asked whether the administration has solicited feedback from new recruits on what they think is most needed from their perspectives. Chief Administration Officer Schad replied that much of the supporting data has come from exit interviews. HR Director Durfee also noted that many of the difficult-to-fill positions are for Class A employees (Fire and Police) and said that the City is working with the State and others to try and come up with solutions and a range of options for more successful recruiting.

Councilor Dieng asked about the proposed investment at 405 Pine Street for Burlington City Arts and how it will be used. Mayor Weinberger replied that there was an initial build-out of art spaces when the BCA Foundation first leased the building several years ago. He said that the BCA Foundation’s current vision is for additional build-out for education spaces. He noted that up until now, the City has not given funding for this initiative. He said that is important for the City to put up an additional financial contribution at this point, given that the BCA Foundation just secured an additional $500,000 grant.

Councilor Magee asked for more granular detail on one-time costs related to the BPD budget as well as additional detail on the carry-forward from FY22. He expressed support for additional CSOs/CSLs. Mayor Weinberger said that he will connect with Councilor Magee offline on this detail.

Councilor Hightower asked about the division between BPD and CJC of the CSL/CSOs. She said that she touched base with two of the positions, who expressed support for the division. She also asked about the restorative justice plan with community partners.

Councilor Dieng asked that within the percentage of the General Fund budget and the Police Department budget, what is the breakdown between sworn officers and community support staff. Chief Administration Officer Schad replied that she can provide that information to Councilor Dieng.

5.0 FOR APPROVAL AND RECOMMENDATION TO CITY COUNCIL

5.01 Authorization to Execute Contract with Wind River Environmental, LLC for Catch Basin Cleaning Services - DPW - Water Resources

Stormwater Coordinator Sherrard said that this would build upon a contract with the same vendor from several years ago to conduct catch basin cleaning. He noted that there is a lot of sediment build-up in the City’s many catch basins, which needs to be cleaned annually. He said that they strive to clean between one quarter and one third of the basins each year, though previous staffing had not allowed them to meet that goal. He said that this request is for a single-year contract.

MOTION by Councilor Hightower, SECOND by Councilor Dieng, to approve and recommend that the City Council authorize Chapin Spencer, Director of Public Works, to execute a contract with Wind River Environmental, LLC with a maximum limiting amount of $75,900 for catch basin cleaning services in Fiscal Year 2023, with the option to renew the contract for an additional 1-year term, subject to review by the City Attorney's Office.

VOTING: unanimous; motion carries.

5.02 Authorization For $188,927 Amendment To Construction Loan From Vermont Clean Water State Revolving Fund And Execution Of A Contract With Engineers Construction, Inc. For $188,312 For The Design-Build Rehabilitation Of The Flynn Avenue Sewage Forcemain - DPW - Water Resources

Water Resources Engineer Walenty said that this is a continuation of the rehabilitation of the City's existing pump station within the Clean Water State Revolving Fund. She said that the rehabilitation of this pump station was completed, and they have issued an RFP for a trenchless rehabilitation of the forced main which would provide a new pipe rather than rehabilitate the existing pipe.

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

VOTING: unanimous; motion carries.

5.03 Authorization For $198,926 Amendment To Planning Loan From Vermont Clean Water State Revolving Fund And Execution Of An Amended Consultant Agreement With Hoyle Tanner Associates For $398,881 For Planning of Industrial Pretreatment Program - DPW - Water Resources

Division Director Moir said that the State and City require that there is an industrial-level system in place to accommodate the many businesses in Burlington. They said that they had conducted a study on how to manage this local waste and better control on-site discharge. They said that much of the testing that was completed occurred during Covid, so the flows and discharges were not representative of typical levels, and they will retest. They said that much of the costs can be reimbursed against an ARPA grant, so the impact to rate-payers should be minimal.

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

VOTING: unanimous; motion carries.

5.04 ARPA Funds - Water, Wastewater and Stormwater - DPW - Water Resources

Division Director Moir said that DPW had originally requested an allocation of ARPA funding for expenditure and they had based that $860,000 request on what water resources were needed for University Place. They said that as a result of creative thinking and modeling, they were able to determine that they can reduce the overall cost substantially, down to $267,000. They said that they would like to reallocate the remainder to two projects: reconstruct the water main on Overlake, and, if funding remains, to fund the planning stage of the reservoir improvement project.

MOTION by City Council President Paul, SECOND by Councilor Dieng, to approve and recommend that the City Council approve and authorize the reallocation of the remaining portion of the previously-allocated ARPA funding earmarked for the University Place water main project in the amount of $860,000 to other Water Capital Investments, in substantial conformance with those described in the above Water/Wastewater/Stormwater ARPA funding table, and subject to the approval of expenditures by the Chief Administrative Office pursuant to the City's spending policies.

VOTING: unanimous; motion carries.

5.05 Engineering Services Agreement for Reservoir Improvements Project - DPW - Water Resources

Water Resources Engineer Komorowski noted that the original pump station was built in 1867 and feeds the entire high service area, which includes the Level 1 Trauma Center and University of Vermont Medical Center. She said that this pump station has some needed repairs and upgrades, including a full roof replacement and replacement of retaining wall and fencing, as well as evaluate whether the pump station should be renovated or replaced. She said that this $90,000 would go toward the planning phase, which would be an evaluation of the pump station and reservoir and produce a preliminary engineering report for future stages for this project.

MOTION by City Council President Paul, SECOND by Councilor Dieng, to approve and recommend that the City Council authorize the Director of the Department of Public Works to execute an Engineering Service Agreement with Dufresne Group, for a maximum limiting amount of $90,000, for Preliminary Engineering Services for the Reservoir pump station project, subject to the final review and approval of the City Attorney's Office.

VOTING: unanimous; motion carries.

5.06 Reclassification request for Community Service Officer – Police

HR Director Durfee said that they are seeking to expand the CSO program and noted that there has been an increase in responsibility and complexity for this role similar to that of the Urban Park Ranger, so they are seeking to classify the CSO position at the same grade.

MOTION by Councilor Dieng, SECOND by City Council President Paul, to approve and recommend that the City Council approves the reclassification of the Community Service Officer, a Regular, Full-time, Non-Exempt, AFSCME, Grade 14 position to Community Service Officer, a Regular, Full-time, Non- Exempt, AFSCME, Grade 15 position, including retroactive pay back to May 23, 2022.

VOTING: unanimous; motion carries.

5.07 Reclassification request for Domestic Violence Victim Advocate - Police

MOTION by City Council President Paul, SECOND by Councilor Hightower, to approve and recommend that the City Council approves the reclassification of the Domestic Violence Victim Advocate, a Regular, Full-time, Non-Exempt, Grade 14 position to a Regular, Full-time, Non-Exempt, Grade 17, position, including retroactive compensation back to May 23, 2022.

VOTING: unanimous; motion carries.

5.08 FY23 Traffic Markings Contract Award Request - DPW - Parking and Traffic

Assistant Director Padgett said that this is the annual pavement marking contract, which entails repainting of lines, bicycle lanes, arrows, and other markings.

MOTION by Councilor Magee, SECOND by Councilor Hightower, 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 $153,808.43 for pavement marking, subject to review and approval by the City Attorney's Office.

DISCUSSION:

- **Councilor Dieng asked about crosswalk painting and whether this contract covers that. Assistant Director Padgett replied that crosswalk painting and marking is covered under a separate contract.**
- **City Council President Paul asked whether painting the crosswalks different colors is feasible. Director Spencer replied that several years ago, DPW partnered with Champlain College to construct a custom crosswalk, and also noted the Black Lives Matter mural on the road on Main Street. He said that generally, the federal highway administration does not allow artwork in or around traffic regulatory devices (and the City is hesitant to do so in its right-of-way).**

VOTING: unanimous; motion carries.

5.09 BED FY23 Rate Changes - BED

General Manager Springer said that BED is proposing a 3.95% rate increase for Fiscal Year 2023. He noted that the previous year saw a larger rate change (and it was the first rate increase in 12 years), and so BED is trying to have more frequent but more moderate rate increases. He noted the volatility of the energy sector, but said that BED and its rate-payers are largely shielded from that since they are completely on renewable energy. He said that if the rate change is approved tonight, it would be filed in mid-June with the Public Utilities Commission (PUC) and would take effect for customers later in the summer. He said that they still plan to have their energy assistance program to offer customers, which would give them a discount of 12.5% (which would more than make up for the rate increase).

MOTION by Councilor Dieng, SECOND by City Council President Paul, to recommend the City Council authorize the General Manager of the Burlington Electric Department or their designee to file tariff amendments and supporting documents with the Vermont Public Utility Commission requesting an increase in Burlington Electric Department rates of 3.95 percent beginning in Fiscal Year 2023 as proposed.

VOTING: unanimous; motion carries.

5.10 EV Charging Grant Acceptance - BED

General Manager Springer said that this item is a $95,000 state grant to help install up to 5 charging stations that will be mounted on poles for street parking in the Old North End, Downtown, and in the South End. The team identified these locations as having a high prevalence of multi-family housing and lower-income housing where there may not be readily available off-street charging/parking.

Councilor Hightower noted that there is also a need for these charging stations in the East End, and asked if there are plans to do that. General Manager Springer replied that there are other initiatives to install chargers around the City, but would welcome additional input on locations that would be the neediest.

Councilor Dieng asked what apps are being used to pay for charging. General Manager Springer provided a brief list of apps, saying that some of them have maps that would show all of the public charging and other charging stations around the City. Councilor Dieng asked for a status update on the EV/plug-in hybrid rebate program. General Manager Springer replied that they have reached almost 400 rebates, but that they are being issued more slowly due to supply chain problems, inflation, and long wait-lists for vehicles.

MOTION by Councilor Magee, SECOND by Councilor Dieng, to recommend the City Council authorize the General Manager of the Burlington Electric Department to execute a grant agreement, subject to final review and approval from the City Attorney's Office, with the State of Vermont for an amount up to $95,293.98 to support installation of electric vehicle charging in Burlington, consistent with the terms and conditions of the agreement.

VOTING: unanimous; motion carries.

5.11 Grant Acceptance for District Energy Federal Funds and Resolution Supporting Creation of District Energy 501(c)(3) – BED

General Manager Springer said that this would accept a $5.16 million grant that Senator Leahy was able to secure to support the District Energy Project, and a resolution that supports the creation of a 501(c)(3) that Evergreen would run and that would manage the District Energy development work and manage the permitting, financing, construction, and operation of the District Energy System. He said that they are working with their partners (UVMMC, VT Gas, BED, the City, and Evergreen) on a letter of agreement. He noted several challenges, particularly that construction costs are extremely high, fuel costs are volatile, and interest rates for financing have been high. He said that the goal is to have this be a 2023-2024 construction project with a target start date for operations of 2024.

MOTION by City Council President Paul, SECOND by Councilor Magee, to approve and recommend that the City Council authorize the General Manager of Burlington Electric to enter into an agreement with the U.S. Department of Energy, subject to final review from the City Attorney's Office, to accept a grant award of $5.16 million to support construction of the proposed Burlington District Energy system, with the understanding that such funds will ultimately be utilized to 1. Reduce financed capital costs of the steam infrastructure system that would be owned and operated by the Burlington District Energy non-profit, and 2. Provide for the purchase of an electric boiler owned and operated by BED, that would provide supplemental and backup steam to the District Energy system.

DISCUSSION:

- **Councilor Hightower asked what deadline the City is under to accept this, and asked whether more public outreach would be good to conduct prior to acceptance. General Manager Springer replied that the project itself isn't a definite go-ahead, but will have more engagement on that in 2022. He said that in terms of the grant, the City is waiting for a response from the federal Department of Energy, and that once that is received BED will have several weeks to respond back with their acceptance. He said that they would also be happy to brief the Transportation, Energy, and Utilities Committee (TEUC) at some point.**
- **Councilor Dieng asked for more detail on the governance of the non-profit. General Manager Springer replied that there would be a local Board of Directors to help govern the system, provide strategic direction, and ensure that rates are being managed effectively. Mr. Ahern added that rates would be cost-based and stakeholders and customers would approve annual budgets and ensure that the system is adhering to them.**

VOTING: unanimous; motion carries.

5.12 Supporting McNeil Generating Station District Energy Project With Vermont Nonprofit Burlington District Energy, Inc. - BED

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

VOTING: unanimous; motion carries.

5.13 Bolt Mobility Corporation Lease - BPRW

Director Wight said that this would be a one-year lease for the placement of bike share racks in Waterfront Park and at the main entrance at 645 Pine Street. She noted that 5% of the gross sales that start from those locations will be received by BPRW.

Councilor Hightower noted that other providers are worried about competition and asked about how the City has addressed those concerns. Mayor Weinberger acknowledged that there have been several complaints about specific locations (particularly the waterfront), but there has not been an indication that local providers could provide a bike share program in this manner. Director Wight noted that there is an open RFP for bicycle rentals in order to be responsive to some of these complaints.

Councilor Dieng asked if the company is paying taxes through this program. Director Spencer replied that he isn't sure whether tax law considers the rental of a bicycle a sale, and so isn't sure that they are paying sales tax. Mayor Weinberger said that there wouldn't be a City tax for this type of service, but that there could be a State tax associated with it. Councilor Dieng said that he would like to look into the lease agreement to determine how the company pays taxes prior to approval.

MOTION by Councilor Hightower, SECOND by Councilor Magee, to approve and recommend a one-year lease with Bolt Mobility Corporation on the terms provided in and substantially in conformance with the attached lease, and to authorize Mayor Weinberger to execute the leases, subject to final approval by the City Attorney's Office.

VOTING: unanimous; motion carries (City Council President Paul absent for vote).

5.14 Allocation Method And Standards For Common Area Fee Formula, And Establishment Of Common Area Fees For The Church Street Marketplace For Fiscal Year 2023 – CSM

Executive Director Alnasrawi said that the Church Street Marketplace Commission makes a recommendation on marketplace fees. She noted that businesses are charged per square foot of ground floor on the marketplace. She noted that the Commission voted to maintain the current rate at $2.87 pe square foot, and that it has been at that rate since Fiscal Year 2017.

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

VOTING: unanimous; motion carries (City Council President Paul absent for vote).

6.0 ADJOURNMENT

6.01 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 6:12 PM.

RScty: AACoonradt