



Board of Finance Meeting, Monday, May 24, 2021, 5:00 pm
****VIRTUAL MEETING****
5/24/2021

BURLINGTON BOARD OF FINANCE

REMOTE MEETING WITH CALL-IN NUMBER

BURLINGTON, VERMONT

MINUTES OF MEETING

May 24, 2021

MEMBERS PRESENT: Max Tracy

Karen Paul

Brian Pine

Ali Dieng

Miro Weinberger/Katherine Schad

OTHERS PRESENT: Eileen Blackwood

Rich Goodwin

Jordan Redell

Lise Veronneau

Chapin Spencer

Norm Baldwin

Danielle Cota

Laura Wheelock

Megan Moir

Martin Lee

Jessica Lavalette

Dave Fox

Darren Springer

Emily Stebbins-Wheelock



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Sarah E Carpenter

Perri Freeman

Sophie Sauve

Max Madalinski

Cindi Wight

Brian Lowe

Jon Murad

1.0 CALL TO ORDER and AGENDA

Chief Administrative Officer Schad called the Board of Finance meeting to order at 5:04 PM.

1.
 - i. Motion to amend/adopt agenda

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

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

- Gabrielle Stebbins spoke as chair of Burlington Electric Commission about the proposed rate increase, noting that BED has not raised rates in 12 years and that they worked hard to determine what could carefully be cut and what could be deferred, but that ultimately they determined that they would need to raise rates. She said that the Commission and Department team do not propose this rate increase lightly and understand that this is a challenging time for many Vermonters and Burlingtonians.

Forum closed at 5:08 PM.

3.0 CONSENT AGENDA



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3.01 Board of Finance May 10, 2021 Minutes, Draft – approve the minutes.

MOTION by Councilor Pine, SECOND by City Council President Tracy, to adopt the consent agenda items 3.01 and take the actions indicated.

VOTING: unanimous; motion carries.

4.0 FOR APPROVAL AND RECOMMENDATION TO CITY COUNCIL

4.01 Railyard Enterprise Project - Authorization to Execute Cooperative Agreement – DPW

Director Spencer said that this is an exciting project in the Southwestern corner of downtown and that it seeks to achieve a number of goals, such as enhancing multimodal connectivity, increasing livability in neighborhoods south of downtown, stimulating economic development, and improving access to and from the railyard. He said that two scoping efforts were conducted in 2016 and 2018, respectively. He reminded the Board that after the last scoping study, the Council had directed the department to seek a 90% state and federal match for the final cost of the project and to begin engineering as soon as possible. He said that support at the state and federal levels have grown and that they are ready for preliminary engineering. He said that an initial \$10 million would allow for permitting, right-of-way, and subsequent phases to begin. City Engineer Baldwin noted that cost sharing is 81% federal, 9% state, and 10% City and that funding will be available July 1. He said that on that timeline, it would be possible to issue an Request for Proposals (RFP) for design consultants and come back to Council late summer to get the project moving.

Councilor Paul said that the fact that this grant award is 81.08% federal and the state is 8.92% sounds like it was a negotiation and congratulated the team that conducted that negotiation with federal and state partners. She asked how much the City is obligated to spend in FY22 and throughout the life of the program. City Engineer Baldwin noted that over the life of the agreement, the City could pay up to \$1,000,000, but that they anticipate only spending \$50,000 in FY22, on these early stages.

City Council President Tracy asked how this timeline will interface with parkway construction. He emphasized the need to see this project move forward on the same timeframe, to minimize impacts to residents. Director Spencer replied that they have been trying to move the railyard program forward as quickly as possible. He said that the Parkway's timeline is such that they are expecting to receive the federal highway's response in late summer and the project is expected to be put out to bid this winter and last two construction seasons with anticipated completion around 2024. The two projects are independent but will be relatively close in terms of project delivery.

Councilor Dieng asked about the soil contamination and the budget for this project. He asked how confident the City is that it can take on the 10% cost share. Director Spencer replied that the 10% local match is for participating costs and that the federal highway and VTrans determine what is eligible get the 90% federal and state share. He said that managing soils is not part of the participating costs and that soil management costs will be in addition to the 10% contribution for participating costs, but that cost estimates for that component are not yet known. He added that given the small project



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area, this is a risk that we need to understand but we need to move ahead.

MOTION by Councilor Dieng, SECOND by City Council President Tracy, to approve and recommend that the City Council authorize the Director of Public Works to execute a Cooperative Agreement between the City of Burlington and the State of Vermont for the Railyard Enterprise Project.

VOTING: unanimous; motion carries.

4.02 Authorization to Amend Project Budget and Construction Contract for Sidewalk Reconstruction Program - DPW

MOTION by Councilor Paul, SECOND by City Council President Tracy, 1. To approve and recommend that the City Council authorize the Director of Public Works to execute necessary amendments to the construction contract the Sidewalk Reconstruction Project with SD Ireland Brothers Corporation to increase the maximum limiting amount by \$932,000.00 to \$2,049,000, with an additional \$103,000.00 in contingency funds, totaling up to \$2,152,000, subject to the final review and approval by the Office of the City Attorney; and 2. 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 \$1,135,000 in fund from the Department of Public Works unassigned fund (GL 110-00-000-000) to the existing Fiscal Year 2021 Sidewalk Reconstruction Program budget (GL842-19-700-771), raising the account amount from \$1,117,000 to \$2,252,000, to pay the Fiscal Year 2021 Sidewalk Reconstruction Program project expenses.

VOTING: unanimous; motion carries.

4.03 Authorization to Execute Engineering On-Call Main Agreement with Wright-Pierce - DPW Water Resources

Engineer Lee said that Wright Pierce is the wastewater engineering firm that the City has been using since 2018 and that the City is working with them on EPA State Revolving Fund projects. He said that the City has also worked with them on smaller projects. He said that they are now seeking to continue working with them up to the amount of \$100,000 because they anticipate doing some engineering planning work in the near future as they prepare for additional projects at the wastewater plant.

MOTION by Councilor Dieng, SECOND by City Council President Tracy, to recommend that the City Council authorize the Director of Public Works to execute an on-call main contract with Wright-Pierce, with a maximum limiting amount of \$100,000.00, for engineering services related to wastewater treatment plant improvement work, subject to review and approval by the Chief Administrative Officer and City Attorney's Office.

VOTING: unanimous; motion carries.



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4.04 Approval of the 2021 Water Resources Division Rate Restructuring and Affordability Programs Proposal and Associated Chapter 26 and 31 Ordinance Changes - DPW Water Resources

Assistant Director Moir spoke about the final proposal for comprehensive rate restructuring in Burlington's first affordability program, which has been designed to protect access to water. They noted that sustainable funding is crucial to access to clean water. They spoke about the three objectives of this project, which include ensuring affordability, improving the department's financial health and sustainability, and ensuring that rates are recouping the cost of service in an equitable manner. They noted the public outreach they had conducted in the first year of the study as well as in April of 2021. In terms of rate structure changes, they are proposing to include fixed charges by meter size, customer class-based rates, irrigation rate and cooling/heating make-up rate, and private fire protection charges. These proposed changes are meant to be equitable to customers as well as ensure sustainability and predictable revenue for the department. They also spoke about proposed affordability options, including a lifeline rate tier that discounts the first defined number of cubic feet depending on unit size, a fixed-fee waiver that would waive the monthly water and wastewater charge for income-constrained residential customers, and flexible payment terms that add a budget billing option. Other assistance program options include infrastructure assistance, conservation assistance, and stormwater management assistance. They then showed the current and proposed rates. They said that the FY22 budget is built to ensure proper operation and sustainable stewardship of infrastructure, with targeted funding for customer assistance programs. They noted that without the proposed restructuring, all customers would have seen a 5.9% increase in rates across the board.

Councilor Pine asked if there were things that the Water Resources Division would have wanted to achieve that they were not able to achieve in this rate restructuring. Assistant Director Moir said that she is curious about the uptake rate for currently-proposed programs and what the City can do for renters in the near term in terms of assistance and ensure that all customer classes are protected.

Councilor Paul noted the enormous amount of work that went into recrafting a rate structure that is equitable. She noted that there has been concern from constituents about the discount program for seniors and that they may not apply even if they are eligible.

MOTION by Councilor Paul, SECOND by Councilor Pine, to 1. "To recommend that the City Council approve and adopt the 2021 Water Resources Rate Restructuring and Affordability Program Proposal, conditional upon the adoption of the necessary amendments to be made to the Burlington Code of Ordinances."; and 2. "To recommend that the City Council vote to suspend the rules and place the attached amendments to the Burlington Code of Ordinances Chapters 26 and 31 in all stages of passage.

DISCUSSION:

- **Councilor Carpenter asked about sub-metering for apartments and whether it could be implemented as new multi-family units are built. Assistant Director Moir said people can sub-meter on their own but that the Division does not read those water meters unless requested. Ms. Lavalette said that they used to supply sub-meters to customers who wanted them. There are a number of properties who sub-meter, but the Division does not actively participate in that.**
- **City Council President Tracy commended the public process around the rate restructuring, noting the efforts**



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around public outreach and education on the proposed rate restructuring. He asked whether the restructuring would impact behavior and show some conservation benefit. Assistant Director Moir said that once households move up a tier, the rate increase might dissuade them from overuse. She also spoke about advanced metering as a possibility, which would provide households real-time metering information so that they can track their water usage as it occurs.

VOTING: unanimous; motion carries.

4.05 Key Bank Lease Purchase Financing Agreement – BED

Councilor Paul asked about which option was chosen for this agreement. BED General Manager Springer said that they chose the 48 month option and the lower interest rate.

Councilor Pine asked if the term sheet expired on the 21st. BED General Manager Springer replied that the agreement will be extended. He said that the lease/purchase financing agreement would give them more than 90 days cash on hand for the FY22 budget. Ms. Stebbins-Wheelock said that this loan and liquidity are included in the FY22 budget, which helped mitigate the rate increase by providing more cash.

MOTION by Councilor Paul, SECOND by Councilor Pine, to recommend that the City Council authorize the General Manager of the Burlington Electric Department to enter into a Tax-Exempt Lease/Purchase Financing Agreement with Key Government Finance, Inc. for an amount not to exceed eight hundred thousand dollars (\$800,000) for information technology investments, subject to final review of agreement terms by the City Attorney's Office.

VOTING: unanimous; motion carries.

4.06 BED FY22 Rate Changes – BED

MOTION by Councilor Pine, SECOND by Councilor Paul, to recommend the City Council authorize the General Manager of the Burlington Electric Department or his designee to file tariff amendments with the Vermont Public Utility Commission to increase Burlington Electric Department rates by 7.5% beginning in Fiscal Year 2022 as proposed.

DISCUSSION:

- Councilor Pine asked about any downsides to not doing the rate increase or any downside to phasing the increase. BED Manager Springer replied that a number of different options were vetted prior to arriving at this one. He said that this proposal was selected with an eye to the debt-to-income ratio in order to maintain their current credit rating.



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- Councilor Dieng said that including more community involvement and input prior to this rate increase would have been a better process. He asked that more input and feedback be allowed prior to the next proposed rate increase.
- City Council President Tracy asked for a summary of the process moving forward. BED Manager Springer replied that BED has been talking about the need for adjusting rates for the past decade. He said that large customers are kept up to date on any potential rate increases. He noted that the process began with a public meeting of the Electric Commission in which the public could comment. He said that if this is approved tonight it will go to the Public Utility Commission at the state level, and will go through the approval process there for several months.
- Councilor Paul said that the more advanced notice that can be given to rate payers, the better. She said that maybe the rate increase could have come sooner and potentially been smaller but that she will ultimately support this.

VOTING (by roll call): City Council President Tracy – aye, Councilor Paul – aye, Councilor Dieng – nay, Councilor Pine – aye, Mayor Weinberger – aye (4 ayes, 1 nay); motion carries.

4.07 REVISED - Schifilliti Park Shared - Use Path Grant Agreement with VT Agency of Transportation - BPRW

MOTION by Councilor Dieng, SECOND by City Council President Tracy, to approve and recommend that the City Council approve acceptance of the Transportation Alternatives Program grant, and authorize Sophie Sauvé, Parks Comprehensive Planner, to execute the Grant Agreement with the Vermont Agency of Transportation, subject to review by the City Attorney's Office.

VOTING: unanimous; motion carries.

4.08 Creation of Early Learning Initiative Manager Position - HR/IT

MOTION by Councilor Pine, SECOND by Councilor Dieng, to approve and recommend that the City Council authorize the creation of a Regular Full-time, Exempt, Non-Union, Grade 19, position (Early Learning Initiative Manager) reporting to the Director of Economic Recovery.

DISCUSSION:

- Councilor Dieng asked about the status of the current program. Chief Innovation Officer Lowe replied that the program has increased by 38% and that there are 91 new spots total. He also added that with this new position, the City could review other ways that childcare could be provided for City employees in the coming year.
- City Council President Tracy asked if there was discussion of providing a direct subsidy rather than creating this position, and whether creating this position would provide more resources. He also said that the





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economics of operating childcare are challenging and asked how this position would address those dynamics. Chief Innovation Officer Lowe replied that this position is based on a tested working model and that they have seen 57 families placed into scholarships over the last two years. He said there is good evidence for building on this model. He also noted that Let's Grow Kids, a collaborating partner, is pulling back (as planned) and the City is assuming some of their functions. He also noted that there may be significant childcare program funding at the federal level that could be made available to support this program.

VOTING: unanimous; motion carries.

4.09 Approving The Pledging Of The Credit Of The City In Anticipation Of The Receipt Of The Revenue From The Airport Department - C/T

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

VOTING: unanimous; motion carries.

5.0 BOARD OF FINANCE APPROVAL ONLY

5.01 Early Learning Initiative Contract Amendment with Child Care Resources - IT

MOTION by Councilor Pine, SECOND by Councilor Paul, to approve the Child Care Resources contract amendment described above as recommended and authorize the Chief Innovation Officer to execute any and all documents necessary to fulfill the contract, subject to final review by the City Attorney's Office.

VOTING: unanimous; motion carries.

6.0 FY22 BUDGET PRESENTATION

6.01 Police - Jon Murad

Acting Chief Murad provided an overview of the Police Department, noting that there are 82 sworn officers and 27.2 non-sworn officers but that some officers are on long-term military leave, administrative duty from long-term injuries, and terminal leave, which led to a calculated attrition of 7 officers. He said that with this attrition they have lost their swing shift, Street Crime Unit, and have reassigned all specialized roles to patrol. He provided an overview of the FY22 expense budget, which is comprised mainly of salary and benefits, with smaller amounts allotted to uniforms and equipment, training and recruitment, and utilities. He said that some anticipated budgetary opportunities include the restoration of training levels,



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onboarding a new Community Service Officers and hiring a Public Records Request Specialist. He compared the FY22 budget to the FY20 budget, noting \$777,000 in savings which will be invested in several new initiatives, including two park rangers, an expanded mental health services reserve, and a reserve for implementing the BPD assessment. He spoke about the CSO Pilot Plan, which authorizes the Burlington Police Department to hire ten additional unarmed, unsworn Community Service Officers (CSOs), who could potentially respond to approximately 15-20% of total incident volume once they are fully trained. He provided a brief overview of incident volume trends, which have decreased as the department purposefully engaged in fewer enforcement contacts and more hands-off policing.

City Council President Tracy asked about several specific line items. Ms. Veronneau replied that they are for equipment such as body cameras, firearm training supplies (such as ammunition), and other major equipment issued to officers. She said she will distribute further information to the City Council in the next several days.

Councilor Paul noted that the State requires 4 hours of training on use of force tactics but that BPD conducts 10 hours of that training. She asked why BPD requires more hours of training than asked for by the State. Acting Chief Murad said that BPD is exploring new use-of-force tactics that would actually avoid using force and that they want that training to be thorough. Councilor Paul asked that the police force at the Burlington International Airport be represented as a separate division on the organization chart in future presentations.

Councilor Dieng asked about the fee for service budget items. Ms. Veronneau replied that it is for outside contract jobs. Councilor Dieng asked about the proportion of the general fund budget that is the BPD's budget. Chief Administrative Officer Schad replied that she will distribute that information to Councilors when numbers have been finalized. Finance Director Goodwin noted that the cost of police services at the airport is \$1,270,000 and that it is classified as revenue in the police budget. He said that his team will work to more explicitly make that clear in the budget.

7.0 ADJOURNMENT

7.01 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 7:15 PM.

RScty: AACoonrad