



FY23 Budget Presentations, Monday, May 16, 2022, 5:00 pm
****Bushor Conference Room, Room 102, 1st Floor, City Hall OR**
remotely via ZOOM
5/16/2022

BURLINGTON BOARD OF FINANCE

REMOTE MEETING WITH CALL-IN NUMBER

SPECIAL MEETING: FY23 BUDGET PRESENTATIONS

BURLINGTON, VERMONT

MINUTES OF MEETING

May 16, 2022

MEMBERS PRESENT: Karen Paul

Zoraya Hightower

Ali Dieng

Joe Magee

Miro Weinberger

OTHERS PRESENT: Katherine Schad

Rich Goodwin

Jordan Redell

Justin St. James

Sarah E Carpenter

Mark Barlow

Nic Longo

Marie Friedman

Chapin Spencer

Lee Perry

Norm Baldwin

Gene Bergman

Mary Danko

Cindi Wight



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Martha Keenan

Ashley Parker

1.0 CALL TO ORDER and AGENDA

Chief Administration Officer Schad called the Board of Finance meeting to order at 5:00 PM.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

None at this time.

3.0 CITY ATTORNEY

3.01 City Attorney – Justin St. James

Deputy City Attorney St. James provided an overview of the City Attorney's Office, noting that it currently has 6 attorneys (one vacant position for City Attorney), 1 Paralegal, 1 Legal Assistant, and 1 Public Information Officer. He described City legal services, saying that it is General Counsel for all City departments and projects, that conflict counsel is hired on an individual basis as needed, that electric utility regulation, airport regulation, commercial real estate, bankruptcy, tax collection, and environmental matters are handled by outside counsel, that insured claims are handled by counsel chosen by the insurance company, and that bond counsel assists with all bond-related decisions. He provided an overview of the outside legal firms that were used in FY22. He noted that each City department and specific projects or boards have a primary legal support attorney assigned, as do specific tasks such as public records requests and parking ticket appeals. He noted expected internal projects and goals for FY23, which included hiring a new City Attorney, continuing a review of City ordinances and charter provisions for potential updates, decreasing individual workload when full staffing is achieved, and continuing to create more standardized provisions and practices to increase efficiency for clients. He said that the FY23 budget is very similar to the FY22 budget, and that the only notable decrease is for the outside counsel budget lines.



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Councilor Carpenter asked if there are additional outside legal fees that aren't reflected in this budget. Deputy Attorney St. James replied that there could be outside counsel fees for the enterprise funds, which aren't included in the General Fund.

Councilor Hightower asked what is being used as the pre-Covid comparison fiscal year. Chief Administration Officer Schad replied that they are using FY19 as the pre-Covid comparison year. Councilor Hightower asked whether the City Attorney's Office was able to decrease its budget. Chief Administration Officer Schad replied that there were cuts made in the outside counsel line, as well as for other very small items.

City Council President Paul noted that in past years, actual revenue has come in lower than was originally budgeted, and asked whether revenue would be lower in FY22 than was projected. Chief Administration Officer Schad replied that they are anticipating that actual revenues for FY22 should come in right on target. City Council President Paul noted that several line items that had been in previous budgets have disappeared from the FY23 budget, such as computer equipment and medical fees and supplies. Chief Administration Officer Schad replied that computer supplies are all being consolidated in the IT Department's budget. She said that medical fees and supplies are generally first aid supplies. City Council President Paul said that those don't necessarily represent cuts, since they are being put in other departments. City Council President Paul asked whether they anticipate vacancy savings and whether they anticipate filling the City Attorney position soon. Deputy City Attorney St. James replied that they will have some vacancy savings for the City Attorney position for a time, but anticipate being able to fill the position in the near future.

Councilor Dieng asked about the employee benefit line item, since it seems to be new. Chief Administration Officer Schad replied that it is in most department budgets and is a small amount that department heads use to have staff lunches, team-building exercises, or other staff events.

4.0 AIRPORT

4.01 Airport – Nic Longo

Interim Director Longo presented an overview of the FY 2023 proposed budget for the Airport. He spoke briefly about staffing levels, noting that the Airport is almost fully staffed, though there are several positions that are vacant. He noted that the maintenance and operations teams are fully staffed. He spoke about fiscal challenges for the FY23 budget, noting that there was a faster recovery than anticipated (though Covid is still causing some uncertainty), that passenger traffic is returning to pre-pandemic levels more quickly than anticipated and that the Airport anticipates being fully recovered in 1-2 years. He noted that the Federal Aviation Administration (FAA) has provided a significant amount of funding to support revenue losses. He noted that there have been hiring challenges in a tight labor market. He also spoke briefly about a number of capital projects that have been funded by the FAA.

Interim Director Longo provided an overview of the Airport's revenues, noting that they are budgeting for significantly higher revenue in the garage parking and rental car related lines than was included in the FY22 budget. Finance Advisor Friedman spoke in more detail on proposed revenue, which shows a decrease in stimulus monies but an increase in



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revenues related to increased Airport traffic and operations. She also spoke in detail on expenses. She noted that the Airport did not reduce positions, since the Airport has many essential staff related to safety and equipment. She noted that maintenance and repairs would be related to preventative maintenance, that interfund transfers would include local match for federal grants, and that there are unavoidable expenditures related to insurance, utilities, city cost allocations, and deicing/snow removal costs. She noted that there is no revenue bond principal payment due until July 1, 2023, due to refinancing.

Councilor Hightower said that in 2020 and 2021 there was a loss, and she asked how the loss is being carried by the Airport. Interim Director Longo replied that the Airport is self-sufficient and creates enough revenues to cover its expenditures. He said that their expenditures are difficult to change (there are a lot of fixed costs), and the losses suffered in 2020 and 2021 were filled by federal assistance funding.

Councilor Barlow asked about the level of days cash on hand. Finance Advisor Friedman replied that they have been able to maintain a steady level of days cash on hand funding. Councilor Barlow asked if the interfund transfer line is considered by expense and revenue. Finance Advisor Friedman replied that on the expense side it behaves like a fund balance transfer, and that on the revenue side, it is a line item that is used for projects that benefit both the airport and airlines (through an agreement with the airlines).

Councilor Dieng asked why the debt service has gone down by 13%. Finance Advisor Friedman replied that it is decreasing because the principal balance is decreasing.

5.0 DEPT. OF PUBLIC WORKS

5.01 DPW – Chapin Spencer

Director Spencer noted that tonight's discussion will focus on the programs that are included in the General Fund, which include Engineering, Transportation Planning, Capital Planning, Asset Management, Parking Services, Street Maintenance, Fleet Maintenance, and Recycling. He spoke briefly about DPW's high level budget goals for FY23, which chiefly include maintaining services for the year. They also include reducing injuries and expanding safety culture, funding toters for every residential property for recycling, launching passenger rail to Burlington, continuing to implement the PlanBTV Walk/Bike work plan, continuing asset management software implementation, earning more billable revenue for the General Fund, and finalizing parking services strategic reorganization.

He noted revenue drivers, including parking services revenue, tech services on billable projects, increasing equipment maintenance shop rate, increasing the street maintenance sidewalk construction rate and increase the water resources billable work, and using one-time funding to provide subsidized toters.

He spoke about key expense drivers, which include increased fuel costs, two additional street maintenance FTEs, purchasing a replacement recycling vehicle, and increased overtime to the street maintenance team.



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He outlined challenges to the department in the context of this budget. He said that one large challenge is maintaining capacity and resulting production in order to hit ambitious revenue targets with persistently open positions, and another is simultaneously managing many large, complex capital projects with modest staff, limited consultant resources, and in an inflationary environment. He noted that they are pausing the consolidated collection effort given strained staff resources to manage the process.

Councilor Bergman asked for more detail about the transportation demand management project within the context of this budget. Director Spencer replied that DPW will comply with the Council's resolution to work to find off-street parking for North Winooski Avenue. He added that there was \$15,000 from the Council Initiatives fund to support transportation demand management, though noted that there are some unknowns around who will coordinate the TDM Plan in future. Councilor Bergman asked that DPW seek more clarity on which department will take the lead role on TDM.

Councilor Barlow asked about the two street maintenance workers who will be working on water resource projects and asked for additional detail about budgetary plans to address street deterioration. Director Spencer noted that there are 6 miles of paving that need to be done in 2022 and acknowledged that they will pay a premium for that. He said that the two street maintenance positions will be billable for water, in order to preserve the water quality of the lake.

Councilor Dieng asked about the feasibility of adding a spring leaf pick-up activity into the budget, as a number of constituents have requested that service. Director Spencer replied that DPW is exploring how to get more leaves off of roads and properties in the fall, so that there is less organic matter making its way into the lake. He said that this is a water quality issue and they are in conversations with the water resource division on this service. Councilor Dieng asked about neighborhood traffic calming and how to improve the turnaround time for those requests. City Engineer Baldwin replied that there are allocations that deal with traffic calming and that they are also working hard at trying to speed up the process of responding to and implementing traffic calming requests.

6.0 FLETCHER FREE LIBRARY

6.01 Fletcher Free Library – Mary Danko

Director Danko provided a brief overview of the mission, value, and strategies of the Fletcher Free Library. She then provided an overview of the FY23 budget. She noted that the majority of expenses is for personnel (82.3%), followed by its collection fund (8%), utilities (4.7%) and services (3.1%). She noted that the library budget is fairly constrained, and that it has limited sources of revenue.

City Council President Paul noted adjustments in the special supplies budget line and that they have decreased in the proposed FY23 budget. Director Danko replied that that line decreased due to lack of an ARPA grant that was available for FY22.



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Councilor Hightower asked if the City owns the Fletcher Free Library building and whether there is deferred maintenance that needs to occur. Director Danko replied that there has not been an assessment done since 2016 but that one should occur in the near future.

Councilor Magee asked about the parking line within the employee benefits line. Chief Administration Officer Schad replied that that should be added to the budget and will do so.

Councilor Barlow said he is excited about the opening of the New North End branch and asked what the service levels is and whether they will increase. Director Danko replied that they received funding to have a part-time position staff the NNE branch, so that it can be open currently for 16 hours per week but will be reviewing how they can increase the hours for that branch. Councilor Dieng asked if there has been discussion with the union about that part-time position. Director Danko replied that there isn't an update available yet.

7.0 BURLINGTON PARKS, RECREATION, AND WATERFRONT

7.01 Burlington Parks, Recreation, and Waterfront – Cindi Wight

Director Wight began the budget presentation by noting revenue changes from FY19-FY23. She noted a sharp drop in revenue in FY20-FY21, but an upward trend in revenue in FY22. She said that they anticipate revenue for the end of FY22 and summer of FY23 to increase due to the Canadian border opening, as Canadians are around one third of the camping visitors. She then discussed expense changes from FY19-FY23, which were not as dramatic in terms of decline in FY20-FY21 as was revenue. She noted some staffing additions, such as the transition of a ½ time custodian position to a full time custodian position, a central facilities project coordinator, a part-time graphic designer, multiple grade changes, as well as a handful of open full-time positions. She outlined the cuts that were made for expenses in FY23, which included some one-time costs, cuts for repair and maintenance, special supplies, professional training, professional services, and telecommunications. She noted challenges, including that there are 30 encampment sites to clean up across the City's parks, that hiring seasonal staff is a challenge, and that they need to balance reductions with a 10% increase in utility costs.

Councilor Barlow asked about whether the urban park ranger positions have been filled, and Director Wight replied that they have.

Councilor Hightower said that they should keep equity in mind when discussing revenue drivers such as fees, to ensure that residents with fewer resources still have access to the City's services.

Councilor Dieng asked about changes or allocations for accessibility issues, particularly for lakes. Director Wight replied that Oakledge Park will have accessible entrances for the lake, and that they are working on increasing access for Leddy Park.



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8.0 CIP/CAPITAL BUDGETS

8.01 CIP/Capital Budgets – Capital Committee

Former Capital Program Director Keenan began by showing the capital projects for FY 2023. She noted that the Capital Improvement Plan for FY23-26 is over \$150,000,000. She noted that the proposed budget expenses for FY 23 totals approximately \$44.6 million. City Engineer Baldwin noted several larger capital projects that will be active during FY 23.

Councilor Barlow asked about the bike path rehabilitation project and whether it is included in this budget. Director Spencer replied that that project is wrapping up and nearing completion. Former Capital Program Director Keenan replied that there are several components related to bridges on the bike path that still need to be worked on.

9.0 CAPITAL BUDGETS AND PARKS

9.01 Capital Budgets and Parks – Cindi Wight

Director Wight provided an overview of the Dedicated Funds and Capital Budget for Parks, Recreation, and Waterfront. She began by reviewing the dedicated funds, which includes Penny for Parks (to be used for park improvements) and park impact fees. She outlined a number of multi-fiscal year projects that are continuing into FY23, which include the Red Stone Cottage renovation, Oakledge and Calahan playgrounds, and comprehensive plans for Leddy, Roosevelt, and Battery Park. She spoke about upcoming new projects, including a replacement tot lot at Pomeroy, Calahan court and stormwater design, Smalley Park playground replacement, Roosevelt tennis court resurfacing, and Oakledge restroom universal access renovation, connecting paths, and accessible parking. She then spoke about bond and VTrans-related projects, including multi-year projects such as Schiffilliti Park pathway, North beach pull-through final design and permitting, and improving outdoor access at Leddy. She noted upcoming projects, including a boathouse feasibility study, Starr Farm irrigation, and dredging. She then spoke about open space and conservation legacy projects, such as the Burlington Wildway, conservation education, implementation of the Open Space Protection Plan's Climate Action Addendum, partnership development, and reviewing and recommending updating the percentage split of the Conservation Legacy Fund. She then spoke about projects related to the Bike Path Maintenance and Improvement Fund and projects related to central facilities (which will be funded through the bond).

10. ADJOURNMENT

10.01 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 7:42 PM.

RScty: AACoonrad