



**Board of Finance - Monday, April 15, 2019 at 6:00 p.m. Conference
Room 12, City Hall
4/15/2019**

BURLINGTON BOARD OF FINANCE

CITY HALL

BURLINGTON, VERMONT

MINUTES OF SPECIAL MEETING

April 15, 2019

APPROVED – 6/3/19

MEMBERS PRESENT: Mayor Miro Weinberger
Karen Paul [arrived 6:08 PM]

Sharon Bushor

Kurt Wright

Brian Pine

OTHERS PRESENT: Beth Anderson, CAO
Justin St. James, Assistant City Attorney
Olivia Lavechin, Mayor's Office
Jordan Redell, Mayor's Office
Chapin Spencer, DPW
Martha Keenan, DPW
Megan Moir, Water Resources
Stephanie Reid, HR
Deanna Paluba, HR
Max Tracy, City Council
Perri Freeman, City Council
Ali Dieng, City Council
Dave Hartnett, citizen



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1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the meeting to order at 6:03 PM on April 15, 2019.

1.01 Agenda

MOTION by Council President Wright, SECOND by Council Bushor, to approve the agenda as presented. VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

2.0 PUBLIC FORUM

Dave Hartnett spoke about the extremely poor condition of the pavement at Franklin Square being an embarrassment and having residents feeling the city does not care about them. The potholes are very deep. The road is unsafe. The city needs to get the roadwork done.

3.0 MINUTES

3.01 February 11, 2019

3.02 February 19, 2019

MOTION by Councilor Bushor, SECOND by Council President Wright, to approve the 2/11/19 and 2/19/19 minutes with correction to Item 4.07 in the 2/11/19 minutes to reflect that \$49,200 for the eight pay stations is from the Traffic Fund. VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

4.0 BOARD OF FINANCE APPROVAL

4.01 Purchase of Three Commercial Vehicles – DPW

MOTION by Councilor Bushor, SECOND by Councilor Pine, to approve and authorize the DPW Director to purchase one tractor from Essex Equipment, one wood chipper from Champlain Valley Equipment, and one turn mower from Harvest Equipment, and to utilize the city's existing lease/purchase agreement with JP Morgan for a total of \$91,788.28 subject to legal review and approval by the City Attorney. VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

5.0 APPROVE AND RECOMMEND TO CITY COUNCIL

5.01 Reclassify Inspection Services Position and Reporting Structure Changes – DPW, IT, HR

Removed from agenda.

5.02 Update Staffing Structure: Public Works Water Resources Division – DPW



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Water Resource Director Moir and DPW Director Spencer said the updated staffing structures has three elements:

- Affordability is paramount
- Public engagement on development of ideas and review of the study results
- Successful stewardship to provide safe, clean water and align resources to prevent legacy issues

Timing is important because there is personnel leave coming up in Water Resources so new staff must be in place, but new people will not be added when leadership is not in place which will delay implementation. Staff takes the Clean Water Resiliency Plan seriously. An RFQ was put out in January and the department is actively procuring consultants. Tasks include the items wanted by the Board of Finance such as a public engagement stakeholder process. One reorganization step is sending three people from Water Distribution Metering to Customer Care. There is cross-training between distribution and billing.

Councilor Paul asked if one position for reclassification has been eliminated. Water Resources Director Moir said the Storm Water Coordinator position was reclassified to the Water Policy & Program Manager position at Grade 22 and a new Storm Water Coordinator position at Grade 19. Each position addition represents most of the added money and was done to address risk. The Water Resources Engineer position increases the ability to deliver critical projects and provide technical resources to deal with programmatic activities and address waste water and storm water pollution. The Customer Care position will ensure there is adequate capacity to address meter billing and revenue assurance. Mayor Weinberger added the position will help avoid having major deficiencies in the billing system. Water Resources Director Moir said meetings were held with union leadership to go over the plan and explain the Customer Care/Billing Administrator position coming out of the union. Customer Care II position and Waste Water Operator will be added to the union. The staffing changes were also explained to the metering group. The cost impact of Phase 1 is about 3.5% or a rate increase of \$2.37 for a user of 600 c.f per month and of that increase one dollar supports the first stage of staffing (three positions and reclassification). Phase 2 cost increase is \$1.70 to occur in FY20. Rate history shows from FY96 to 2004 there were no rate increases. Between 2009 and 2011 the rate increases ranged from 10% to 14%. Since 2012 there has been a 4.2% rate increase. The average annual rate increase across the country is 7%. The department is willing to codify incentive, rebate, and affordability programs. Cost saving measures include replacing older meters and adding key positions to mitigate future costs such as the cost of closed beaches and penalties from the state for overflows. Staff will be looking at financial capability to address issues.

Council President Wright asked what staffing changes hinge on what the voters approved last fall. Water Resources Director Moir said there will be some benefits. There will be consultant work, but staff must oversee the consultants. DPW Director Spencer said there is concern about having the ability to match the intensity of priorities with the resources available. Mayor Weinberger recalled last fall the Board of Finance authorized the work to go forward and was informed then that more staffing would be needed.

Councilor Bushor noted discrepancy in the positions noted in the resolution and the three positions being proposed to move forward, and expressed concern about the financial impact of the changes and whether this is sustainable. Councilor Bushor asked if the Limited Service Engineer position could wait another year and a half before being made permanent. Also, the grade level for the Storm Water Program Manager position per the consultant is Grade 19, but staff is saying Grade 21. The Customer Care position per the consultant is Grade 20, but staff is saying Grade 22. There is concern once the salaries are established they will become part of the budget. Water Resources Director Moir said functionally an



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engineer, Customer Care technician, and Water Policy Program Manager are being added and a Storm Water Coordinator position is being created. The existing storm water position is being moved into a manager position because the position is taking on more responsibility. Regarding going from limited service to a permanent position, the employee in the existing limited service engineering position is an asset to the department and should be retained. It is hard to attract people to a limited service position. Mayor Weinberger noted the consultant recommended a maximum of three years for limited service, but the city is making the position permanent sooner.

Councilor Paul asked how the average annual rate increase of 7% relates to a community the size of Burlington, adding that if assets are maintained the risk of going into disrepair is lessened. Staffing is a different matter. Councilor Paul asked if there is a way to address the cost increase to avoid forcing people to make a choice between paying their bill or getting groceries. Water Resources Director Moir said staff is looking at a tiered rate structure with a lower rate for small block users versus large users. There will be a charge for irrigation water and fire services. The franchise fee agreement expires in FY20. Staff will look at shifting more cost to institutions. There are lots of opportunities in Phases 1 and 2 in FY20. Having staff in place before the medical leave in the department occurs has been accelerated. Mayor Weinberger cautioned it would be a big mistake not to act on the expenses to make good on what the voters asked for and to address new state mandates.

Councilor Pine said without a tiered rate structure the cumulative effect is not fair to rate payers. Councilor Bushor expressed concern people will feel they cannot afford to live in Burlington any longer. Council President Wright echoed the concern about affordability and shifting more cost onto middle income people.

Councilor Tracy suggested the tiered process be detailed in the resolution. Mayor Weinberger said in the FY21 budget process there will be a series of alternate rate options. Councilor Tracy suggested checking in with ratepayers on the process and franchise fee then putting recommendations on the table. DPW Director Spencer pointed out there is upcoming leave by staff and the construction season will begin soon. Without an engineer in place the city will lose traction on key deliverables. The consultant provided a third-party review. DPW Director Spencer suggested the following revision to the resolution:

- Be it further resolved that the Council direct the department to evaluate alternate rate structures and affordability programs to minimize impact on low income and low use customers, engage the public in development and review of those options, and present the findings to council for its consideration prior to the FY21 budget presentation.

Mayor Weinberger pointed out the cost of the staffing impact is \$1.70/month to the water user using 600 c.f. per month in addition to the approximately \$5/month the voters supported at full phase-in. The voters by 92% said to deal with the problems and by a 60/40 majority approved increasing property taxes in the budget year. Water Resources Director Moir said there is time to bring the affordability structures by FY21 which is when the first part of the Clean Water Resiliency Plan may hit the budget. The warranty period does not start until the year after construction is complete.

Council President Wright said the Board of Finance could approve the resolution with the understanding other comments from City Council could result in a change. Councilor Paul said it appears there is a split board so the vote should not be taken at this time.



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Councilor Dieng stressed a decision should be made. Perhaps the number of staff can be decreased. Councilor Paul interjected it is not the job of the Board of Finance to micro-manage the proposal. There are questions that need answers and perhaps more changes to be made. City Council should be allowed to comment.

The Board of Finance did not act on Item 5.02 – Water Resources staffing structure.

6.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 7:20 PM.

RScty: MERiordan

