Board of Finance Meeting, Monday, February 7, 2022, 5:00 pm
Remotely via ZOOM
2/7/2022

BURLINGTON BOARD OF FINANCE

REMOTE MEETING WITH CALL-IN

BURLINGTON, VERMONT

MINUTES OF MEETING

February 7, 2022

MEMBERS PRESENT: Max Tracy

Karen Paul

Ali Dieng

Zoraya Hightower

Miro Weinberger

OTHERS PRESENT: Katherine Schad

Rich Goodwin

Dan Richardson

Jordan Redell

Chapin Spencer

Alina Korsak

Caleb Manna

Jeff Padgett

James Sherrard

Kara Alnasrawi

Samantha Dunn

Katie Kinstedt

Marcella Gange

Brian Pine

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 5:02 PM.

1.
    i. Motion to amend/adopt agenda

MOTION by Councilor Paul, SECOND by City Council President Tracy, to adopt the agenda as presented.

VOTING: unanimous; motion carries (Councilors Dieng and Hightower not present for vote).

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

None at this time.

3.0 CONSENT AGENDA

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

3.02 January 31, 2022 Board of Finance Meeting Minutes, Draft – approve the minutes.

MOTION by Councilor Paul, SECOND by City Council President Tracy, to adopt the consent agenda and take the actions as indicated for items 3.01-3.02.

VOTING: unanimous; motion carries (Councilors Dieng and Hightower not present for vote).

4.0 SUMMARY OF GENERAL FUND AUDIT RESULTS

4.01 Summary of General Fund Audit Results

Ms. Korsak began by reviewing the summary of Fiscal Year 2021 General Fund results. She noted that the unassigned fund balance as of June 30, 2021 was approximately $9.2 million (roughly 13.8% of General Fund total expenditures), which is slightly higher than FY2020 but consistent with levels for the past 5 years. She walked through the classifications of General Fund balance, which included nonspendable, restricted, committed, assigned, and unassigned funding amounts. She summarized the General Fund Budget vs. Actual results for the year ending on June 30, 2021. She noted that revenues exceeded expectations driven largely by the local option sales tax. She noted that the other sources/use of fund balance category (budgeted at approximately $17 million but with no actuals associated with it) will never have an actual offset, as it is not actual revenue that is being budgeted for but is use of prior year fund balances. She additionally noted that expenditures were under-budget by about $4 million due in part to claims being under budget, and other uses (transfers) were under budget by $3.9 million, for a total variance of approximately -$7 million.

Ms. Korsak then summarized the management letter's prior year comments and current year comments. She spoke about the current year comments, noting that they were around improving controls over journal entries and adhering to a formal closing schedule and improving capital project accounting (which were also comments from last year), and evaluating funding sources for the parking facilities special revenue fund. She noted the City's work on improving capital project accounting over the past year, but said that this remains a comment because the City still cannot analytically review balances as soon as it needs to. She noted that there was a negative ending fund balance in the parking facilities special revenue fund but acknowledged that the City has a plan to address this short-term deficit.

Councilor Paul asked for FY20 fund balance figures on the same Excel sheet, saying that it would be helpful as a basis for comparison to the FY21 fund balance figures. She asked why the investment figure decreased and the cash equivalent increased on the balance sheet. Chief Administrative Officer Schad said that it is a strategy related to the City's investments. Finance Director Goodwin added that there was no money to be made in treasuries in the market over the past year, which is what the City's investment policy is based on, and so the City pulled its money rather than investing in the market. He said that this resulted in an additional $150,000 in investment income. He said that the City also wanted to keep cash to provide a cushion for any Covid uncertainties.

5.0 FOR APPROVAL AND RECOMMENDATION TO CITY COUNCIL

5.01 2022 VTRANS Highway Mileage Certificate Acceptance – DPW

Director Spencer noted that this is the annual report for VTrans that needs the City Council's review and approval, noting that there are no changes to the annual highway mileage certificate.

MOTION by City Council President Tracy, SECOND by Councilor Hightower, to approve and recommend that the City Council accept the recorded mileage for the City of Burlington with the Vermont Agency of Transportation in the 2022 Highway Mileage Certificate, and authorize Chapin Spencer, Director of Public Works, to execute the certificate on behalf of City Council.

VOTING: unanimous; motion carries (Councilor Dieng not present for vote).

5.02 Authorization to Pay Transaction Fees--ParkMobile Parking Payment System – DPW

Assistant Director Padgett said that this pertains to gateless garage operation for College Street garage and would extend the relationship with ParkMobile for several years. He said that it would also pay ParkMobile to manage transient parkers, monthly parkers, and hotel guest parkers, as well as provide funding to pay for new reservation system to manage the monthly parking. He noted that this would result in approximately $40,000-50,000 in savings over the next three years.

MOTION by Councilor Paul, SECOND by Councilor Hightower, to approve and recommend that the City Council authorize the Director of the Department of Public Works to execute an amendment to the previously approved and executed contract with ParkMobile for digital parking permit and payment services, for up to $25,000 in per-year transaction fees related to managing parking digital credentials for hotel guests that park in the Lakeview/College Street Garage Complex and up to $66,000 per year to utilize the ParkMobile Reservation system to manage monthly parkers; for a total not to exceed $233,000 through January 30, 2025, subject to review and approval by the City Attorney's Office.

VOTING: unanimous; motion carries.

5.03 Amendment Request for the Previously Approved Authorization to execute a construction contract for a Continuous Monitoring Adaptive Control (CMAC) Valve System with OptiRTC, Inc. - DPW Water Resources

Stormwater Coordinator Sherrard said that this is related to a water quality control project to meet EPA requirements for Englesby Brook, and that during the course of initial constructions they found unanticipated site constraints. He said that this amendment asks for $7,425 to address those unforeseen site conditions.

MOTION by Councilor Dieng, SECOND by Councilor Paul, to approve and recommend that the City Council ratify the expenditure of an additional $7,425 for the installation of a valve at Englesby Brook Pond and authorize the Director of Public Works to

execute a construction contract amendment with OptiRTC, Inc. for the same, resulting in a total project cost of up to $105,425, adjusted from the original total project cost of $98,000, subject to the prior review and approval of the City Attorney's Office.

VOTING: unanimous; motion carries.

5.04 Request for $2.975M In American Rescue Plan Funds To Address And Ameliorate Homelessness In The City Of Burlington And To Create The Position Of Special Assistant To End Homelessness – CEDO

Mayor Weinberger noted that this series of actions is a continuation of work to ameliorate homelessness and furthering the City's proposed plan. He said that this item specifically is a multi-pronged effort to address homelessness in a more comprehensive way than anything before, and that it would create new facilities, positions, and investment.

Director Pine said that this resolution would help to ameliorate houselessness in the community by funding the construction and operation of a new low barrier emergency shelter pod community, the development and operation of the downtown low-barrier Community Resource Center, three years of funding for a new position (the Special Assistant to End Homelessness) and two years of funding for strengthening the coordinated entry system and supporting the Command Center Team to end chronic homelessness.

City Council President Tracy asked about how the new CEDO position would interact with those with lived experience and how that would drive the work that this person would do. Director Pine replied that those with lived experience need to be involved in the process, especially those who have moved from homelessness to secure and stable housing. He said that the system would work at a systems level and also ensure that feedback from those with lived experience is part of the process of securing housing. City Council President Tracy said that the CSLs have been working with those members of the community who are currently houseless, and asked how they would interact with this position. Director Pine replied that the CSLs would help inform and stay grounded CEDO staff, and anticipates strong relationships between CEDO and the CSLs. City Council President Tracy asked about sustainability for some of the investments being proposed. Director Pine replied that CEDO has a good track record of leveraging state and federal grants for its work.

Councilor Dieng asked who in the City is spearheading this work. Director Pine replied that it is a collaboration between the Economic Recovery and CEDO departments. Councilor Dieng asked about sustainability as well, expressing concern about funding and the potential to raise taxes. Director Pine replied that other municipalities around Burlington are making strides to combat homelessness which indicates that this is being treated as a regional issue with regional responsibility. He said that community members have identified homelessness as a top issue for Burlington and how it should use its ARPA dollars. He also said that providing wraparound services to those experiencing houselessness will ultimately end up costing the system less in the long term.

Mayor Weinberger said that this plan takes actionable and meaningful steps to combat homelessness and hopefully make it less of an issue for the community. He said that it could result in the construction of a low barrier facility that would be online as soon as summer 2022. He said that a large portion of the funding would go into one-time capital resources, not ongoing resources that would increase taxes in future.

Councilor Hightower noted that a total of $5 million is being set aside for homelessness issues, and asked what the other $2 million not in this resolution would be going forward. Mayor Weinberger said that tonight's action would pertain to the first $3 million, and that there is not a fully fleshed-out plan for the remaining $2 million yet.

Councilor Dieng asked for more details about the coordinated entry program. Community Development Manager Gange replied that the coordinated entry program is managed by CVOEO, and it is county-wide and is a way of guaranteeing that those experiencing houselessness have resources available to them according to their needs. Councilor Dieng asked what the funding directed to the coordinated entry program would go towards. Director Pine replied that it would augment CVOEO staff capacity for the coordinated entry program.

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

VOTING: unanimous; motion carries.

6.0 DISCUSSION OF USES OF ARPA FUNDING – CSM/MAYOR

6.01 Discussion of Uses of ARPA Funding - CSM/Mayor

Mayor Weinberger said that the administration would like to discuss with the Board of Finance and City Council the different possible uses and needs for ARPA funding that has not yet been committed.

Executive Director Alnasrawi summarized highlights of the public engagement survey related to ARPA funding. She said that the public engagement process began with outreach to the community on how they would like to invest ARPA funds. She said that the survey that was fielded listed options that were qualified ARPA expenditures, that it was translated into 8 major languages, that print copies were made available, and that specific outreach was conducted to community partners and their constituents. She said that the survey received almost 4,000 responses, 79% of which were by white respondents (and 21% were not). She said that the top two responses were around addressing houselessness and housing. She noted that respondents were also interested in pursuing tiny homes and tiny home communities.

Executive Director Alnasrawi said that overall, the administration would like to devote two thirds of funding to high impact community investments and reserve the remaining one third of funding in recognition of economic and public health uncertainty being faced in 2022. She noted that $5 million would be set aside for housing and homelessness, of that $3 million would be dedicated to urgently needed supports, and the remaining $2 million would be reserved for as-yet-undefined uses, such as local match for any grants at the state level that could be made available related to housing and homelessness. She noted that the administration would like to phase in $2 million in annual equity investments for FY23 and FY24. She noted that the administration would like to dedicate $1 million to community infrastructure, such as a public gathering space for music, art, food, and other events. She additionally noted that the administration would like to set aside $1 million to high-impact, targeted projects such as innovative substance use disorder innovations, the continuation of the Community Resource Center, and the creation of additional public restrooms in the City. She spoke about a proposal to continue the RRC for $600,000, and a revolving local loan fund of $500,000, recognizing that access to capital is crucial to local businesses.

Mayor Weinberger briefly noted that the administration would like to pursue a reserve strategy with $4.5 million in ARPA funding. This would include $3 million in revenue reserves, $1 million for a plan to rebuild the Police Department, and $500,000 reserved for pandemic response. He noted that the administration hopes that not all funds will be needed for reserve purposes, and that some funding could be released for other uses over the next two years.

Councilor Hightower said that she is hesitant about the $1 million set aside for public safety, since she is not sure how that interacts with the budget and would like more comprehensive information about how that funding would be used.

City Council President Tracy said it will be important that the public is aware of those targeted project and funding opportunities. Mayor Weinberger said that some of the targeted high-impact proposals that have already been received are for new interventions in the substance abuse crisis, which are being discussed at CommStat.

Councilor Hanson said he would like a report on the $850,000 of ARPA funds previously approved for the BPD for retention bonuses.

7.0 ADJOURNMENT

7.01 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 6:40 PM.

RScty: AACoonradt