



Board of Finance Meeting, Monday, January 10, 2021, 5:00 pm
****Bushor Conference Room, Room 102, 1st Floor, City Hall OR**
remotely via ZOOMMembers of the public are strongly**
encouraged to join remotely**

BURLINGTON BOARD OF FINANCE

BUSHOR CONF. ROOM, 1ST FLOOR, CITY HALL

BURLINGTON, VERMONT

MINUTES OF MEETING

January 10, 2022

MEMBERS PRESENT: Max Tracy

Ali Dieng

Zoraya Hightower

Miro Weinberger

OTHERS PRESENT: Katherine Schad

Rich Goodwin

Dan Richardson

Jordan Redell

Cindi Wight

Alec Kaeding

Megan Moir

Chapin Spencer

Corey Mims

Meagan Tuttle

Sophie Sauve

Brian Pine

David White

Laura Wheelock

Norm Baldwin



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1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 5:05 PM.

1.
 - i. Motion to amend/adopt agenda

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

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

- Sharon Bushor expressed concern about the capital bond up for consideration, saying that rebuilding the high school should be a higher priority. She said that the City should consider decreasing the bond to \$10 million, to upgrade the highest-priority public safety items, stabilize Memorial Auditorium, and provide local match for grants.

3.0 CONSENT AGENDA

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

3.02 December 13, 2021 Board of Finance Meeting Minutes, Draft – approve the minutes.

3.03 December 20, 2021 Board of Finance Meeting Minutes, Draft – approve the minutes.

MOTION by Councilor Hightower, SECOND by Councilor Dieng, to adopt the consent agenda and take the actions as indicated for items 3.01-3.03.

VOTING: unanimous; motion carries.



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4.0 FOR APPROVAL AND RECOMMENDATION TO CITY COUNCIL

4.01 Lease of Vendor Space at North Beach for three seasons, 2022-2024 – BPRW

Director Wight said that this was the sole bidder for the vendor space at North Beach and that they had previously worked with the City.

MOTION by City Council President Tracy, SECOND by Councilor Hightower, to approve and recommend that the City Council approve and authorize the execution of a lease agreement with AS Concessions, LLC, to perform food and beverage sales at North Beach for the 2022 - 2024 seasons, and to authorize Mayor Miro Weinberger, to execute the lease and any related documents, subject to the review of the City Attorney's Office.

VOTING: unanimous; motion carries.

4.02 Engineering Amendment #2 for the Flynn-Fletcher Pump Station Improvements Project - DPW - Water Resources

Assistant Director Moir said that this improvement project has had some complications that led the project to be drawn out, and that this is a request for an amendment to the engineering contract.

MOTION by Councilor Hightower, SECOND by City Council President Tracy, to approve and recommend that the City Council authorize the Director of the Department of Public Works to execute a second amendment to the Engineering Service Agreement with Hoyle, Tanner & Associates, Inc., increasing the maximum limiting amount of \$178,483 by \$35,000 to a new total of \$213,483, for additional construction administration and resident project representative work on the Fletcher Place pump station project, subject to the final review and approval of the City Attorney's Office.

VOTING: unanimous; motion carries.

4.03 FM0421 VTrans Finance and Maintenance Agreement Burlington NH PC22(1) Resurfacing along U.S. 7, U.S. 2 and Alt U.S. 7 – DPW

Senior Engineer Mims said that this is for work in the rights-of-way. He said that there may be work in the Winooski Corridor for remarking. He said that this is for resurfacing of U.S. Route 2, Route 7, and Alt-7. He said that this work will be night work and will be completed over two construction seasons.



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MOTION by City Council President Tracy, SECOND by Councilor Dieng, to approve and recommend that the City Council authorize the Director of Public Works to execute the Finance and Maintenance Agreement between the State of Vermont and City of Burlington for Burlington NH PC22(1) Contract Number: FM0421.

VOTING: unanimous; motion carries.

5.0 BOARD OF FINANCE APPROVAL ONLY

5.01 Contract Extension Ratification for Wastewater Testing Program – Planning

Director Tuttle said that this is for an extension of an existing contract that has been performing wastewater sample analysis for the City's Covid surveillance program. She said that the program will include testing for Covid and its variants, flu, and RSV, and monitoring for opioids and other drug presence through Fiscal Year 2022. She said that the funds for this had previously been approved by the City Council through ARPA allocations.

City Council President Tracy asked about the monitoring for opioids and other substances. Director Tuttle replied that the City has been working with the vendor to understand other metabolites that can be detected in wastewater, and that the City is interested in opioids due to its work in substance use prevention. She said that once the City has a better sense of pilot testing sensitivity, they will explore ways that they can use that information through CommStat and other programs.

City Council President Tracy asked about the broader process for ARPA funding allocation and draw-down. Mayor Weinberger said that the funding for this contract extension had been previously authorized. He said that the City is discussing potential uses of unassigned ARPA dollars for the next budget year. He said that staff are working on a proposal for the entirety of the funding based on survey results, for the Board of Finance and City Council's consideration in the next month.

MOTION by Councilor Dieng, SECOND by Councilor Hightower, to authorize an extension to the GoAigua contract through June 30th, 2022, including an increase to the maximum limiting amount of the contract by \$83,723 to be paid using ARPA funds as approved on September 7, 2021 by the Board of Finance and City Council.

VOTING: unanimous; motion carries.

5.02 Leddy Park Comprehensive Plan Contract – BPRW

Parks Comprehensive Planner Sauve said that this is for a consultant to lead the park comprehensive plan for Leddy Park, which will include addressing and improving accessibility, safety, equity on the site. They said that there is funding set aside from Penny For Parks to address and upgrade some amenities at the park.



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Councilor Hightower asked about the timeline and staging of parks upgrades. Director Wight said that the planning is conducted ahead of implementation and that it is done incrementally. She said that there is funding in Fiscal Year 2023 to replace the playground, for example, and then perform other upgrades in Fiscal Year 2024.

Councilor Dieng asked about the elements of the parks comprehensive plan. Parks Comprehensive Planner Sauve said that the main element is to go through a process of public outreach to understand the values of the community. She said that consultants will review the information gathered from that public process, analyze it, and develop concept plans for the park, obtain further public input on those plans, and then have a final plan drafted.

MOTION by Councilor Hightower, SECOND by Councilor Dieng, to approve and authorize the execution of a contract with SE Group for a price not to exceed \$55,000 for the Leddy Park Comprehensive Plan project, plus a project contingency of \$8,250, and to authorize Cindi Wight, Director of Parks and Recreation, to execute the contract and any related documents needed to carry out the project, subject to the review of the City Attorney's Office.

VOTING: unanimous; motion carries.

6.0 COMMUNICATION REGARDING DOWNTOWN TAX INCREMENT FINANCING (TIF) DISTRICT

6.01 Downtown Tax Increment Financing (TIF) District - Public Hearing for Bond Authorization Ballot Item - CEDO/DPW

Mayor Weinberger spoke about when the TIF District was created, with the goal of positive transformations in the downtown area (including upgrades to St. Paul Street and upgrades to City Hall Park), and spoke about the current possibility of including a Great Streets Plan for Main Street.

David White began his presentation on the Downtown TIF District by noting that the application for substantial change submitted to VEPC was approved, and that the next step is to hold a public hearing at City Council in order to potentially place an item for a bond on the March ballot. He noted that since the inception of the TIF District, there has been \$115 million in growth. He noted a voter debt authority remainder of \$4,580,000. He briefly spoke about private development projects in the Downtown TIF. He said that the TIF fund balance is approximately \$1.8 million, and he projected an annual revenue of between \$2,450,000 to \$3,575,000. He said that all projections anticipate a positive TIF fund balance through the life of projects.

Mr. White then spoke about the potential March bond vote. He said that it would include a new debt request of \$25,920,000 (in addition to the \$10 million that has already been approved), as well as approval from voters for \$1.47 million of related costs. He said that they are projecting sufficient increment to cover costs.





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Director Pine noted that the City has a deadline for this TIF District, saying that the City is not able to propose new projects financed by this TIF District after March 31, 2023. Mr. White also noted that TIF bonding is different than regular bonding, in that it is paid out of a specific fund and does not impact the General Fund or taxpayers.

Mayor Weinberger said that the work associated with Great Streets would entail significant improvements along six blocks of Main Street. Director Spencer said it would include utilities improvements, infrastructure improvements, bicycle facilities, and wider streets, as well as the relocation of the ravine trunkline sewer.

Councilor Hightower asked about the assumptions related to projected cash flow. Mr. White replied that there are relatively few assumptions, which include the completion of 3 projects, a 1% background growth, bond interest rates, and best estimates of costs. Councilor Hightower asked whether the estimates would change if any of the projects occur later, and Mr. White replied that yes, there would be impacts, though the projections used were fairly conservative.

Councilor Dieng asked if the projected related costs would come from taxpayers. Mr. White replied that no, the related costs come from the TIF District and are not paid out of the General Fund.

7.0 COMMUNICATION REGARDING UPCOMING CAPITAL BOND

7.01 Communication Regarding Upcoming Capital Bond - Capital Committee

Director Spencer provided an overview of the proposed general fund capital bond. He noted that the Capital Committee is proposing to return to voters with a smaller capital bond proposal on Town Meeting Day 2022. He said that the proposal is responsive to the objections raised by opponents of the bond. These include removing most of Memorial Auditorium funding work from the bond, deferring other items to substantially reduce the total bond amount, and potentially leaning on federal infrastructure funding for some projects. He noted that there are significant consequences of not having a bond, which include no local match for federal grants, no funds available for many public safety initiatives and equipment, no work on sidewalks or curbs, and no funding for capital work for City facilities. He noted that the proposed March 2022 capital bond would total approximately \$26 million and represents a 35% reduction from the late 2021 bond proposal.

City Council President Tracy requested an analysis of the cost of *not* implementing improvements related to the bond, should the bond vote fail.

8.0 COMMUNICATION REGARDING FY23 BUDGET

8.01 Communication Regarding FY23 Budget - Mayor and CAO *material to be posted later

Mayor Weinberger began the presentation by noting that the City in recent decades has substantially diversified its revenue sources, which limits the need for increases to the property tax rate. He noted that there are tradeoffs to this, including greater revenue volatility (as seen in the pandemic). He noted that the municipal tax increases have been less than the rate of inflation over the past ten years.





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Chief Administration Officer Schad provided an overview of the current Fiscal Year 2023 budget. She noted that the City is currently projecting a General Fund budget of \$90 million, with 2.7% growth over FY2022 despite CPI increases of over 7% inflation. She noted that the proposed budget would maintain services for the community, would responsibly account for inflation, and allows for union negotiations.

She walked through FY23 revenue assumptions, including property taxes, increasing dedicated taxes to authorized ceilings, possible tax increases, ARPA funding, PILOT [payment in lieu of taxes] funds, gross receipts and local option taxes (both with projected growth of 3%), fees for service, and departmental and other revenues. She spoke about uncertain revenues in certain departments, and noted that a discussion point will be around whether \$2 million in ARPA funding should be reserved in case these revenues were not realized.

She spoke about the City's increased investments in equity, such as increased staffing of the REIB department, funding for Juneteenth, a livable wage for all City employees, funding for diverse recruiting initiatives, and resources to implement the City's Language Access Plan. She said that another discussion point is around potentially using ARPA funds to phase these investments into the City's structural budget and give the City time to develop other revenue enhancements to ensure they continue.

Mayor Weinberger summarized the FY23 budget challenges and solutions. He noted that cost inflation is proving extremely challenging, and could be offset by a modest property tax increase. He noted that there is uncertainty about the recovery of major revenue streams, and that ARPA funding could be placed in a reserve to use for this. He noted that there are \$1.9 million of new equity investments during the pandemic, and ARPA funding could be used to phase in the cost of equity investments over three years while pursuing other sources of revenue for them.

City Council President Tracy expressed concern about substantial cuts to REIB funding. He said that all new investments, not just equity investments, should be examined for potential cuts. He said that he is concerned that REIB funding is being considered discretionary funding. Mayor Weinberger replied that the City is not proposing cuts, and that the proposal lays out strategies specifically to avoid cuts and rather proposes ways to continue to include REIB in the budget in a responsible way.

9.0 ADJOURNMENT

9.01 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 7:10 PM.

RScty: AACoonrad



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