

# City of Burlington Capital Committee



## MEMORANDUM

To: Board of Finance & City Council

Fr: Ashley Parker, Capital Program Director  
Katherine Schad, CAO  
Chapin Spencer, DPW Director  
Samantha Dunn, Assistant Director for Community Works, CEDO  
Cindi Wight, BPRW Director  
Deryk Roach, Superintendent of Parks & Facilities  
Scot Barker, Chief Innovation Officer  
Nicole Losch, Grants Director  
Norm Baldwin P.E., DPW City Engineer  
Sophie Sauv , PLA, BPRW Comprehensive Planner

Re: Revised FY24 General Fund Capital Budget

Date: June 12, 2023

The draft FY24 General Fund Capital Budget was presented on May 17, 2023; since then, there have been several changes in an attempt to support the City's overall General Fund in FY24. This memo provides a summary of updates and revisions to the FY24 General Fund Capital Budget. The Capital Program Director briefed the City's Capital Committee on the recommended changes to the budget on June 1, 2023, and the Committee is in support of the changes made as summarized in the memo below. More detail can be found in the attached Revised FY24 Capital Budget by Project.

### **FY24 General Fund Capital Budget - Updated Overview**

Since the May 17, 2023 Board of Finance meeting, the proposed FY24 General Fund Capital Budget has increased slightly from a total investment of \$43.4M to about \$44.6M. The increase is due to the following:

- Inclusion of General Fund Fleet lease payments coming from FY23 & FY24 gains (~\$397K).
- Inclusion of Downtown and Waterfront TIF District Related Cost Budgets (~\$348K).
- Detail for the expected Public Art budget (~\$18K).
- Increase to the Street Paving budget of ~\$296K reflecting slight increase in the amount of street tax to be collected.
- Reallocation of March 2022 GO Bond funds to support General Fund Department personnel costs.
- The reallocation of bond funds provided additional space within the March 2022 GO Bond to support emergent capital needs and local match requests in FY24, which shows up in the Capital Contingency project.

As a reminder, this budget is supported by many different sources of revenue, including:

- Remaining FY23 \$13M GO Bond Draw (~\$1.2M)

- Remaining FY23 GO Bond Premiums (\$1,782,208)
- New FY24 GO Bond Draw (\$5M)
- New FY24 Annual CIP (\$2M)
- Ongoing Downtown TIF Bond Funding
- New Waterfront TIF Project Financing
- FY24 TIF Increment for both Districts
- Multiple Grants – both Federal and State
- Dedicated Taxes (Penny for Parks, Conservation Legacy, Street Capital, and Greenbelt)

**Revised General Fund Fleet Budget**

City Management has asked Fleet to reduce the requested allocation from the Unassigned Fund Balance that was planned to support FY24 Fleet lease payments. This has resulted in an adjustment to the proposed revenues for supporting these payments. To make up for the loss of \$50K from Unassigned Fund Balance, an additional \$50K from expected FY24 Gains has been included (see the table below). As a reminder, Fleet is looking to cover \$1,020,822 in lease payments in the coming year.

<b>Proposed FY24 Fleet Lease Revenues:</b>	
Remaining FY23 Gains	\$311,688.41
Remaining Fleet Reserve	\$165,000
New Gains (FY24)	\$85,759
Police Impact Fees (portion)	\$40,000
Fire Impact Fees (portion)	\$18,376
Unassigned Fund Balance	\$400,000
<b>Total Revenues:</b>	<b>\$1,020,823.41</b>
<b>Balance:</b>	<b>\$0.94</b>

At the previous Board of Finance meeting, the proposed FY24 Capital Budget did not include the use of Gains for lease payments on the expense side. This revised budget does, which contributes to some of the increase shown in the overall budget (~\$397K in additional expenses).

**Proposed FY24 GF Capital Support for Department Personnel**

Capital has been asked to provide additional support to Department personnel budgets in FY24. This led to an increase in the Capital Project Management budget of ~\$220K. As only \$400K of the March 2022 GO Bond monies can be used to offset capital personnel costs, the overall Capital Budget was adjusted to fit more of the personnel costs within the FY24 Annual CIP allocations. This resulted in some budget cuts within the Annual CIP, but also created some space within the Go Bond to allow for some reallocation of GO Bond funds. The table on Page 3 shows the additional personnel costs now included in the FY24 Capital Budget proposal.

<b>Fund</b>	<b>Project</b>	<b>March 2022 GO Bond</b>	<b>Annual CIP</b>	<b>Total Bond Need</b>
804 – Proj Mgmt	Asset Management	\$0.00	\$50,000.00	\$50,000.00
	Capital Program Mgmt	\$0.00	\$100,000.00	\$100,000.00
	Tech Services (Proj Admin)	\$117,942.00	\$154,058.00	\$272,000.00
	Project Info Officer (DPW)	\$0.00	\$50,000.00	\$50,000.00
	Parks Project Mgmt	\$148,669.00	\$362,550.00	\$511,219.00
<b>Fund Total:</b>		<b>\$266,611.00</b>	<b>\$716,608.00</b>	<b>\$983,219.00</b>

The Capital Program Director worked with multiple Departments to see where there might be available dollars already located within projects that could be pulled to support staff rather than utilizing more bond money. The revised Capital Budget is recommending the following reallocations of GO Bond money to support the request to include additional personnel costs with the support of the relevant Department Heads.

- The Facilities 645 Pine Street project budget is being reduced to provide support for the Central Facilities Project Coordinator position.
- The Annual Sidewalk Paving Contract was within the \$600K allocated, including contingency, so \$17,942 was moved to support DPW & Tech Services staff.
- The Transportation Planning project is being reduced \$100K to provide support for DPW & Tech Services staff.
- The I&T budget has been cut in half to create space within the Annual CIP for personnel costs, maintaining a focus on replacing computers and a new document management system.
- The Accessibility project was also cut in half to make space for City personnel costs. The City’s Accessibility Committee has indicated that this lower amount of funding is sufficient.

### **Other Recommendations**

As a result of the reallocation of March 2022 GO Bond and FY24 Annual CIP bond monies, there was some space created on the GO Bond side. This allowed the Committee to move money into the Capital Contingency project to support the expected emergent and local match needs. The Capital Program Director expects a significant portion of the FY23 March 2022 GO Bond premiums to be used as the local match for an NEH grant that was received by the library in 2023, so it is helpful to know that there are other available bond monies to support grant applications in FY24. Looking ahead, grants will continue to play a vital role in ensuring the City’s long-term capital needs can be met by providing a much needed supplemental source of funding.

Below is an overview of the revisions to the Capital Contingency project:

- Capital Contingency – Emergent/Urgent Needs: This project will be receiving an additional \$400K from the March 2022 GO Bond, which will help ensure that any unplanned need can be met in the coming years. This project will be receiving a total of \$500K overall (matching what was received in FY23).

- Capital Contingency – Local Matches: An additional \$600K will be placed in this project to support a small portion of grant applications submitted in FY24 (and beyond). This increases our local match funding to \$1.1M in FY24.

### **In Summary**

The City's Capital Committee is pleased to present this revised version of the proposed FY24 General Fund Capital Budget to the Board of Finance and City Council. Even though cuts needed to be made to support City personnel, we still feel that this balanced budget does a lot with the limited amount of funding we have access to. Over the coming year, we remain committed to working hard on a plan for a sustainable Capital Budget that works for all Departments and all residents. We look forward to continue working with you all on this planning effort, and welcome your thoughts on this budget. If you have any additional questions about this proposed budget, please let us know.

**Encl:** Revised FY24 Capital Budget by Project; FY24 Expense Budgets for Street Capital (840), Greenbelt (832), and Conservation Legacy (833)