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H.881

Introduced by Representatives Hooper of Burlington, Bluemle of Burlington,
Cina of Burlington, Headrick of Burlington, Logan of
Burlington, Mulvaney-Stanak of Burlington, Ode of Burlington,
Rachelson of Burlington, Stebbins of Burlington, and Stone of
Burlington

Referred to Committee on

Date:

Subject: Municipal government; municipal charters; City of Burlington;
amendment

Statement of purpose of bill as introduced: This bill proposes to approve the
amendment of the charter of the City of Burlington to authorize the Chief
Administrative Officer, with approval of the City Council, to pledge the credit
of the City by the temporary borrowing of not more than \$10,000,000.00 in
anticipation of revenue from the Burlington Electric Department.

An act relating to approval of an amendment to the charter of the City of
Burlington

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. CHARTER AMENDMENT APPROVAL

3 The General Assembly approves the amendment to the charter of the City
4 of Burlington as set forth in this act. The voters approved the proposal of
5 amendment on March 5, 2024.

6 Sec. 2. 24 App. V.S.A. chapter 3 is amended to read:

7 CHAPTER 3. CITY OF BURLINGTON

8 * * *

9 § 62. COUNCIL; SCHOOL BOARD; NOT TO PLEDGE CREDIT OF CITY;

10 EXCEPTIONS

11 (a) Except as otherwise provided, the credit of the City, except by
12 temporary loans not exceeding during any quarter of any fiscal year 25 percent
13 of the taxes assessed upon the entire grand list for ~~such~~ the fiscal year, and
14 except by emergency loans as ~~hereinafter~~ provided in this section, shall not be
15 pledged by the City Council, or by any officer of ~~said~~ the City, unless by vote
16 of the legal voters of ~~said~~ the City, at a meeting ~~thereof~~ of the City duly called
17 for that purpose; provided, however, that the Chief Administrative Officer,
18 when authorized and directed by resolution of the City Council, may pledge
19 the credit of the City by a temporary loan in anticipation of the receipt of
20 revenue from the Airport Department, or the Traffic Division or the
21 Wastewater or Water Divisions of the Public Works Department for their

1 ordinary running expenses during times in any fiscal year when there are not
2 sufficient funds on hand to the credit of the Airport Department or the above-
3 mentioned divisions for the payment of ~~such~~ the bills and accounts, or
4 sufficient unappropriated funds in the City Treasury from which ~~such~~ the
5 accounts may be paid pending the receipt of revenues of the division sufficient
6 to pay ~~such~~ the bills and accounts; and provided further, that the Chief
7 Administrative Officer, when authorized by the City Council, may pledge the
8 credit of the City by temporary borrowing in anticipation of the receipt of
9 revenue from the Electric Department not to exceed \$~~5~~ \$10 million outstanding
10 at any time to provide working capital and liquidity for the Electric
11 Department, with the Electric Department to repay the borrowing from
12 available revenues. Temporary notes issued hereunder in anticipation of the
13 receipt of the revenue from the Electric Department shall mature within two
14 years from the date of issue, and may be renewed or refunded by the issue of
15 other notes maturing within a similar period whenever such action is deemed
16 expedient. Except as above provided, all temporary loans, except loans for the
17 payment of bills and accounts of the Water Division of the Public Works
18 Department and the Electric Department and except emergency loans, shall be
19 paid by the Chief Administrative Officer from and out of the receipts from the
20 collection of the installment of property taxes or other taxes next falling due
21 after the making of the loan, and all monies received from ~~such~~ the temporary

1 loans, other than for the Water Division of the Public Works Department and
2 the Electric Department and other than from emergency loans, shall be used to
3 pay the current and ordinary expenses of the City, pending the collection of
4 taxes. All ~~such~~ temporary loans made to pay the accounts and bills of the
5 Water Division of the Public Works Department pending the receipt of revenue
6 shall be paid during ~~said~~ the fiscal year from the revenues received by that
7 Division. Temporary loans under this subsection for the Water Division and
8 electric departments shall be general obligations of the City notwithstanding
9 that they are primarily payable from the revenues or receipts of the respective
10 Division and departments.

11 * * *

12 Sec. 3. EFFECTIVE DATE

13 This act shall take effect on passage.