



OFFICE OF THE CLERK/TREASURER

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**BOARD OF FINANCE
MONDAY, FEBRUARY 3, 2014
CITY HALL, CONFERENCE ROOM 12
5:00pm**

PRESENT: Mayor Weinberger; Councilors Knodell and Bushor; CAO Rusten; Councilor Aubin (arrived at 5:20pm); City Council President Shannon (via Phone at 5:20pm)

ALSO PRESENT: ACAO Goodwin; Laurie Adams, Nicole Losch, DPW; Peter Owens, CEDO; City Attorney Blackwood (arrived at 5:15pm) and Assistant City Attorney Haesler (arrived at 5:15pm)

1. Agenda

Mayor Weinberger stated they will remove item 6 from the agenda and add item 8.5. FY15 Budget Discussion.

On a motion by Councilors Knodell and Bushor, the agenda was adopted unanimously as amended.

2. Public Forum

No one came forward to speak.

3. Approval of Board of Finance Minutes

a. January 27, 2014

Councilors Knodell and Bushor made a motion to approve the minutes. The motion passed unanimously.

4. Authorization to Accept Grant for Bicycle and Pedestrian Action Plan – DPW

The Board addressed an item to allow the Department of Public Works to accept a \$60,500 grant from the Vermont Agency of Transportation's Bicycle & Pedestrian Program to conduct a scoping study of pedestrian and bicycle improvements.

Councilors Bushor and Knodell made a motion to authorize acceptance of the grant. The motion passed unanimously.

5. Authorization for Agreement with CSWD for Wastewater Residuals Management Participation – DPW

Councilors Knodell and Bushor made a motion to authorize the agreement.

Councilor Bushor stated there is a trailer lease attached to this that seems to relate to the service

to move the residuals. She inquired if they currently lease equipment to do that. Laurie Adams, DPW, stated the City does not own this equipment, CSWD does. Councilor Bushor requested an explanation of what they are doing. Ms. Adams stated the district has found a new location to bring their residuals. They were bringing them to the Coventry Landfill, which was not desirable. They will now be transporting them to the Grassland Facility in New York which is a composting type facility. Their long term goal is to have a local option. Councilor Bushor stated the cost per weight is less, but it is farther away. She inquired if there is still a savings. Ms. Adams stated they predict a small savings. The cost includes transportation.

The motion passed unanimously.

6. Amendment to Consulting Contract on Downtown TIF Plan - CEDO

This item was removed from the agenda.

7. Review of PIAP Notice to Voters Resolution – CEDO

CAO Rusten stated this is on the agenda for informational purposes only so that Councilors can see the draft resolution. After the materials are made available, they will ask if Councilors want to sponsor the resolution. Councilor Bushor suggested that this information could be condensed and put in the newspaper as well as available online. She does not know if it would be too lengthy. They could also include it as an insert in the North Avenue News. Many people do not look online and she wants to get it into voters' hands.

Councilor Knodell inquired if this is a statutory requirement. Assistant City Attorney Haesler stated they just have to make the notice publically available. The FAQs that they will create are informational and the City can supplement the notice with any information that they feel would benefit the voters. They will put it on the City's website, and they can make the materials available in any other way they see fit. Someone supporting the yes votes should probably not be delivering materials in a promotional way.

Councilor Bushor stated her first thought was that it could be published in the paper, but she believes it will be too lengthy. She also thought it could be published in the North Avenue News. She is trying to figure out what component of constituents would not look at the information on the website and get the information to them. Assistant City Attorney Haesler stated what is required by Statute is not necessarily the most helpful way to get information to the voters. He had asked that this be placed on the agenda because he needs sponsors. The Board of Finance is the most involved, and he will circulate the final draft to ensure they are supportive of it.

Councilor Aubin arrived.

8. Discuss Quarterly Budget Amendment Report Criteria

CAO Rusten stated he sent a memo in response to the conversation they had about narrowing the scope of the budget amendment report while making the paper budget amendment forms available. The resolution does not define the criteria of the reports, so it would be up to the Board of Finance to make that determination.

City Council President Shannon called in to the meeting.

Councilor Bushor stated if they were to deplete a line in a transfer, she would want to know about it. They need to know if that entity is no longer relevant. She was concerned about a program ending by moving money out. She inquired if that information would be communicated to them in a different way. CAO Rusten stated if they were to do a budget amendment to eliminate a program, it would change a program. He suggested they could add criteria that they have to notify them if a budget amendment zeroes out a program. Councilor Bushor stated she feels that is key. She would not like that to happen, but if it did she would want to know. CAO Rusten stated he can add that as one of the criteria.

Councilor Aubin stated that New World could generate this report, but it is difficult to understand. He inquired if it would be best to work to understand that report better rather than taking all of the extra staff time to create the report. CAO Rusten stated it depends on how they want to use the information. If it is not in a format that is beneficial, it is not worth doing.

Councilor Bushor stated she is not a financial officer and they have hired people to help them understand this information. She needs to represent the community's needs and does not believe that she should have to understand all of the information on her own. She needs information to be presented to her because they have staff that are paid to do that. Her role is to make sure that what they built for a budget is serving them well. If there are changes, it tells her that it is something they need to pay attention to when creating the next budget. [CAO Rusten said he based on the discussion he would amend the memo and bring it to a subsequent meeting.](#)

8.5. Discussion of FY15 Budget

Councilor Knodell stated she would like some rough ballpark numbers about how much they are hoping to generate in cost savings and revenue generation so she has an answer when people ask her. CAO Rusten stated the tax increase would bring in about \$800,000 of new revenue. They are estimating that the cost of the ten new positions will be a net of about \$220,000. There are specific revenues coming in for FY15, such as the JAG Grant for the Police Department. For some of the positions in the Clerk/Treasurer's Office, they would allocate some of those costs out to the Enterprise Funds. There are revenues that will come in to help pay for those positions. They are also anticipating cost savings, such as through the centralized purchasing position. There are other places where they have cut part time positions and consulting costs because they will have full time positions doing that work. The cost of the positions is about \$718,000, but it nets to \$220,000 when they account for revenue coming in and expenditure reductions. If they eliminate the positions, they would still be about \$600,000 in the hole and would have to find cost savings in that amount to have a budget neutral budget. The general City tax increase will not pay only for new positions. Councilor Knodell inquired how they are making up the rest of the shortfall. CAO Rusten stated they created a list of cost drivers. They anticipate an extra \$350,000 of revenue from the gross receipts tax. They have increased the indirect cost to the administration by \$250,000. There are other revenue sources that are not property taxes and have cut spending in a number of places. Councilor Knodell requested a summary of the changes. CAO Rusten stated they can put that together.

Councilor Bushor inquired if they started with a deficit of \$2.6 million. CAO Rusten stated they started with that number because of their list of cost drivers. Councilor Bushor inquired if they

have found ways to reduce it, but could not fully reduce it without a property tax increase. She thought that the \$800,000 would close the loop. CAO Rusten stated the additional \$800,000 helps them get to a budget neutral budget along with other revenues and reductions in expenditures. The debt service tax rate is also increasing because of the increased bond payments. They are looking at a number of areas to increase revenues and decrease expenses to close the \$2.6 million gap. Councilor Bushor inquired if it would be possible for them to list how they will address each of the cost drivers. CAO Rusten stated he can identify some of the major new revenues and expense cuts. With the increase in the grand list, they will generate more revenue even if they had the same tax rate.

9. Scheduling Special Board of Finance Meeting

Mayor Weinberger stated they would like to have a special Board of Finance meeting next Monday. CAO Rusten stated the main issue will be the school issue. The Board agreed to meet on Monday, February 10.

***** EXPECTED EXECUTIVE SESSION *****

10. Transfer of Property

On a motion by Councilors Bushor and Aubin, the Board voted unanimously to go into executive session at 5:40pm to discuss a real estate transaction. Premature disclosure would put the City at a substantial disadvantage.

On a motion by Councilors Aubin and Knodell, the Board voted unanimously to go out of executive session at 6:00pm.

Without objection, Mayor Weinberger adjourned the Board of Finance meeting at 6:00pm.

FOR INFORMATION PURPOSES ONLY

Grants Accepted Since Last Meeting:

- **Municipal Planning Grant – P/Z - \$17,042 – planBTV: South End**