



# OFFICE OF THE CLERK/TREASURER

City of Burlington

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## BOARD OF FINANCE MONDAY, JANUARY 7, 2013

### MINUTES

PRESENT: Mayor Weinberger, City Council President Shannon, Councilors Bushor and Paul, Interim CAO Sisson

ALSO PRESENT: Tammy Gagne, Airport; Robert Resnik, Library; Andi Higbee, Police; City Attorney Eileen Blackwood; ACAO Schrader; Ron Redmond, Marketplace; Barbara Grimes, Ken Nolan, BED

ABSENT: Councilor Decelles

#### 1. Agenda

Councilors Bushor and Paul made a motion to adopt the agenda.

Councilor Paul asked to remove item 10 from the agenda.

The agenda was adopted unanimously as amended.

#### 2. Public Forum

No one came forward to speak.

#### 3. Approval of the Board of Finance Minutes

##### a. November 13, 2012

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

#### 4. Authorization to Accept IBM Grant – Library

The Board addressed an item to allow the Library to accept a \$3,000 grant from IBM.

Councilors Bushor and Paul made a motion to accept the grant. The motion passed unanimously.

#### 5. Authorization for Amendment to Contract with Shelburne Limestone – BED

Councilor Bushor and City Council President Shannon made a motion to authorize the amendment and recommend City Council approval.

Councilor Bushor stated she is pleased to see language regarding livable wage included in this contract. Barbara Grimes, BED, stated this contract dates back to 1983 and they were not at all opposed to the addition. Mayor Weinberger stated they are making sure this type of contract has livable wage language included even though it has been renewed for many years. They will be reporting back to the full Council about livable wage.

City Council President Shannon inquired how the price is determined. Ken Nolan, BED, stated it is a negotiated price based on their costs. This is a little higher than it was for the last ten years. The average increase has been 1% per year.

The motion passed unanimously.

#### **6. Authorization to Accept License Plate Reader Grant – Police**

Councilor Paul and City Council President Shannon made a motion to authorize acceptance of the grant.

Councilor Bushor stated she tried to educate herself about this. There was once a discussion about putting a camera on Williston Road and there were legal issues with that. Deputy Police Chief Andi Higbee stated they already have one license plate reader that they have been using for six months. There is a camera on the police car that electronically sends the image to the State. It reads the license plates of other cars and alerts the Officer if the car has been reported stolen or the registration has expired. It verifies this information with dispatch. They have been able to recover two stolen vehicles. The information is updated daily by the Department of Public Safety. Councilor Bushor inquired when this will be in place. Deputy Chief Higbee stated they will have to spend the money by July 1, 2013. They will follow guidelines that are set by the Department of Public Safety. Councilor Bushor inquired if they will be getting more of these. Deputy Chief Higbee stated that they will get more than two at this time. They are a great tool. Two years ago there was a rash of armed robberies and they were able to use these to find the vehicles of the bank robbers using this tool.

The motion passed unanimously.

#### **7. Authorization for Step Placement for Assistant City Attorney – HR**

Councilors Bushor and Paul made a motion to approve the step placement.

City Council President Shannon inquired if they could explain how the job functions of the different City Attorneys will be changing, particularly regarding the License Committee and Taxi Board. City Attorney Blackwood stated that this was an idea the previous City Attorney had worked on to bring more work back in house. They decided to hire another Assistant City Attorney, Kim Sturtevant, to work in house and see how it works. They have passed the duties of licensing, which were previously handled by Nikki Fuller, to another in house Attorney. About 20% of Kim's time at McNeil, Leddy and Sheehan was not spent on City work, so she will be able to use that time to staff the License Committee. City Attorney Blackwood stated she is handling much of the HR and Retirement work that Nikki Fuller previously handled. Councilor

Bushor stated this was a wise move. Having her on contract was expensive. She stated she feels HR has been underserved and feels the City will be well served by having someone who is on top of those issues. The whole proposal makes a lot of sense.

Councilor Paul inquired if the Assistant City Attorney will no longer be employed by McNeil, Leddy, and Sheehan. City Attorney Blackwood stated that is correct. Councilor Paul requested a report on the number of step placements that have been approved this year. There have been times when they have approved step increases but it is unclear what the budget impacts are. It seems that there have been a lot of them and it would be good to know how many.

The motion passed unanimously.

#### **8. Authorization to Accept Private Donations - Marketplace**

City Council President Shannon and Councilor Bushor made a motion to recommend City Council approval of acceptance of the donations.

Councilor Bushor inquired about the language in the resolution and stated she feels that it could be made clearer. ACAO Schrader noted where her requested language was in the resolution. Councilor Bushor requested they revise it to be clearer.

City Council President Shannon inquired if the Marketplace did not get the private money they were hoping to get and used City money for some materials. The title is misleading because they have also spent some City money. Ron Redmond, Marketplace, stated they are receiving a donation from Citizen's Bank and need to recognize that.

Councilor Bushor requested the language in the resolution be clearer. ACAO Schrader stated they were trying to recognize that the Marketplace spent \$9,800 and they will be reimbursed through private donations.

The motion passed unanimously.

#### **9. Review of 2012 Actuarial Valuation – CAO**

Councilor Paul inquired if they will present the same information to the Council. Interim CAO Sisson stated he is prepared to give a more detailed report to the full Council.

Councilor Bushor stated she is fine with waiting for a report to the full Council. She has some questions about the report. City Council President Shannon suggested going through the presentation so that they are better prepared when it is presented to the full Council.

Interim CAO Sisson stated the main problem this past year was poor investment performance. Councilor Paul inquired if the return was negative. Interim CAO Sisson stated it was. FY10 and FY11 were very good, but FY09 was not. This reflects a market with a lot of volatility. He stated he will explain this in more detail in a PowerPoint presentation to the Council. The funding ratio went down another percentage. That should not be allowed to happen again. They have made the

minimum annual required contribution for the last four years. Pension costs will continue to rise as long as this funding structure is in place.

Councilor Bushor stated she would like to see a projection of what the City's contribution will be in the future. Interim CAO Sisson stated he will prepare a presentation with a summary of the activity and factors behind the shortfall.

Councilor Paul stated it is critical to plan ahead. They are only 70% funded and that is very significant. If the City were a private organization, this would be a very big deal. An explanation of the numbers and how they change would be helpful.

Councilor Bushor stated she is concerned about employees and this is a serious situation. Interim CAO Sisson stated they will be talking more about this in the coming months. Councilor Bushor suggested they hold a work session. Even though she has heard this information before, it is helpful to hear it again to better understand it. City Council President Shannon stated they should plan for a work session. There have been new Councilors since the last presentation. The information is helpful. The Board discussed the schedule for a work session.

#### **10. Airport Reorganization (Expected Executive Session)**

This item was removed from the agenda.

Without objection, Mayor Weinberger adjourned the Board of Finance meeting at 5:36 pm.