



# OFFICE OF THE CLERK/TREASURER

City of Burlington

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## BOARD OF FINANCE MONDAY, APRIL 15, 2013

### MINUTES

**PRESENT:** Mayor Weinberger; City Council President Shannon; Councilors Knodell, Bushor, and Decelles.

**ALSO PRESENT:** Interim CAO Sisson; ACAO Schrader; City Attorney Eileen Blackwood; Assistant City Attorney Richard Haesler; Pat Buteau, DPW; Stephanie Hanker, HR; Kirsten Merriman-Shapiro, CEDO; Bill Ward, Code Enforcement; Bob McEwing, Ryan Betcher, Airport

#### 1. Agenda

On a motion by Councilors Knodell and Decelles, the agenda was adopted unanimously as presented.

#### 2. Public Forum

No one came forward to speak.

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

##### a. March 18, 2013

On a motion by Councilor Bushor and City Council President Shannon, the minutes were adopted unanimously as presented.

#### 4. Reclassification of Site Coordinators to Recreation Specialists – PARKS/HR

Councilors Bushor and Decelles made a motion to approve the reclassification.

Councilor Bushor stated inquired if these people report to someone of the same level or if they report to the Director. Stephanie Hanker, HR, stated they report directly to the Director.

The motion passed unanimously.

#### 5. Authorization for Equipment Maintenance Budget Amendment - DPW

City Council President Shannon and Councilor Bushor made a motion to approve the amendment.

City Council President Shannon inquired where the money to pay for this is coming from. Pat Buteau, DPW, stated it will be coming from revenues of the Department. Every year for the last seven years expenditures have been over budget, but their revenues have also been higher than estimated so they end up returning money to the general fund budget. With the New World

System, expenditures must be indicated up front. Interim CAO Sisson stated that Purchase Orders encumber money to prevent over-expenditures without an override or a budget adjustment.

Councilor Decelles inquired if this is an example of what they addressed at the last meeting. Interim CAO Sisson stated it is and there will be a number of budget adjustments in the coming weeks.

Councilor Bushor stated the maintenance division services vehicles from other divisions. She inquired if they anticipate what parts they will need in advance. Mr. Buteau stated they do not need to do that anymore. They can go on-line and find the best prices from their parts suppliers as they are needed. It is pointless to keep parts on the shelf, as the parts are delivered within hours. Councilor Bushor inquired if they have not yet received enough money to purchase the parts. Mr. Buteau stated they are approaching the end of the year and have had some significant expenditures come up. They had to make major repairs to a backhoe and an engine in a recycling truck. When money is not spent on capital equipment, they have to spend more on repairs. This will allow them to continue with repairs without having to constantly request more money.

Mayor Weinberger stated they are requesting \$90,000 of additional money, which represents 3% of the total of that line item for the year. This expense will ultimately be distributed between departments. Mr. Buteau stated that is correct and they may not use it all. Councilor Knodell inquired if they are asking for the authority to exceed the budget. Mr. Buteau stated that is correct. Councilor Bushor inquired if they have the ability to override these expenditures in the computer system. Interim CAO Sisson stated that they do. Councilor Knodell inquired if revenue received from the other departments can allow them to exceed their budget. Interim CAO Sisson stated in this instance, it is unknown where the revenues will be coming from. Mr. Buteau stated it would be hard to apportion it to a specific department. Councilor Bushor inquired if they will put their best guess into the next budget so that they have that money and will not have to request a budget amendment. New World will then allow that money to be spent because it is in the budget. Interim CAO Sisson stated that is the intention.

The motion passed unanimously.

## **6. Waterfront TIF Reimbursement – CEDO**

Councilors Knodell and Decelles made a motion to approve the reimbursement.

City Council President Shannon stated this will authorize spending some of the \$6.05 million that the voters approved before they have gotten the bond. Sometimes that has worked out and other times it has not. Assistant City Attorney Haesler stated that the spending has already been authorized, but this will allow reimbursement to take place when the bonding happens. This is a formality that will allow those bills to be reimbursed by the bond.

Councilor Bushor inquired about a blank in the resolution. Assistant City Attorney Haesler stated that the final resolution states it is not to exceed \$1.5 million. Doing this will allow reimbursement because it shows the Council's intent. Interim CAO Sisson stated they did not want to move this resolution forward until they had an expectation that invoices for the projects will start coming in for payment. This will allow them to pay bills through the TIF account and

reimburse it with the bond proceeds.

Councilor Knodell inquired how they will make payments now. Interim CAO Sisson stated they will use normal cash flow. The initial amounts are small. Councilor Knodell inquired if they are regularly looking at the cash pool and what is being used. Interim CAO Sisson stated they look closely at that. In the next 12 months, he will be working to bring all of the balances back to zero with the exception of BT. Councilor Knodell inquired if there is a report they will see on Board of Finance agendas. Interim CAO Sisson stated that they are working on adding that capability to the system. It has been a standing request but is difficult to accommodate when it needs to be done manually. Cash flow has been improving. Mayor Weinberger stated they have been reducing unfunded expenditures. This should create no reason for concern. They have fully expended on the federal grant and have additional costs. Kirsten Merriman-Shapiro, CEDO, stated that the voters approved the bonding and they are working to begin construction. They are working to coordinate the timing with Bike Path construction.

The motion passed unanimously.

**7. Authorization to Accept Bulletproof Vest Grant – POLICE**

**8. Authorization to Accept American Dream Grant – LIBRARY**

**9. Authorization to Accept Donation from Ernie Pomerleau – LIBRARY**

The Board addressed items to allow the Police Department to accept a grant to purchase bulletproof vests, to allow the Library to accept a grant to fund ESL teachers, and to allow the library to accept a grant to purchase an early literacy station and to fund citizenship and digital literacy classes.

City Council President Shannon inquired if there is a better way to address accepting this money than requiring Board of Finance and City Council approval. The resolution delegating budget-neutral adjustments of up to \$25,000 to the Administration also applies to grant acceptance.

City Council President Shannon and Councilor Decelles made a motion to accept the grants. The motion passed unanimously.

**10. Authorization for Grant Amendment – AIRPORT**

The Board addressed an item to allow the Airport to amend a grant agreement made with the State of Vermont.

City Council President Shannon and Councilor Bushor made a motion to recommend the grant amendment. The motion passed unanimously.

**11. Authorization for Lease with NYNEX dba Verizon – AIRPORT**

The Board addressed an item to allow the Airport to execute a lease agreement with Nynex for the installation of cell towers on the parking garage.

City Council President Shannon and Councilor Knodell made a motion to approve the lease.

Councilor Bushor noted a discrepancy between the agreement and the resolution.

The motion passed unanimously.

Councilor Bushor inquired if South Burlington knows about the towers. Bob McEwing, Airport, stated as part of the process for the last addition to the parking garage, they included the cell towers. Councilor Bushor stated she is never sure how to notify South Burlington in the right way. Mayor Weinberger stated they are making an extra effort to ensure that everything is being done well to coordinate with South Burlington. Mr. McEwing stated they were originally going to put a tower up on the roof, but this will place them on the sides of the construction.

### **12. Authorization for Terminal Passenger Boarding Bridge – AIRPORT**

The Board addressed an item to allow the Airport to sign a contract to replace a passenger boarding bridge.

City Council President Shannon and Councilor Knodell made a motion to approve the contract. The motion passed unanimously.

### **13. Authorization to Renew Lease with Fedex – AIRPORT**

City Council President Shannon and Councilor Knodell made a motion to approve the lease.

Councilor Decelles inquired about a line in the agreement that references ‘significant landing fees that will provide additional revenue’. Mr. McEwing stated Fedex has shifted from using a Boeing 727 to a Boeing 757, which is a heavier and wider and will therefore increase their landing fees.

Mayor Weinberger inquired if livable wage applies to this lease. Ryan Betcher, Airport, stated it is included. Mr. McEwing stated he does not believe it is included. City Attorney Blackwood stated there are a handful of Airport leases that are not in compliance with livable wage. Mayor Weinberger stated there will be a report on livable wage.

Councilors Knodell and Bushor made a motion to approve the lease with the updated livable wage language. The motion passed unanimously.

### **14. Transfer of Dollar Car Rental Brand to Advantage – AIRPORT**

The Board addressed an item to allow the Airport to allow Hertz to transfer their Dollar Rent A Car brand to their Advantage brand.

City Council President Shannon and Councilor Bushor made a motion to approve the transfer.

Mr. McEwing stated they pay based on how many cars are in the garage and based on their sales.

Councilor Bushor noted an error in the resolution.

The motion passed unanimously.

#### **15. Appointment of Trustee for BED 457 Plans – C/T**

Interim CAO Sisson stated because of various changes, Burlington Electric's 457 Plans no longer have a trustee. This is a formality to appoint a trustee.

Councilor Bushor and City Council President Shannon made a motion to approve the appointment. The motion passed unanimously.

#### **16. BOF/CC Work Session Timetable Alternatives – C/T**

Interim CAO Sisson stated that the proposed schedule had meeting dates during school vacation week. A Councilor requested they poll the Council to see which dates work best for people. He has put forth an alternative schedule, but feels it would be difficult to cram the schedule into a shorter period. Mayor Weinberger stated he would prefer to start during vacation week since most members will be present.

Councilor Bushor inquired if there are departments that are less controversial that they could address during vacation week. Interim CAO Sisson stated they started with smaller, less complex departments. Councilor Bushor requested that they move the Code Enforcement presentation. Interim CAO Sisson stated he considered when department heads are available when he set the schedule. It would be difficult to move now. Councilor Bushor stated that is fine. Interim CAO Sisson stated finding open evenings is becoming difficult. He would prefer to commence the work sessions sooner.

The Board decided to hold meetings during vacation week and discussed the ways to keep members of the Council informed.

The Board discussed their meeting schedule for the year and decided to meet on weeks that do not have City Council meetings.

#### **17. Status of Fiscal Stability Bond (Verbal)**

Interim CAO Sisson stated that they received their rating for the Fiscal Stability bond. They are still Baa3 with a negative outlook because of BT. He was disappointed with the rating and had hoped they would at least have a stable outlook. It is still early to get a sense of pricing. They will have calls on Wednesday and Thursday and the Board will meet on Thursday for final approval. Mayor Weinberger stated they emailed the full report from Moody's to the Board..

City Council President Shannon inquired if they had made efforts to negotiate with the credit rating agencies to get a better rating. Interim CAO Sisson stated they have a strict process which gives them two hours from when they release the rating to respond. Because there were errors, he had requested more time. They did get their comments in on time, but the copy that was issued the following morning was the original version. They then reposted the updated version. They give some information about what affects the rating. City Council President Shannon inquired if the Moody's ratings committee reviewed correct information. Mayor Weinberger stated that they

reviewed it and had an extensive presentation. Interim CAO Sisson stated he will have more information on Thursday. The markets have been good this week.

#### **18. Status of FY2013 Budget (Verbal)**

Interim CAO Sisson stated they are monitoring all budgets. They are reviewing budget adjustments, most of which are below the threshold of requiring Board of Finance approval. They will present a summary of budget-neutral adjustments to the Board on a monthly basis. Some departments are having trouble and others are doing better than expected. He expects there will be a small surplus, but will continue to be vigilant about reviewing the expenditures of each department in the fourth quarter. They are also monitoring lower than budgeted revenue by department.

Councilor Bushor inquired when the end of quarter information will be ready. Interim CAO Sisson stated they would like three weeks after the end of the quarter to capture everything. He plans to distribute that information with March items. Councilor Bushor stated the goal was to see both where there were problems and where they have done better than anticipated.

#### **19. Status of FY2014 Budget Process (Verbal)**

Interim CAO Sisson stated the budget is underway and they have already met with two departments. They are asking everyone to level fund, which will be difficult for departments to achieve, as they have to account for COLA and Step Increases in their salaries and wages. There has been growth in the grand list, but not to the extent that it would offset the increases they have committed to in the labor contracts. Departments will not be allowed to draw more from the general fund. They have been working through the issues with departments. They will be presenting the budget at City Council Work Sessions.

Councilor Knodell inquired what materials they will get. Interim CAO Sisson stated they will get the actual budget and the organization chart. Some departments put together PowerPoint presentations. They will explain their budgets during the Work Sessions.

Without objection, Mayor Weinberger adjourned the Board of Finance meeting at 6:01pm.