



OFFICE OF THE CLERK/TREASURER

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BOARD OF FINANCE MONDAY, JUNE 17, 2013

MINUTES

PRESENT: Mayor Weinberger; City Council President Shannon; Councilors Bushor, Knodell, and Aubin; CAO Rusten

ALSO PRESENT: Councilor Paul; Interim CAO Sisson; ACAO Goodwin; City Attorney Blackwood; Terry Bailey, Schools; Jesse Bridges, Parks; Bob McEwing, Airport; Susan Leonard, HR; Steve Roy, Pat Buteau, DPW; Karen Vastine, Marcy Krumbine, CEDO; Colin McNeil, McNeil, Leddy, Sheahan.

1. Agenda

Councilor Bushor requested they have time to discuss the budget. Mayor Weinberger stated it will be discussed as part of the budget resolution item. He moved item 24 to item 27.5.

On a motion by Councilors Bushor and Knodell, 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. June 3, 2013

Councilor Bushor noted that a portion of the June 3 minutes said they would discuss budget neutral amendments at their next meeting. Mayor Weinberger stated that item is on this agenda.

On a motion by Councilors Knodell and Aubin, the minutes were adopted unanimously as presented.

4. Authorization for Reorganization of Mayor's Office – HR

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

Councilor Bushor stated the job description says that the Chief of Staff may serve as the Mayor's delegate in meetings. She wants to ensure that it is clear this does not apply to situations where the City Council President would normally serve in the Mayor's place. Mayor Weinberger stated he appreciates the point and that is not the intention.

The motion passed unanimously.

5. Authorization for Reclassification and Title Change for CJC Coordinator – HR

Councilors Bushor and Knodell made a motion to approve the reclassification and title change.

Councilor Bushor inquired if this person is currently performing the duties that are described here. She wants to make sure that they are still able to do what they have been doing. Karen Vastine, CJC, stated she has already assumed some of these duties already.

The motion passed unanimously.

6. Authorization for Department of Corrections Grant Amendment – CJC

The Board addressed an item to allow the Community Justice Center to accept an amendment to its Safer Communities Grant of \$25,000.

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

7. Authorization to Accept Justice Assistance Grant – CJC

City Council President Shannon and Councilor Bushor made a motion to approve applying for the grant.

Marcy Krumbine, CEDO, stated this request is to allow them to submit an application. If they receive the grant, they will come before Board of Finance again to authorize acceptance of the grant. Mayor Weinberger stated this grant requires formal legislative approval before application.

Councilor Aubin inquired if this means they have not yet been awarded the grant. Ms. Krumbine stated this is a formality required to apply for this grant.

Councilor Bushor inquired if the allocations listed are what they will do when they receive the grant. Ms. Krumbine stated that is correct and the Mayor's Office approved that use of the funds so that they can continue with the application process. Mayor Weinberger stated the Justice Department requests they go through the process of legislative approval. This is what they will submit and how they plan to use it.

The motion passed unanimously.

8. 2013 Five Year Consolidate Plan, CDBG Proposed Allocations and 2013 Action Plan for Housing and Community Development – CEDO

The Board reviewed CEDO's proposed 2013 Consolidate Plan for Housing & Community Development and 2013 Action Plan for Housing & Community Development.

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

9. Authorization for Calahan Field of Dreams Budget Adjustment – Parks

The Board addressed a request for a budget amendment to allow them to carry \$15,659.48 of funds raised in past years into the current fiscal year to be used on the Field of Dreams at Calahan Park project.

City Council President Shannon and Councilor Aubin made a motion to approve the budget adjustment. The motion passed unanimously.

10. Authorization for Memorial Auditorium Budget Adjustment – Parks

The Board addressed an item to amend the Memorial Auditorium Budget to account for unbudgeted pass through expenses and revenues.

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

11. Fee Increases for FY2014 - Parks

Councilors Bushor and Knodell made a motion to approve the fee increases.

Councilor Knodell inquired what the thought process was behind the increases. Jesse Bridges, Parks, stated these are the same fees they discussed as part of their budget presentation. They are looking at a 6% change to boating fees, a special event day vehicle day parking fee at \$2 more than the regular fee, and a new commercial boat launch fee. There are shelter reservation changes for the Waterfront Shelter and Battery Park with amplified sound. They also have increased ice rental fees for Leddy Arena.

Councilor Bushor inquired if there are changes to parking pass rates. Mr. Bridges stated they are not. They are promoting a \$30 league member fee which was new last year. This is intended to help curb illegal parking for those who participate in baseball in the parks, particularly around Oakledge Park. This will allow them to park at any park regardless of where they play. Councilor Bushor inquired what the process was for approving the fee increases. Mr. Bridges stated the Parks Commission met three times throughout the spring. The final meeting was in May and they advertised this in Front Porch Forum. They talked about Pennies for Parks projects and other items. They also discussed this at their budget presentation.

Mayor Weinberger inquired about boating fees. Mr. Bridges stated the boating fees will not go into effect until next boating season. Councilor Bushor inquired about the daily transient boater rates. Mr. Bridges stated those fees will go up now, but the seasonal Boathouse and Perkins Pier rates will stay the same through this boating season. Mayor Weinberger inquired what improvements they have made in the last year. Mr. Bridges stated they did \$200,000 worth of work to the Boathouse to improve bathrooms and redo the upper deck floor. They won a grant for construction that they will receive in the fall. They will put in \$32,000 and will receive an additional \$100,000 from the grant. They also have multiple PIAP proposals being considered to improve boater infrastructure. Mayor Weinberger stated that although people will be paying more, they will be receiving more. Mr. Bridges stated they will be increasing services at a greater

level than the increase in what they will be paying.

City Council President Shannon inquired if showers are used much. Mr. Bridges stated it is not a huge expense, but they have been losing money on water and hot water expenses. The fee will add up. They have also upgraded the showers. City Council President Shannon stated there are a lot of complaints around Oakledge about parking in neighborhoods. There is a perception that the fee is too high so people try to avoid it by parking in neighborhoods. She inquired if there is any information about the occupancy of the parking lot. She understands that the revenue is important to the Department, but having cars out of neighborhoods is important to neighbors. Mr. Bridges stated they do have capacity for more cars and they have avoided increasing costs of passes. Parking fees are an important part of the Departments' revenue. He does not feel that dropping the cost by \$1 would significantly increase people parking in the park. Parks are also free to walk or bike into in the spirit of promoting alternative transportation. City Council President Shannon stated there is a perception that the fee is creating problems in the neighborhood and requested they send her any information about parking rates. Mr. Bridges stated he has had conversations with neighbors in the area and have and are working on developing ways to address that. Mayor Weinberger stated the Public Works Commission has begun looking at parking restrictions. Mr. Bridges stated Public Works has say over what happens with on-street parking. There were some joint meetings with the Parks and Public Works Commissions to work to mitigate these issues.

Councilor Bushor inquired if they will be using Schmanska Barn. Mr. Bridges stated they are not renting the barn at this point. They are still using the barn, and are working to understand the costs. They are putting rentals on hold for the time being. Councilor Bushor stated that is disappointing because it is popular to have parties. Mr. Bridges stated it is their intent to be able to utilize it, but the City has been subsidizing the cost. They need to figure that out and will bring it back sooner rather than later. Councilor Bushor stated it is an important park in Ward 1 that has not received a lot of attention and it is disappointing that this is being taken away.

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

12. Approval of License Agreement with Encore BTV Schools Solar II LLC - Schools

The Board addressed an item to allow Encore BTV Schools Solar II LLC to place solar panels on the roof of Flynn Elementary School.

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

13. Authorization for Real Estate Transactions – Schools

City Council President Shannon inquired if this is time sensitive. Mayor Weinberger stated there are some time constraints. City Council President Shannon stated it is complex and she would like more time if possible. Colin McNeil, McNeil, Leddy, Sheahan, stated there is no hard deadline, but there is pressure to move this forward. There is an entity that would like to sell to the school. To make that happen, the other parts need to happen. There is pressure to get it done without a lot of delays and without having to turn away offers. Terry Bailey, Schools, stated

there is interest in getting public input. The University has agreed to give them a full year to make plans for relocating existing programs and completing renovations. The sooner they can start that process the better. The University has people who are willing to donate to help build their program, so timing is important. City Council President Shannon stated she feels it is odd that public process will occur after they approve the transactions and inquired why that is necessary. She stated she would like to understand how the spaces will be used and the economics of the transactions. Mr. McNeil stated the use has not been totally vetted yet. It would be up to UVM how they use Ira Allen. They have not yet decided how the Schools would use St. Joseph's. Mr. Bailey stated they will be gaining 25-30% more square feet. St. Joseph's is in a location where there has been a lot of population growth. They can use that building as space for Flynn School and the Sustainability Academy. It is in better shape than the Taft School is. It was designed as a school and is well maintained. They feel that they could get better use out of it and they like that it is located in the center of the City. Mr. McNeil stated it costs about \$68,000 per year to maintain Taft. The cost to maintain St. Joseph's would be less than the combined cost of maintaining Ira Allen and Taft. Mayor Weinberger stated there is more space and is budget positive for the School Department. It is also an investment in the Old North End and will be more energy efficient. Mr. Bailey stated the St. Joseph's co-cathedral needs to have a formal offer to begin the process. He has been working with them and they are interested in selling the property, but if they do not move forward with this, they may sell to someone else.

Councilor Bushor stated two of these properties are in Ward 1. None of the residents that will be impacted by this know anything about this. Ira Allen is owned by the School Department and is partially rented by UVM. There have been a number of challenges with that property and UVM. They wanted UVM to grow within their own campus, but they have been acquiring more properties. There have been noise issues and issues with linking Trinity Campus to Main Campus. She has concerns that none of this was done publically to allow Ward 1 Residents to weigh in. The use of Taft School does not concern her as much as the Ira Allen property. When she spoke with the School Department, she had asked if they have hired any financial advisors to look at whether or not the sale of the property as opposed to a lease of the property would be more advantageous. She feels the opportunity to acquire St. Joseph's is a good one. Her understanding was that the City did not want to give the University of Vermont any more City property, which this does. The people who live on that street are gone and Ward 1 has lost a whole side of East Avenue to Fletcher Allen. They are continuing to lose neighborhoods because they are not considering the residents who live there. She understands the financial advantages, but is frustrated with the process. She hopes they will not act on this tonight.

City Council President Shannon stated she needs more information to consider this. It would be helpful to see a breakdown of the numbers. The uses are also important to know what the value of the space is. She appreciates the affect that Ira Allen will have on neighbors, though she is not sure that it will affect neighbors any worse than the continued lease. There are different viewpoints from different Councilors and feels a presentation would be helpful.

Councilor Knodell stated there will be few significant changes in use to the building at 150 Colchester Ave. Mr. Bailey stated that is correct. Councilor Knodell stated it is good for the district and she would hate to see this get dragged out. Mr. Bailey stated that area is all commercial. The building was owned by the University before it belonged to the City. The numbers make sense. There is no net impact financially. He agrees there should be public involvement on how it is used, but the finances make sense. They have had the building

inspected and it is in good condition.

Councilor Aubin stated he recently attended a meeting where they discussed the fact that there are a very limited number of open kindergarten spaces available. He knows they are projecting an increase in the number of students in coming years. He inquired if any of the buildings they currently own could provide additional classroom space or if they expect this transaction will fulfill that need. Mr. Bailey stated one option is to expand the magnet school concept, but they need more space to be available. There are smaller elementary schools they could move and relocate administration.

Mayor Weinberger inquired if the Board is prepared to make a recommendation. City Council President Shannon stated if they make a recommendation, she would like more time to look at this. The full Council will also probably want to have a presentation. Councilor Bushor stated this is a Board of Finance issue. There are Councilors who have thoughts about this. She has a big fear that the use will change. If this were to go forward, she would want to know if there is any way to limit use. Mayor Weinberger suggested that they delay action and address this at a future meeting. Mr. Bailey stated he understands the concerns but feels it is a good opportunity.

On a motion by City Council President Shannon and Councilor Knodell, the Board unanimously voted to postpone action on this item.

14. Authorization for Service Contract for Downtown Parking Garages – DPW

The Board addressed an item to allow the Department of Public Works to sign a contract with Green Mountain Conference Services for security services at the Downtown Parking Garages.

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

15. Budget Amendment for Equipment Maintenance – DPW

The Board addressed an item to allow for an amendment to the Equipment Maintenance budget to accommodate increased expenses in fuel and parts.

City Council President Shannon and Councilor Aubin made a motion to authorize the budget amendment. The motion passed unanimously.

16. Authorization for Leddy Arena Contract – DPW

The Board addressed an item to allow the Department of Public Works to execute a contract with Neagley & Chase for renovations to the Leddy Park bathrooms and locker rooms.

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

17. Planning and Zoning Fee – P/Z

Mayor Weinberger stated they will postpone action on this item.

18. Authorization to Accept Grants and Award Contracts – Airport

- a. **Taxiway B Reconstruction and Construct Sewage Collection/Receiving Facility (AIP-95)**
- b. **Cargo Apron Reconstruction Phase 1 (AIP-96)**
- c. **Design Upgrade to Security System (AIP-97)**
- d. **Land Acquisition (AIP-98)**

Councilors Bushor and Aubin made a motion to authorize acceptance of the grants and awarding the contracts.

Councilor Bushor inquired if all of these contractors pay livable wage. Bob McEwing, Airport, stated they are all required to.

The motion passed unanimously.

19. Authorization for TSA Terminal Lease Renewal - Airport

Councilor Aubin and City Council President Shannon made a motion to approve the terminal lease renewal.

Councilor Knodell inquired if they plan to reconfigure security. Bob McEwing, Airport, stated last year they amended the lease to add more space. They were short term leases so that they would all be on the same term. This lease combines all of them into one.

The motion passed unanimously.

20. Authorization for Grant Anticipation Note – Airport

The Board addressed an item to allow the Airport to issue a Grant Anticipation Note not to exceed \$3,000,000 for Airport Improvement Projects.

Councilors Knodell and Aubin made a motion to approve the Grant Anticipation Note. The motion passed unanimously.

21. Authorization for Revenue Anticipation Notes – Airport

The Board addressed an item to allow the Airport to issue Revenue Anticipation Notes not to exceed \$3,000,000 for payment of Airport expenses.

Councilors Knodell and City Council President Shannon made a motion to approve the Revenue Anticipation Notes. The motion passed unanimously.

22. Authorization for Public Improvement Bonds for FY14 – C/T

The Board addressed an item to allow the Chief Administrative Officer to issue Public Improvement Bonds not to exceed \$2,000,000 for working capital and capital improvement

needs.

Councilors Knodell and Aubin made a motion to approve the Public Improvement Bonds. The motion passed unanimously.

23. Authorization for Tax Anticipation Notes – C/T

Councilors Knodell and Aubin made a motion to approve the Tax Anticipation Notes.

Councilor Knodell inquired how they determined the amount that they would need. ACAO Goodwin stated that they chose that amount on the advice of the financial advisors and Moody's. They feel that they will not need the \$10 million, but wanted to be prudent. They believe that they will likely not borrow more than \$4-\$5 million. Councilor Knodell inquired what they used in FY13. ACAO Goodwin stated they received approval for \$15 million and utilized \$9 million. Mayor Weinberger stated they pay only a modest fee to authorize the capacity and they do not pay more unless they borrow. ACAO Goodwin stated the rate they pay on the unused portion is 0.15%. It is a very good deal.

The motion passed unanimously.

25. FY14 Livable Wage Rates – C/T

Councilors Bushor and Aubin made a motion to accept the communication and refer it to the Ordinance Committee.

Councilor Knodell inquired if that action makes the rate go into effect. City Attorney Blackwood stated they do go into effect. This is a notice to the Board of Finance and City Council that these rates will go into effect July 1. Councilor Knodell stated this is an administrative matter. City Attorney Blackwood stated that is correct. The rates would be lower except the Ordinance prohibits them from going below 2010 levels.

The motion passed unanimously.

26. Authorization for Municipal Banking Authority – C/T

Councilors Knodell and Bushor made a motion to approve the banking authority.

City Council President Shannon noted a change to the sponsors of the resolution.

Councilor Knodell inquired if there are changes to the resolution. City Attorney Blackwood stated their bond counsel advised them that they need to remove language about bonding authority in this resolution.

The motion passed unanimously.

27. Delegation of Budget Neutral Amendments within City Departments' Budgets – C/T

Councilor Bushor requested that they postpone action on this item. Mayor Weinberger stated

they will continue with the current system through June 30. Councilor Bushor stated when they initially approved this authority, they agreed to revisit it to evaluate how it is working. She does want to do that.

City Council President Shannon stated she believes that this has worked but is willing to discuss it further. She would be open to expanding it further. There have been cases where accepting and signing grants has been difficult because of meetings schedule. There should be a way to do that.

Mayor Weinberger stated he does not object to delaying action on this and addressing it on the July 8 meeting agenda. CAO Rusten stated they could continue to use the authority that is allowed under the current resolution until they are able to address this at the next meeting.

Councilor Bushor and City Council President Shannon made a motion to continue the authority given under the current resolution until July 15.

Councilor Bushor stated she does want to revisit this because she has some issues with the reporting. She would like to discuss this and the function of the Board of Finance.

The motion passed unanimously.

27.5 (formerly 24) FY14 Budget Resolution – C/T

Mayor Weinberger stated they will give an overview of the budget and will then answer questions. He presented a gap analysis that will answer questions outlined in Councilors Knodell and Bushor's memo. He also presented a new general fund summary page. ACAO Goodwin stated there was confusion with the summary that was provided. The center of the page shows a hole labeled July 1, 2012 which is the budget as it was approved for FY13. They have been converting to New World over the past year which has changed how they report. He added a column that shows the New World FY13 budget which will allow for a better apples to apples comparison. The most confusing thing is that operating transfers have dropped dramatically. This budget only has \$4.4 million compared with \$12 million in the previous year. That is shown on the Profit and Loss statement. That has dropped significantly because they are actually showing costs in departments rather than doing transfers. This is better accounting.

Councilor Bushor inquired what costs are being shown in departments. ACAO Goodwin stated they are showing benefits, which is a sizeable amount. CAO Rusten stated that it makes it so they can compare the numbers with the previous year. It will also tie to the numbers in the next pages which show general fund revenues and expenditures. Mayor Weinberger stated the bottom line shows the trend of going from a deficit FY11 to a surplus now. ACAO Goodwin stated they have divided the general fund into the categories of administration, safety services, culture/recreation and public works. Mayor Weinberger stated general fund expenditures are increasing by 4.1%. CAO Rusten stated there was mention of a \$1.5 million deficit. They looked at the big highlights when determining that number, which were increased costs of benefits, new information technology and TIF reduction of general fund taxes. They addressed that difference by increases to property tax and gross receipt revenue, parking ticket fee increases, and reductions in fees because of the fiscal stability bond. They also included a \$50,000 of miscellaneous grants. They are freezing COLA increases for management and are reducing COLA to 1% for non-management positions. They also looked at positions that they could defer

hiring. They have reduced the IT and City Attorney budgets and the general fund transfer to CEDO. They have increased fees received from the Schools and Code has increased fees. This all added up to fill the \$1.5 million gap with about a \$10,000 surplus.

Councilor Knodell inquired if some departments received funding beyond level funding. Mayor Weinberger stated that most departments are slightly up over last year. When considering all of the departments and comparing net expenses with this year and next year, they were not able to come in level because of union contracts and increases. That difference amounted to about \$900,000 in expenses that they have addressed in a number of ways. Councilor Knodell inquired about the increase in the general city tax rate. Mayor Weinberger stated the voters approved the half penny increase for bike path maintenance.

Councilor Bushor stated that in past budgets, there was an executive summary which was more in depth. It was very user-friendly and allowed people to see what is included in public safety and what the major changes were. It also showed a breakdown of taxes versus user fees. She did not mention this last year, but she would like to go back to doing something like that. She inquired if there is anything they could use to augment what is currently in the budget. Councilor Bushor requested that in preparation for next year's budget the CAO's office look at previous budget summaries, including the graphs and pie charts, so as to include these in the budget summary. Mayor Weinberger stated they are willing to work on the process for the budget next year. In the materials they received for each department's budget presentation, there was a narrative outlining major changes. It is not a part of this document, but it does exist. Councilor Bushor inquired if they would consider including department summaries. They were informative and she would like to have something that people could use. A member of the audience, Councilor Paul, stated the New World software is more uniform in how budgets are presented. It is fine to have a narrative, particularly for those who are not numbers savvy. Her concern is about variances that were in past budgets. They were there through a Council resolution and they make it much easier for people to read. It made it possible to look at each department and see the numbers. She was disappointed that they were not included in this budget and hopes they will be next year. Mayor Weinberger stated he agrees. The departmental requested budgets are nearly identical to the Mayor's Recommended Budget. The information is available, although not in the most clear form. CAO Rusten stated as someone looking for the budget for the first time, he has ideas for how the budget could be easier to read. He would like to go through the process of talking to Department Heads and the Council to figure out what they are looking for. Next time they can come up with ideas about how it can be formatted to meet everyone's expectations. He inquired if they are looking for departmental narratives. Councilor Bushor stated she would like there to be a synopsis, though she does not think including a slideshow would be useful. CAO Rusten suggested they email him anything they would like to be included. Councilor Paul stated there was a Council resolution that budget presentations must include responses to the management letter. She requested that they make sure that has been done. Interim CAO Sisson stated it was done, although often times verbally. Councilor Paul stated there have been improvements and it takes time. Councilor Knodell stated she likes the summary pages they provided this year.

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

Without objection, Mayor Weinberger adjourned the Board of Finance meeting at 7:53 pm.