BURLINGTON BOARD OF FINANCE
BUSHOR CONF. ROOM, FIRST FLOOR, CITY HALL *OR*
REMOTE MEETING WITH CALL-IN NUMBER
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
February 20, 2024

MEMBERS PRESENT:	Karen Paul (via Zoom) Ali Dieng Joe Magee (via Zoom) Mark Barlow Miro Weinberger (in person at 5:33 PM)
OTHERS PRESENT:	Katherine Schad Jared Pellerin Jordan Redell Jeff Bartley Nic Longo Chapin Spencer Jackie Esperti Laura Wheelock Alina Korsak

---

1.0 CALL TO ORDER and AGENDA

1.1 Motion to amend/adopt the agenda
Mayor Weinberger called the Board of Finance meeting to order at 5:33 PM.

MOTION by Councilor Barlow, SECOND by Councilor Dieng, to amend and adopt the agenda as follows:
- **Remove item 4.3 from the agenda.**

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM

2.1 Verbal Comments

Solveig Overby spoke about her concern regarding the Fiscal Year 2023 audit documents, noting that one of the recommendations from the previous year's audit was around improving the accounting around the CEDO capital project accounting, and that this was not noted in the current year's audit around that recommendation at all. She said that this is a glaring omission. She also noted other concerns, including the value-add of this type of audit, consistent findings related to general ledger monitoring, and the lack of capital fund budgets and actuals reports. She expressed concern about the City's financial monitoring, noting that solutions to date have included hiring consultants and more staff, with a lack of results. She further expressed grave concern about the lack of a cybersecurity response plan and disaster recovery plan, and the lack of concern on the part of the auditors around this. Chief Administrative Officer Schad replied that recommendations only continue to be listed each year if they continue to be problems, and the recommendation related to capital project accounting in CEDO has been resolved. She added that the purpose of this type of auditing is to ensure that the City is spending money where and how it has said it will spend it.

Caryn Long asked about the $197,000 in TIF funding that was owed or not owed from the City to the State, and asked how she can get more information about this, since it seems contradictory. She also asked further questions about the TIF audit, and requested more information.

3.0 CONSENT AGENDA

3.1 Motion to adopt the consent agenda and take the actions indicated
3.2 February 5, 2024 Board of Finance Meeting Minutes, Draft – approve the minutes.
3.3 City Council Initiatives Fund Reimbursement Request: $6,700.00 – approve and recommend that the City Council approve and authorize the Chief Administrative Officer to expend $6,700.00 in Council Initiative Funds for reimbursement to City Councilor Ali Dieng for the events he orchestrated with the New American communities and the Vermont National Guard, as outlined in the attached memo.
3.4 2024 VTRANS Certificate of Highway Mileage – DPW – approve and recommend that the City Council accept the recorded mileage for the City of Burlington, with the Vermont Agency of Transportation in the 2024 Highway Mileage Certificate, and authorize Chapin Spencer, Director of Public Works, to execute the certificate on behalf of City Council.
3.5 Conservation Legacy Fund Grant Awards – DPI – approve and recommend that the City Council approve disbursement of $152,060 in Conservation Legacy Fund monies via grant awards to Vermont Youth Conservation Corps ($48,500), Vermont Garden Network ($48,560), and Burlington Wildways ($55,000) as recommended by the Conservation Board and Parks Commission.
3.6 Budget Amendment between Penny for Parks Projects – BPRW – approve and recommend that the City Council authorize the Chief Administrative Officer, or their designee, to affect the necessary budget amendment and transfer of $80,000 in funds between the Penny for Parks Projects (Calahan Park Court & Stormwater Design to Oakledge Park – Restrooms) as outlined on the Budget Amendment Request form.
3.7 CLG Grant Acceptance for "preserveBTV" Historic Preservation Plan – DPI – approve the City's CLG Coordinator to accept the $28,000 grant award from the Vermont Division for Historic Preservation for the 2024 CLG project preserve BTV and to authorize execution of the grant agreement, subject to approval by the City Attorney.

MOTION by Councilor Magee, SECOND by City Council President Paul, to approve the consent agenda and take the actions indicated for items 3.1-3.7.

VOTING: unanimous; motion carries.

4.0 FOR APPROVAL AND RECOMMENDATION TO THE CITY COUNCIL

4.1 Request for Authorization to Sign a Janitorial Services Contract with Janitech Services, LLC – Airport

Director of Innovation Bartley noted that this is a contract for janitorial services at the airport, that there were two bidders, and that this vendor was selected as the successful bidder for the contract. He added that this vendor is also the current vendor of janitorial services for the airport.

Councilor Dieng asked about the difference in cost between last year and this year for these services, and Director Bartley replied that the difference is around $14,000.

MOTION by Councilor Dieng, SECOND by Councilor Barlow, to approve and recommend that the City Council approve and authorize the Director of Aviation to execute a contract for janitorial services with Janitech Services, LLC in the amount of $799,200.00 for the first year, $823,175.00 for the second year, and $282,625.00 for the final few months through June 2026, subject to the final review and approval by the office of the City Attorney.

VOTING: unanimous; motion carries.

4.2 Parking Management Sublease Agreement with Unified Parking Partners – DPW
Director Spencer noted that this is a multi-year (two years and eight months) agreement that is a public-private partnership to make current private parking accessible at City rates for a broad section of the day (6:00 AM to 3:00 AM), with the goal of providing additional off-street parking while the Main Street Great Streets project displaces other on-street parking.

Councilor Barlow asked what would happen if the utilization is less than the City anticipates, and Director Spencer replied that there is the ability after the first year of the agreement to reduce the number of parking spaces covered in this agreement if the utilization is less than anticipated.

Councilor Grant asked for clarification around how the City is paying for the parking spaces in this agreement, and Director Spencer replied that the City is leasing all 85 spaces at a rate of $4.60 per day, with the City then being able to charge the public directly and recouping the revenue.

MOTION by Councilor Dieng, SECOND by Councilor Magee, to approve and recommend that the City Council authorize the Director of Public Works to execute Attachment A – Parking Management Sublease Agreement with Unified Parking Partners and Courthouse Plaza, in an amount not to exceed $142,715 per year.

VOTING: unanimous; motion carries.

4.3 Waterfront Tax Increment Financing District Audit Items – State Follow-up – C/T
This item was removed from the agenda and there was no discussion.

4.4 Review of the FY23 Audit – C/T
Alina Korsak, the City's lead auditor, representing Marcum Associates began the presentation of the Fiscal Year 2023 audit results. Chief Administrative Officer Schad began by noting the reasons behind the annual audit. She said that these include validating that the City accurately accounts for and reflects the financial activities of the fiscal year, recognizing the trust that Burlingtonians put into their elected officials to be responsible custodians of tax dollars. She noted that there are also state requirements that municipalities account for monies

entrusted to them and that these monies are subject to audit. She further noted that audits such as this are important for public accountability, transparency, and the maintenance of the public's trust.

Ms. Korsak began by reviewing the prior year comments within the management letter, noting that they plan on including recommendations in a governance letter moving forward. Mayor Weinberger said that he has found the separate issuance of a management letter helpful, and asked for further clarification on the consolidation of recommendations into a governance letter. Ms. Korsak replied that the management letter is no longer required as the governance letter can include the contents of the management letter, but that they could still issue a separate management letter, if that is a request from the City.

Ms. Korsak spoke about prior year and current year management letter comments. She noted a prior year comment related to improving controls over journal entries and adhering to a formal closing schedule. She noted that in the last two years there were still significant entries being made 6 months after the year ended, hence continuing to recommend improving controls and adhering to a formal closing schedule. She said that this would ensure that any unanticipated variance would be identified sooner. She noted a prior year comment related to inconsistencies in the City's ordinance language and collective bargaining agreements related to pensions, recommending that the City address this by updating ordinance language. She noted that a new comment for this year's management letter pertains to considering improvements to information technology policies, given heightened cybersecurity incidents. She said that the City should formalize and codify its policies. Chief Administrative Officer Schad replied that regarding the first prior year comment, the City has been trying to recruit a finance director to help improve the controls over journal entries but has been unsuccessful, and that in the interim the City has begun issuing monthly reports and engaging a consultant to monitor and conduct analytical reviews of the general ledger on a regular basis as recommended. She noted that they will be working with the City Attorney's Office on updating the ordinance language related to pensions, and that Chief Innovation Officer Barker will be working to draft policies related to cybersecurity and make staffing improvements to bolster cybersecurity resources.

Councilor Dieng asked when the City will begin issuing key monthly financial reports, and Chief Administrative Officer Schad replied that department heads are reviewing them now, and that the first update should be ready for presentation at the next Board of Finance meeting. Councilor Dieng asked when the consultant started, and Chief Administrative Officer Schad replied that a consultant was hired last week.

Ms. Korsak then reviewed the General Fund's budget versus actual results. She noted that there was a variance in expenditure of $5.1 million (under budget) and a variance in revenue of $6.1 million (under budget), leading to a net variance (loss) of $1 million. She then spoke about General Fund balance classification changes between 2022 and 2023, noting a total decrease across classifications (nonspendable, restricted, committed, and assigned) of $2.5 million between 2022 and 2023. She noted that the unassigned fund balance in FY22 was $8.6 million, and after adding in changes to other fund balances and subtracting the net change in fund balance, the unassigned fund balance in FY23 was $6.5 million. She then spoke about the general fund's unassigned fund balance over time, both in absolute dollar amounts and as a percentage of total expenditures. She noted that the City's unassigned fund balance policy establishes a target of at least 5% of expenditures, and that this was exceeded for FY23, as the unassigned fund balance in that fiscal year was 8.1%. Mayor Weinberger noted that in Fiscal Year 2023, the Board of Finance decided to spend down the unassigned fund balance by $2.5 million, which was intentional.

Councilor Dieng asked how the City can increase its unassigned fund balance in future years. Mayor Weinberger replied that the unassigned fund balance is a good metric of financial health for the City as well as a metric used for the City's credit rating. He said that meeting the unassigned fund balance level laid out in the City's policy (between 5% and 15%) is important, and said that from his perspective, anything above 5% is sufficient, though increasing it through the budgetary process is a possibility.

Mayor Weinberger said that the Council must take action on this item by February 26, given that the financial audit needs to be completed and accepted prior to Town Meeting Day. He said that he will work with City Council President Paul to have this on the agenda at that meeting, as well as give the Board of Finance the opportunity to discuss this further prior to the City Council meeting on February 26th.

Councilor Barlow asked for further detail about bolstering the City's cybersecurity. Chief Administrative Officer Schad said that she will further consult with Chief Innovation Officer Barker and follow up with Councilor Barlow.

5.0 ADJOURNMENT

5.1 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 6:30 PM.

RScty: AACoonradt