



Board of Finance Meeting, Monday, December 21, 2020, 4:30 pm
****VIRTUAL MEETING****
12/21/2020

BURLINGTON BOARD OF FINANCE

REMOTE MEETING WITH CALL-IN NUMBER

BURLINGTON, VERMONT

MINUTES OF MEETING

December 21, 2020

MEMBERS PRESENT: Max Tracy

Karen Paul

Brian Pine

Ali Dieng

Miro Weinberger

OTHERS PRESENT: Katherine Schad

Rich Goodwin

Jordan Redell

Chapin Spencer

Tyeastia Green

Eileen Blackwood

Steve Locke

Luke McGowan

Sophie Sauve

Amy Bovee

Laura Wheelock

Kim Bleakley

Luke McGowan



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Martha Keenan

Brian Lowe

Scott Gustin

Richard Haesler

Danielle Cota

Grace Ciffo

Jon Murad

Munir Kasti

Alina Korsak

Sarah Carpenter

Eric Hoekstra

Joan Shannon

Jane Stomberg

Jack Hanson

Jeff Glassberg

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 4:35 PM.

1.
 - i. Motion to amend/adopt agenda

MOTION by Councilor Pine, SECOND by City Council President Tracy, to adopt the agenda.

VOTING: unanimous; motion carries.



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2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

None at this time.

3.0 CONSENT AGENDA

3.01 motion to adopt the consent agenda and take the actions indicated

3.02 Board of Finance Draft Minutes, December 7, 2020 – approve the minutes.

MOTION by Councilor Pine, SECOND by City Council President Tracy, to adopt the consent agenda and take the actions indicated for items 3.01-3.02.

VOTING: unanimous; motion carries.

4.0 FOR APPROVAL AND RECOMMENDATION TO CITY COUNCIL

4.01 Abridged Finances General Fund Only - C/T

Alina Korsack presented the formal findings for the Fiscal Year 2020 General Fund. CAO Schad added that she previewed this with the Board of Finance on November 9th.

Ms. Korsack provided an overview of the FY 2020 balance sheet ending June 30, 2020. She noted the large unassigned fund balance (\$8.6 million), representing 12% of operational costs. She said that the City's unassigned fund balance target of at least 10% of operational costs was met, and with that surplus, the City has the capacity to assign amounts to future projects. She provided an overview of the General Fund budget to actuals for FY 2020, noting that overall there was an excess of revenues compared to expenditures of around \$4.2 million (including the BT transfer).

Councilor Paul said it would be helpful to see FY 2019 figures presented side-by-side with the FY 2020 figures, as a comparison. She also asked for additional detail about the variances compared to the final budget. She additionally asked about the decision to classify excess bond revenue as restricted funds. She finally asked for further detail on non-spendables and what those entail. Ms. Korsack replied that one of the driving factors of the variance was shortage in taxes and gross receipts. She said that the charges for services line item mostly included loss of income for recreational programming, but also included parking, licenses, and permits. She additionally noted that it was more appropriate to classify the excess bond revenue as restricted instead of committed. She said that non-spendables decreased and the fund balance details show Burlington Town Center, Champlain Parkway, and Downtown Westlake as the drivers of that.



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Councilor Pine said it is important to emphasize that the expenditure items listed in this overview are just a portion of the funding and activities under these headings, and that departments include a mix of general funds and non-general fund funding. Ms. Korsack said that moving forward there would be an additional column in the report that showed departments' non-general fund spend and total departmental spend. Councilor Pine also suggested that the City Council line items be further clarified and broken out into its subcategories, since it includes funding for regional programs and the large line item amount could be misleading. Councilor Paul agreed with this statement, saying that regional programs are their own line item in the budget, and should be classified here as such. Ms. Korsack noted that the roll-ups in this report are done by department code, but that these clarifications can be made.

MOTION by Councilor Paul, SECOND by Councilor Pine, to approve and recommend to the City Council with the understanding that full comparables will be listed prior to approval.

VOTING: unanimous; motion carries.

4.02 City of Burlington, Vermont Management Letter For the Year Ended June 30, 2020 - C/T

Ms. Korsack then walked through the management letter. She noted that there were four comments, similar to last year, and that there were no identified weaknesses or deficiencies. She described the four comments, which included improving controls over journal entries and adhering to a formal closing schedule; improving capital project accounting; addressing findings in the agreed-upon procedures over the Pension Plan Report; and improving the system for identifying federal awards.

Councilor Paul said that the final finding around identifying federal awards is a new one, and asked whether it could have been the result of staff shortages and lack of bandwidth due to COVID-19. Ms. Korsack agreed that that is an accurate interpretation. Councilor Paul additionally noted that two of the comments from last year's management letter were addressed. She also suggested finding ways to outsource some of the pension issues and administration to outside specialists.

City Council President Tracy asked for further clarification on whether there was a plan to recruit more senior staff and also asked about the status of the consultants' work around capital accounting, which would help address the second management letter comment. CAO Schad replied that the Board of Finance approved the addition of a senior accountant position, but that recruitment for this position has been unsuccessful to date and efforts are ongoing. Finance Director Goodwin added that CLA's capital accounting activities have resulted in streamlined processes and that they will transition activity back to the Clerk/Treasurer's Office.

MOTION by Councilor Paul, SECOND by Councilor Pine, to approve and recommend that the Council approve the FY20 Management Letter.



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VOTING: unanimous; motion carries.

4.03 Chittenden Solid Waste District Contract Extension – BED

MOTION by Councilor Pine, SECOND by City Council President Tracy, to approve and recommend that the City Council authorize the General Manager of the Burlington Electric Department to execute a three-year contract extension, with the option to extend for an additional two years, with the Chittenden Solid Waste District to continue BED's operation and maintenance of the Wood and Yard Waste Depot at the McNeil Generating Station, subject to final review and approval by the City Attorney's Office.

VOTING: unanimous; motion carries.

4.04 Authorization to Amend University Place UVM-City Agreement – DPW

Councilor Paul asked for clarification about the timing in the third amendment to the agreement, which would push the deadline for deemed consent to July 2021 from December 31, 2020, and would also push the City's contribution to August 2021 from January 31, 2021. Senior Engineer Wheelock replied that the University of Vermont (UVM) would like to be in a Memorandum of Understanding (MOU) with the City prior to providing their selection of preferred alternatives. She said that this would require boundary adjustments, which is a lengthy process and will take time to develop an MOU around those adjustments. She said that pushing back the deadline would help accommodate this and would also give the City a chance to assess the financial lay of the land, since the deadlines would now be after the end of Fiscal Year 2021.

Councilor Pine said that it is important to clarify that this project is an investment on the part of the City in return for a much larger investment contribution from UVM and Champlain and is part of the larger capital plan, not a standalone infrastructure improvement project.

MOTION by City Council President Tracy, SECOND by Councilor Paul, to approve and recommend that the City Council authorize the Mayor to execute a Third Amendment to the 'Agreement Between the University of Vermont and The City of Burlington Regarding Participation In The City's Ten Year Capital Plan,' substantially consistent with the draft submitted herewith, subject to final review and approval by the City Attorney's Office.

VOTING: unanimous; motion carries.

4.05 Vermont Coronavirus Workforce Stabilization Grant Award – Fire



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MOTION by Councilor Pine, SECOND by Councilor Paul, to approve and recommend that City Council approve the acceptance of the Vermont Coronavirus EMS Workforce Stabilization grant award in the amount of \$121,107.00 and the funds be distributed to personnel through payroll as outlined in Chief Locke's memo dated, December 10, 2020.

VOTING: unanimous; motion carries.

Mayor Weinberger noted that COVID-19 vaccination has begun for front-line workers. He also noted that this grant award is in addition to other hazard pay grants for front-line workers, such as the LGER grant.

4.06 Re-Classification of BTVStat Analyst Position as Senior Policy & Data Analyst - IT/HR

MOTION by Councilor Pine, SECOND by Councilor Paul, to approve and recommend to the City Council the re-titling and re-classification of the current Regular, Full-time, Exempt, Non-Union, Grade 19, BTVStat Analyst position to the Regular, Full-time, Exempt, Non-Union, Grade 20, Senior Policy & Data Analyst position.

VOTING: unanimous; motion carries.

4.07 Authorization To Apply To Downtown Sales Tax Reallocation Program Re: Redstone Development Project - 54 South Winooski Avenue – CEDO

Assistant Director Ciffo described the Downtown Sales Tax Reallocation Program as a public-private partnership at the State level, which gives municipalities with designated downtown districts the opportunity to partner with developers on projects that may be expensive to develop. She said that the program does not take away the sales tax that would come into the City of Burlington, but would allow the developer to be refunded the state sales tax on building materials. She said that the resolution asks for approval for Redstone to apply for this program in partnership with Burlington for a project on the corner of South Winooski Avenue and Buell Street. She added that this would entail \$115,000 in savings. Mayor Weinberger and Erik Hoekstra of Redstone Development said that the savings would be reallocated to pay for infrastructure and related municipal expenses, such as sidewalks, curbs, trees, and stormwater.

Councilor Dieng asked where the building materials are being purchased. Mr. Hoekstra said that materials are generally purchased by the subcontractors and vendors, not the developer itself, similar to how they are purchased for municipal projects. He added that material would generally be sourced in state, but that some of it would come from out of state, and that Vermont sales tax would apply to all of it.



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MOTION by Councilor Pine, SECOND by Councilor Dieng, to recommend that the City Council approve the attached resolution.

VOTING: unanimous; motion carries.

4.08 Approval to Amend Contracts for City Hall Renovations - Capital Committee

MOTION by Councilor Pine, SECOND by City Council President Tracy, to 1. approve and recommend that the City Council authorize the Director of the Department of Public Works to execute amendments to the contract with Farrington Construction Company to increase the maximum limiting amount by up to \$723,928, and allotting \$104,460.50 of contingency, for a new total of up to \$2,058,088.00, 2. approve and recommend that the City Council authorize the Director of the Department of Public Works to execute amendments to the contract with Vermont Integrated Architecture to increase the maximum limiting amount by up to \$38,066.50, for a new total of up to \$173,066.50, and 3. approve and recommend that the City Council authorize the Chief Administrative Office to transfer \$50,000 from the Unassigned Fund Balance Facility Reserves (110-00-000-000.4259_101 GF Dedicated Fundings, Non-Departmental, Admin, Admin) to the 811 City Hall renovation project (811-19-700.4990_100) to cover approximately 47% of the contingency funding for the additional construction work.

DISCUSSION:

- **Councilor Paul emphasized that this project has significant up front costs, but that they will generate savings through more efficient energy use and help Burlington achieve its net zero energy goals. Project Director Keenan added that this is phase 2 of many, which installs new mechanical equipment and insulation in the attic of City Hall and also brings in an Energy Recovery Unit, to bring outdoor ventilation into the building. She said that this will reduce the building's energy consumption by 10% and would save around \$21,000 annually. She also noted that the City is receiving around \$35,000 from Vermont Gas and Burlington Electric in incentives for this project as well.**
- **Councilor Dieng asked if other City buildings are being considered for these types of upgrades. Mayor Weinberger replied that the plan for upgrades has already been presented and information is available.**

VOTING: unanimous; motion carries.

4.09 Open Space Addendum Contract/Conservation Legacy Fund Disbursement Request - Burlington Conservation Board

MOTION by Councilor Pine, SECOND by City Council President Tracy, to recommend that the City Council approve the use of the Conservation Legacy Fund, an amount not to exceed \$25,000, for the purposes of contracting with Resilience Planning & Design, LLC for professional planning services to assist in creating the Open Space Addendum and authorize William Ward, Director of Permitting & Inspections, to execute all necessary documents relative to that contract, subject to the review and approval of the City Attorney.



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VOTING: unanimous; motion carries.

5.0 BOARD OF FINANCE APPROVAL ONLY

5.01 Burlington Police Department - Reclassification of the Limited Service, Training & Special Project Coordinator to a Regular, Full - Time position - BPD/HR

Councilor Paul noted that this employee has been in a limited service position for three and a half years, which is over the three year limit laid out in the City's personnel policy.

MOTION by Councilor Paul, SECOND by Councilor Pine, to approve the reclassification of the Training & Special Project Coordinator position from a Limited Service, Full-Time, Non-Union, Exempt, Grade 18 position to a Regular, Full-Time, Non-Union, Exempt, Grade 18 position, retroactive to June 26, 2020 and that this employee receive retirement benefits from the date that they should have started receiving them in accordance with the personnel policy.

DISCUSSION:

- **CAO Schad noted that the City will work with the employee and Hooker & Holcombe (the City's retirement administrator) to ensure that benefits are received retroactively.**
- **Councilor Dieng asked how many employees are currently in limited service positions. CAO Schad replied that there are 12 limited service positions.**
- **City Council President Tracy asked how this reclassification will fit into the ongoing transformation work at Burlington Police Department. CAO Schad replied that this is a training position and that it is critical moving forward as the City is in the midst of that transformation. Chief Murad added that the employee in this position is critical to coordinating training.**

VOTING: unanimous; motion carries.

6.0 ADJOURNMENT

6.01 Motion to Adjourn

MOTION by Mayor Weinberger, SECOND by Mayor Weinberger, to adjourn the Board of Finance meeting.

With no further business and without objection the meeting was adjourned at 5:55 PM.



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