# Board of Finance - Monday, December 14, 2015 at 5:00 p.m.
# Conference Room 12, City Hall
# 12/14/2015

*MINUTES SUBJECT TO CORRECTION BY BURLINGTON BOARD OF FINANCE. CHANGES, IF ANY, WILL BE RECORDED IN THE MINUTES OF THE NEXT MEETING OF THE BOARD.*

**BURLINGTON BOARD OF FINANCE**

**CITY HALL**

**BURLINGTON, VERMONT**

**MINUTES OF MEETING**

**December 14, 2015**

**APPROVED – 1/11/16**

**MEMBERS PRESENT:** Mayor Miro Weinberger

Jane Knodell

Karen Paul

Sharon Bushor

Kurt Wright

**OTHERS PRESENT**: Bob Rusten, CAO

Rich Goodwin, Assistant CAO

Eileen Blackwood, City Attorney

Richard Haesler, Assistant City Attorney

Brian Lowe, Mayor's Office

Chapin Spencer, DPW

Norm Baldwin, DPW

David Allenton, DPW

Megan Moir, DPW

Jesse Bridges, DPW

Ben Pacy, HR

Jeremy Patrie, BT

Tom Ayres, City Council

Sara Giannoni, City Council

Scott McIntyre, auditor

Amy Demetrowitz, CHT

Gil Livingston, Vermont Land Trust

Erik Farrell, VHHT, LLC

**1.0 CALL TO ORDER and AGENDA**

Mayor Weinberger called the meeting of the Board of Finance to order at 5:04 PM.

1.01 Agenda

**MOTION Jane Knodell, SECOND by Karen Paul, to approve the agenda with Item 5.07 (Authorization for Former Burlington College Development Agreement) moved to Item 6.02 on the agenda, and noting that Items 5.01 (Contract for Gazo Outfall Repairs) and 5.04 (Lining Failed Culvert at Crescent Road) are for action by the Board of Finance only. VOTING: unanimous; motion carried.**

Sharon Bushor suggested having a conversation about the downtown mall at some point in time.

**2.0 PUBLIC FORUM**

None. Public Forum was closed at 5:12 PM.

**3.0 APPROVAL OF BOARD OF FINANCE MINUTES**

3.01 November 30, 2015

**MOTION by Sharon Bushor, SECOND by Jane Knodell, to approve the 11/30/15 Board of Finance minutes as presented. VOTING: unanimous; motion carried.**

**4.0 BOARD OF FINANCE DISCUSSION**

4.01 Initial Review of Draft Summary FY2015 City Financial Records

Scott McIntyre via teleconference noted the following:

- The June 30, 2015 audit followed a similar path as the 2014 audit. The city maintained the accelerated audit schedule.
- The audit is still progressing, but the news is very positive. The full audit report will be submitted by the end of December.
- Total fund balance in the General Fund as of June 30, 2015 was $8,251,000 which is an increase of $3.4 million over the balance as of June 30, 2014.
- The General Fund balance is made up of non-spendable fund balance ($2.3 million), restricted fund balance, committed fund balance (about $2.4 million), and unassigned fund balance ($3,524,000 as of June 30, 2015 versus a year ago when the balance was $70,000).
- The net change in the fund balance is about $3.4 million. Major driving factor is inflow dollars exceeding outflow dollars in FY2015. For the third consecutive year inflow dollars exceeded outflow dollars in the General Fund.
- In FY2013 the $9 million stabilization bond was recognized in the General Fund and the proceeds went into the unassigned fund balance. Without that infusion to the unassigned fund balance there would have been $5.5 million in continued deficit.

Bob Rusten pointed out the FY2015 surplus of $2.5 million includes $1 million from the sale of property to City Market. The million dollars was put into the committed fund, but since the settlement with BT $550,000 goes to the unassigned fund balance. The $2.8 million surplus and unassigned fund balance are a combination of funds. The last estimate was $2.5 million. There will be in-depth discussion of the audit in January when all the data are available.

**5.0 APPROVAL/RECOMMENDATION TO CITY COUNCIL**

5.01 Authorize Contract for Gazo Outfall Repairs

**MOTION by Sharon Bushor, SECOND by Jane Knodell, to approve execution of the WRTAP Work Assignment Agreement by Public Works Director, Chapin Spencer, to hire Wright & Pierce, Inc. for $32,890.40. VOTING: unanimous; motion carried.**

5.02 Authorize Acceptance of $100,000 Grant Award for Storm Water Master Planning

**MOTION by Karen Paul, SECOND by Sharon Bushor, to approve the authorization to accept the $100,000 grant award for master planning and recommend to City Council for approval.**

**<u>DISCUSSION</u>: Sharon Bushor asked if the action includes securing the loan from the state clean water revolving fund. Megan Moir, BPW, said staff will return for approval to apply for the loan. There were no further comments.**

**VOTING: unanimous; motion carried.**

5.03 Authorize Little Eagle Bay Construction Contract

**MOTION by Kurt Wright, SECOND by Sharon Bushor, to approve and recommend to City Council for approval the contract for construction of the Little Eagle Bay improvement project. VOTING: unanimous; motion carried.**

5.04 Authorize Lining of Failed Culvert at Crescent Road

**MOTION by Kurt Wright, SECOND by Jane Knodell, to approve authorization for the lining of the failed culvert at Crescent Road. VOTING: unanimous; motion carried.**

5.05 Authorize Amendment of Fiscal Year 2016 Budget for the Waterfront Access North Project

**MOTION by Jane Knodell, SECOND by Kurt Wright, to approve and recommend to City Council for approval amendment of the FY2016 budget for the Waterfront Access North Project. VOTING: unanimous; motion carried.**

5.06 Authorize Service Support Technician

**MOTION by Sharon Bushor, SECOND by Jane Knodell, to approve and recommend to City Council for approval the authorization of the Service Support Technician position.**

**<u>DISCUSSION</u>: Jeremy Patrie briefly explained OTT (Over the Top) video service to be offered. Mayor Weinberger commented on the added value toward customer service with steaming and broadband service. There were no further comments.**

**VOTING: unanimous; motion carried.**

5.07 Authorize Former Burlington College Development Agreement

Moved to Item 6.02.

5.08 Authorize Contract to Replace Existing Tasers

**MOTION by Karen Paul, SECOND by Sharon Bushor, to approve and recommend to City Council for approval authorization of the contract to replace the existing Tasers.**

**<u>DISCUSSION</u>: Sharon Bushor commented positively on the communication from the Deputy Police Chief and the direction the police are going in using non-lethal force. Sharon Bushor asked if the five year contract is renewed in five years. Staff will provide an answer before the next City Council meeting. Bob Rusten noted the contract is more of an insurance policy to replace Tasers that need to be replaced. There were no**

**further comments.**

**VOTING: unanimous; motion carried.**

5.09 Authorize General Obligation Refunding Bonds

**MOTION by Sharon Bushor, SECOND by Karen Paul, to approve and recommend to City Council for approval authorization of General Obligation refunding bonds.**

**<u>DISCUSSION</u>: Rich Goodwin explained during the $7 million annual borrowing process debt that is callable and can be refinanced at a better rate was identified to save the city and taxpayers money. The city has bond insurance on existing bonds. Generally the cost of insurance results in a lowering of interest rate on the re-fi mechanisms. There were no further comments.**

**VOTING: unanimous; motion carried.**

Staff will calculate the savings with the refinancing.

5.10 Authorize Refunding Certificates of Participation with the Lakeview Garage Project Series 2016 and 2000 COPs Refunding

Rich Goodwin explained General Obligation bonds and Certificates of Participation debt that can be refinanced have been identified. Per the city charter the General Obligation bonds and the Certificates of Participation need separate resolutions.

**MOTION by Karen Paul, SECOND by Sharon Bushor, to approve and recommend to City Council for approval authorization of refunding Certificates of Participation with the Lakeview Garage Project Series 2016 and 2000 COPs refunding.**

**<u>DISCUSSION</u>: Rich Goodwin noted the refunding will be done in the next 90 days. Money will be saved. Revenues are the pledge, not the garage itself. There were no further comments.**

**VOTING: unanimous; motion carried.**

5.11 Authorize Inter-Fund Transfer to Activate Downtown TIF

**MOTION by Karen Paul, SECOND by Jane Knodell, to approve and recommend to City Council for approval authorization of inter-fund transfer to activate the Downtown TIF.**

**<u>DISCUSSION</u>: Richard Haesler explained the November 16th resolutions outlined the funding sources for the municipal garage repair project ($2 million line of credit and $200,000 transfer). The city will have the ability to repay the loan in a year (FY2017). The TIF District needed to be triggered due to deadlines. There was discussion of incurring debt and accumulating escrow. Sharon Bushor requested a spreadsheet showing**

**debt and revenue generated from the TIF District and an update on active TIF districts in the Board of Finance information packets to better understand what is out there. Mayor Weinberger stated projects are lined up for the TIF and the voters granted approval. Jane Knodell suggested adding language to the resolution addressing the increment going into the district in years beyond 2017. Richard Haesler said the language can be added to the memo. Bob Rusten said in the FY2017 budget there will be a separate revenue line showing revenue generated by the downtown TIF and an expense line. Kurt Wright asked about the TIF projects approved by the voters. Mayor Weinberger said Marketplace garage ($1 million), Browns Court remediation ($800,000), rebuilding a section of Main Street and a section of St. Paul Street and Winooski Avenue. Future voter action is needed for redevelopment of Memorial Auditorium or the gateway parcel. There were no further comments.**

**VOTING: unanimous; motion carried.**

5.12 Review Sweep Account Report as of October 31, 2015

Rich Goodwin highlighted cash available as of 10/31/15 was approximately $13.4 million and cash on hand as of 10/31/15 was 81 days.

Karen Paul noted the airport has 176 days of cash on hand and asked about the retirement line item. Bob Rusten explained the issue is timing. Expenses are out each month, but taxes are collected only four times per year.

The report was accepted by the Board of Finance.

5.13 Review Monthly Financials as of October 2015

Bob Rusten reported revenues and expenses in the General Fund are tracking well. There is $500,000 available if needed. Gross receipts tax revenues are tracking ahead of last year. Expenses are good. Staff turnover is impacting payroll expense.

Karen Paul observed planning and zoning are well ahead in revenues, and asked if there are plans to increase the size of the department. Bob Rusten said the need for additional staff is not anticipated. The increase in revenues is due to a couple of large permits (hospital, UVM dorms).

The report was accepted by the Board of Finance.

**6.0 DISCUSSION**

6.01 Discuss 2016 Meeting Schedule

Following discussion the meeting on July 5, 2016 will be changed and staff will try to avoid scheduling concurrent meetings

6.02 Authorize Former Burlington College Development Agreement

Jane Knodell and Karen Paul recused themselves from the discussion. Partners in the agreement in attendance included representatives from the city, Champlain Housing Trust, Vermont Land Trust, and VHHT, LLC. The following was noted/discussed:

· The process began with an MOU. The next phase is the development agreement.

· With the proposal there will be a variety of housing options on the property with a significant portion of the property conserved as open space. The project is being designed for sustainability. The plan is to address housing issues in the community and provide affordable housing, connectivity and conservation.

· City Council must approve the development agreement then a zoning change must be approved, the city must acquire 12 acres from the 27.6 acres being purchased by Vermont Land Trust, and the project must go through permitting.

· There have been no substantive changes to the plan in the last couple of weeks.

· The six acres of land owned by Burlington College are not included in the agreement.

· Vermont Land Trust will secure financing for some of the open space. If Vermont Land Trust defaults then the lender has authority to sell the asset to satisfy debt. It can be detailed that the city has first right to secure the land. Vermont Land Trust and the city will own the land and will both get notice of default if that occurs. Either party can satisfy the debt. The intention is for the city to own the land outright.

· A zoning change and DRB acceptance of inclusionary zoning requirements being fulfilled by the affordable housing units by Champlain Housing Trust are needed or the property owner (Farrell) can buy back the land.

· More open space can be purchased at additional cost. Twelve acres being purchased by the city has 1,000’ of sandy beach. Parking for the project is underground which provides open space that would otherwise be surface parking. Underground parking increases the cost of the development.

· The affordable housing units will be in an integrated neighborhood. There will only be ornamental and landscaping fencing in the project.

· The project tries to provide as close as possible what the public requested at the public meetings.

· Work will being in 2016 assuming all permits are in hand. The schedule is aggressive.

· The agreement is the best possible deal and will serve the public well. The land is not likely to remain open/undeveloped otherwise. The property is privately owned and has been purchased and sold several times. The property is valuated based on development. The zoning is based on development. Under the existing zoning 840 units could be built. The agreement finds a balance between development and open space.

**MOTION by Kurt Wright, SECOND by Sharon Bushor, to approve the resolution for the former Burlington College development agreement.**

**VOTING: unanimous; motion carried.**

## 7.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:37 PM.

*RScty: MERiordan*