



**Board of Finance - Monday, November 21, 2016 at 5:30 p.m.
Conference Room 12, City Hall
11/21/2016**

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

November 21, 2016

APPROVED – 12/5/16

MEMBERS PRESENT: Mayor Miro Weinberger

Jane Knodell

Sharon Bushor

Karen Paul

MEMBERS ABSENT: Kurt Wright

OTHERS PRESENT: Bob Rusten, CAO

Rich Goodwin, DFO

Eileen Blackwood, City Attorney

Richard Haesler, Assistant City Attorney

Justin St. James, Assistant City Attorney

Gregg Meyer, Assistant City Attorney

Brian Lowe, Mayor's Office

Katie Vane, Mayor's Office

Noelle MacKay, CEDO

Megan Moir, DPW

Adam Roof, City Council

David Provost, Champlain College



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1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 5:34 PM on 11/21/16.

1.01 Agenda

MOTION by Councilor Knodell, SECOND by Councilor Paul, to approve the agenda as presented. VOTING: unanimous; motion carried.

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 MINUTES

3.01 October 24, 2016

MOTION by Councilor Knodell, SECOND by Councilor Paul, to approve the 10/24/16 minutes as written. VOTING: unanimous with one recusal (Councilor Bushor); motion carried.

4.0 BOARD OF FINANCE APPROVAL

4.01 Board of Finance Schedule

It was noted the meeting on March 6, 2017 will be held only if needed.

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve the meeting dates for the Board of Finance as presented. VOTING: unanimous; motion carried.

5.0 APPROVE AND RECOMMEND TO CITY COUNCIL

5.01 Work Assignment Agreement with Hoyle Tanner and Associates

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the Work Assignment Agreement with Hoyle Tanner and Associates. VOTING: unanimous; motion carried.

5.02 TIF Reimbursements FY16





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Richard Haesler explained this is the third year reimbursement has been sought under the provisions of statute that allow for municipal costs, some of them personnel costs for CEDO in advancing projects (essentially the costs that are not capitalized in the actual improvements). The work is called out and tracked by the Clerk's Office and reconciled at the end of the year for reimbursement.

Councilor Bushor asked if there is a carryover from FY15 to FY16 since the resolution refers to FY2015 and FY2016. Attorney Haesler clarified the total amount is in FY16. FY15 is a typo. Councilor Bushor asked about the list of expenditures. Attorney Haesler said the expenditures are CEDO's work in advancing projects. All expenditures are budgeted items that are now being reimbursed with TIF dollars. An inventory list of expenditures is maintained that can survive an audit.

MOTION by Councilor Bushor, SECOND by Councilor Paul, to approve and recommend to City Council for approval the TIF reimbursements FY16. VOTING: unanimous; motion carried.

5.03 EDA Grant

MOTION by Councilor Paul, SECOND by Councilor Knodell, to approve and recommend to City Council for approval to accept the EDA grant. VOTING: unanimous; motion carried.

5.04 Settlement Agreement for 266 South Champlain Street

MOTION by Councilor Paul, SECOND by Councilor Knodell, to approve and recommend to City Council for approval to accept the settlement agreement for 266 South Champlain Street. VOTING: unanimous; motion carried.

5.05 Agreement between Airbnb and City of Burlington

City Attorney Blackwood reported the city asked the state tax department about "piggybacking" the local tax on top of what the state is negotiating with Airbnb. The state said there should be a separate agreement, but Airbnb will be told to settle on the same terms with the city as with the state.

Councilor Bushor asked if the three year cycle was mandated by the state and if a 12 month period can be reviewed. Attorney Blackwood said the state wanted a shorter cycle, but Airbnb turned them down. A 12 month period can be reviewed. Councilor Bushor asked about looking at complaints. Attorney Justin St. James said if a complaint is received the city can investigate or if the city independently finds an entity they can investigate. Bob Rusten said the city has an agreement with the state to share data related to taxes to be able to compare what is received from Airbnb. Councilor Bushor asked about short term rentals. Attorney Blackwood said staff is researching having special rules and what other jurisdictions are doing. The state is also going to deal with other online providers besides Airbnb.

It was noted revenue flow is anticipated one month after signing the agreement.



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MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the agreement between Airbnb and the City of Burlington. VOTING: unanimous; motion carried.

5.06 Agreement between Champlain College and the City of Burlington

CEDO Director MacKay noted the material changes in the agreement include:

- Property tax going from for-profit to nonprofit – The city will receive a fee for service and development fee from the college.
- Environmental remediation at the site – The city's exposure was capped. The college will clean the site and the city will reimburse based on DEC being satisfied, all standards being met, and the city seeing all the bills.
- College purchase of two houses on Browns Court – The city will provide an exclusive easement for a retaining wall and terrace at the end of the street, and have sign-off on signage and/or gates to ensure there is access for snowplowing.
- Parking in the 2013 agreement is codified in the permitting.

Councilor Knodell asked about the monies available for servicing the TIF (old model shows \$350,000, new model shows \$260,000) and the spreadsheet projecting debt service and revenues. Bob Rusten said the downtown TIF supplies sufficient revenue. The spreadsheet will be shown to City Council.

Councilor Bushor asked how many beds the college will have downtown between Browns Court/Eagles Club and the town center. David Provost stated the 2007 master plan for the college identified the need to fulfill the promise to house all students so 1200 beds are needed. The neighborhood can absorb 600 on the hill so 600 beds must be found off the hill. The college has built over 400 beds on the hill and zero off the hill. Browns Court/Eagles Club provides about 300 beds so there is still need for 300 elsewhere. The college has a letter of interest that identifies up to 300 beds in the town center project. Councilor Bushor said she does support the agreement since she agreed to this in the past prior to the Town Center Agreement, but cautiously so because she wants Burlington to be Burlington, Vermont not Burlington owned by the institutions. In addition there is concern about land that moves from taxable income and residential to institutionally owned.

David Provost explained the college's decision to do the project itself to retain control of design and management. The financing is in place and with approval from City Council groundbreaking can occur in December for occupancy in August 2018.

Noelle MacKay said the DPW Commission needs to provide a recommendation on the project to City Council so CEDO will meet with the DPW Commission on December 7th and City Council on 11/28/16 and 12/12/16 if necessary.

Councilor Knodell asked about the source of the new revenue to service the debt. Bob Rusten said the revenue is from the



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properties in the downtown TIF. The estimate is \$640,000 in incremental value revenue being generated aside from the \$260,000 which is in perpetuity.

MOTION by Councilor Paul, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the agreement between Champlain College and the City of Burlington. VOTING: unanimous; motion carried.

6.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:11 PM.

RScty: MERiordan