



**Board of Finance - Monday, November 18, 2019 at 5:30 p.m.
Conference Room 12, City Hall
11/18/2019**

BURLINGTON BOARD OF FINANCE

CITY HALL

BURLINGTON, VERMONT

MINUTES OF MEETING

November 18, 2019

APPROVED – 1/21/20

MEMBERS PRESENT: Mayor Weinberger

Council President Wright

Councilor Paul

Councilor Bushor

Councilor Pine

OTHERS PRESENT: Beth Anderson, CAO

Rich Goodwin, DFO

Eileen Blackwood, City Attorney

Jordan Redell, Mayor's Office

Olivia LaVecchia, Mayor's Office

Deanna Paluba, HR

Lynn Reagan, HR

Cindi Wight, Parks & Rec

Mary Danko, Library

Bill Ward, Code Enforcement

Paul Alexander, BED

Doreen Kraft, BCA

Steve Locke, Fire

Lucas McGowan, CEDO



Board of Finance - Monday, November 18, 2019 at 5:30 p.m. Conference Room 12, City Hall 11/18/2019

Paul Plunkett, Hickock & Boardman

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 5:34 PM on November 18, 2019.

1.01 Agenda

MOTION by Councilor Paul, SECOND by Councilor Pine, to approve the agenda as presented. VOTING: unanimous [Council President Wright not present for vote]; motion carried.

2.0 PUBLIC FORUM

There were no comments from the public at this time.

3.0 MINUTES

3.01 November 4, 2019

MOTION by Councilor Paul, SECOND by Councilor Bushor, to approve the minutes of 11/4/19 as presented. VOTING: unanimous [Council President Wright not present for vote]; motion carried.

4.0 APPROVE AND RECOMMEND TO CITY COUNCIL

4.01 Reclassify CEDO Assistant Director, Community Justice Center – HR, CEDO

MOTION by Councilor Bushor, SECOND by Council President Wright, to approve and recommend to City Council to reclassify the CEDO Assistant Director, Community Justice Center position from Regular, full time, exempt, non-union, Grade 19 to Regular, full time, exempt, non-union, Grade 21. VOTING: unanimous; motion carried.

4.02 Property/Boiler and Machinery 2019-2020 Insurance Renewal – BED

MOTION by Councilor Paul, SECOND by Councilor Bushor, to approve and recommend to City Council to approve BED's Property/Boiler and Machinery (B&M) 2019-2020 insurance renewal.

DISCUSSION:

- Councilor Bushor asked if multiple carriers can cover the total insurable value. Paul Plunkett with Hickok & Boardman said this is a unique exposure and it is the ability of the insurer to provide the capacity. There is



Board of Finance - Monday, November 18, 2019 at 5:30 p.m. Conference Room 12, City Hall 11/18/2019

coverage for the city's highest asset (McNeil plant).

- **Councilor Pine asked about self-insuring and pooling coverage. Paul Plunkett said he is not aware of pooled coverage for distribution or generation assets with a utility.**
- **Council President Wright asked if the advertising of the insurance ceiling means the coverage will go to that amount. Paul Plunkett said negotiations will be done. The ceiling is the top end value from two years ago.**

VOTING: unanimous; motion carried.

4.03 Trust Agreements – C/T

MOTION by Councilor Bushor, SECOND by Councilor Pine, to approve and recommend to City Council to approve the trust agreement actions as presented.

VOTING: unanimous; motion carried.

5.0 COMMUNICATION

5.01 Investment Performance Summary FYTD 9/30/19 – C/T

DFO Goodwin reported performance in the quarter was good. Investments will continue based on the investment policy.

5.02 September Financial Report – C/T

CAO Anderson reported some departments have not received all the billings. It is hoped the trend with health insurance claims will slow. Gross receipts exceeded the budget. Actuals are about \$40,000 over the prior year. Local options tax is close to budget with no major change from the prior year.

Councilor Pine asked about payment to the city from AirBnB. City Attorney Blackwood said the state and city have an agreement with AirBnB for payment.

5.03 FY21 Budget – CAO

Mayor Weinberger reported there have been a number of events in the past year that provided substantial amounts of new revenue without having to raise the tax rate, but this is not anticipated to continue. The budget surplus was used to bring down the property tax rate. The city has committed to exploring substantial expansion of city services with a third ambulance and associated personnel with the Public Safety tax increase.

Council President Wright asked about options to reduce the amount of increase. CAO Anderson said options include increasing the cost of property taxes or park fees. Salaries and benefits make up the majority of the budget.



Board of Finance - Monday, November 18, 2019 at 5:30 p.m. Conference Room 12, City Hall 11/18/2019

Councilor Bushor expressed concern about the impact on low income people, and uncertainty with using BT proceeds over an extended time period to help address the budget gap. Councilor Bushor asked about leasing an ambulance and the total cost of five new police officers. Mayor Weinberger said the city received a grant for 50% of the cost for the officers, but this is the last year of the grant. Councilor Bushor mentioned the Fern Hill payment in lieu of taxes loss. CAO Anderson said there were two 20-year terms as PILOT then converting to property taxes. The city will gain about \$30,000.

Councilor Pine asked if the five police officers are in the union contract. Mayor Weinberger suggested the Police Chief discuss the police staffing at a future meeting.

Councilor Paul asked about the Public Safety revenue and cost. CAO Anderson said the numbers are estimates. City Attorney Blackwood said the tax is not a pass through. The city can vote out of regional dispatch, but there are financial consequences. The location of the regional dispatch site has not been determined. South Burlington has been suggested. Fire Chief Locke said there is an upcoming meeting. More guidance is needed. Councilor Paul asked about using some money toward the opioid epidemic. Mayor Weinberger said there is significant money flowing into the state to address the opioid epidemic, but Burlington is not yet receiving any despite doing so much.

Mayor Weinberger said with the revenue increases and the cuts there is still a \$700,000 gap to be addressed. There is \$3.2 million in net change in the budget. Council President Wright stressed the need to find ways to decrease the amount of increase in the budget because people are moving out the city due to taxes. Mayor Weinberger mentioned bridging use of BT funds until the end of the proforma or budget years (i.e. \$350,000 over four years or \$1.4 million of discretionary funds within the BT settlement to help cover operational costs). Councilor Bushor said the proposed dollar amount in the FY21 is acceptable, but beyond that needs further discussion. Councilor Bushor echoed the concern about the cost burden on taxpayers.

Councilor Pine asked if the voters will be asked to support the Public Safety tax and the Housing Trust Fund. Mayor Weinberger said school, Public Safety, and Housing Trust Fund are separate tax increases and it will be a hard hit on taxpayers if all three are approved.

Council President Wright asked if there is a one-time item that can be reduced with the undesignated reserve, and urged looking at every option for ways to reduce the increases. Mayor Weinberger said increasing the gross receipts tax or street franchise fee have been explored, but there is risk. CAO Anderson said expansion of the street franchise fee area is being investigated which will be potential additional revenue in future years.

Councilor Paul asked about the school budget increase. Mayor Weinberger said the number is not yet available, but the school district is aware of the Housing Trust Fund and Public Safety tax increases. The Public Safety increase is a contractual obligation. The new spending includes a new ambulance, continuing existing spending, and some paramedic training to staff the ambulance with paramedics. It is not sustainable for the school to be taking larger and larger portion of the property tax each year. Councilor Paul asked about attrition. CAO Anderson said new staffing is budgeted, but the positions are not always filled.



**Board of Finance - Monday, November 18, 2019 at 5:30 p.m.
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5.04 Open Items List – CAO

Information was provided to the Board of Finance. Councilor Bushor said a report on how to use BCDC and opportunities is needed.

6.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:55 PM.

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