



Board of Finance

11/9/2015

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

November 9, 2015

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

Brian Lowe, Mayor's Office

Martha Keenan, DPW

Megan Moir, DPW

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the meeting of the Board of Finance to order at 6:01 PM.

1.01 Agenda



Board of Finance 11/9/2015

MOTION Jane Knodell, SECOND by Sharon Bushor, to approve the agenda as presented. VOTING: unanimous; motion carried.

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 APPROVAL OF BOARD OF FINANCE MINUTES

3.01 Minutes of October 13, 2015

MOTION by Sharon Bushor, SECOND by Jane Knodell, to approve the minutes of 10/13/15 with the note that invitees to Executive Session need to be specified by name and the adjournment reflect both the Board of Finance meeting and City Council work session were adjourned. VOTING: unanimous; motion carried.

3.02 Minutes of October 19, 2015

MOTION by Sharon Bushor, SECOND by Kurt Wright, to approve the minute of 10/19/15 with the amendment to remove the words "do not" in the statement in Item 3.0 reading "Sharon Bushor commented the minutes do not reflect...". VOTING: unanimous; motion carried.

4.0 APPROVAL/RECOMMENDATION TO CITY COUNCIL

4.01 Authorize Contract for Manhattan Drive West Temporary Slope Rehabilitation

MOTION by Jane Knodell, SECOND by Sharon Bushor, to approve and recommend to City Council for approval the contract for Manhattan Drive West temporary slope rehabilitation.

DISCUSSION: Sharon Bushor noted line 17 of the resolution should be changed to read "November 9th". There was discussion of the erosion problem and "hot spots" needing immediate attention. Megan Moir stated there is significant erosion that is impacting the beltline infrastructure. The cost to fix the "worst of the worst" is estimated at \$2 million. The broader project is on the state revolving fund list for eventual construction funds.

VOTING: unanimous; motion carried.

4.02 Review Monthly Financials for September 2015

Bob Rusten reported:

General Fund revenues are coming in higher than last year at this time. Expenses are lower than at the same time last year.



Board of Finance 11/9/2015

- Gross receipts are up 12% over last year.
- Street franchise fees are down a bit from last year. Staff is investigating why.
- Monthly meetings are held with CEDO to go over the budget. Revenues and expenditures appear to be tracking.
- The airport is an area of concern. Revenues are down. Expenses are up. Staff is watching to see if the trend reverses.
- Health insurance fund claims are up. The stop loss was lowered for 2016 and will kick in earlier to hopefully help reverse the trend. A meeting is scheduled with the health insurance consultant to discuss claims.

Sharon Bushor asked about the franchise fee. Bob Rusten stated the street franchise is budgeted at \$2,345,000 and to date \$584,000 (25%) has been collected. If the trend continues the city will be below budget. Gross receipts will make up the difference. Letters were sent to a number of businesses regarding payment of the street franchise fee. There has been limited success with payment. The City Attorney will further investigate the matter and staff will follow up with businesses. The city is looking at whether any revenue can be collected from businesses using the public right-of-way that are not under the street franchise fee.

Sharon Bushor asked about payment for doing work in the street. Bob Rusten said an excavation fee is paid and the city will determine if the business is subject to the street franchise fee prior to the excavation permit being issued. The street franchise fee ordinance mandates that a certain percentage of gross revenues generated within the city must be paid. Some businesses argue that payment of the state franchise fee means they do not have to pay a city franchise fee.

Sharon Bushor asked how much money in the franchise fee category is expected on what businesses have to pay versus the unknown activity of excavation in the street. Bob Rusten said a statement of gross revenues must be filled out unless there is an agreement with the city for a set amount which is separate from the excavation fee that goes toward street capital.

Kurt Wright asked what is driving the increase in gross receipts. Bob Rusten said a significant increase each year has been seen perhaps due to the number of different activities in the city that bring people downtown where they spend money. Also, a number of hotels have opened which generate rooms and meals tax revenue. The local options tax (sales tax) has shown an increase in the last year as well.

4.03 Review Sweep Account Report as of September 30, 2015

Rich Goodwin reported:

- Cash-on-Hand is strong at \$12.7 million which is down \$1 million from August, but this is not unusual. Tax collection period is November 12, 2015.
- Days of cash on hand will be shown in the report going forward as a good indicator for the General Fund.



Board of Finance 11/9/2015

- Cash accounts (other bank accounts) total \$20.3 million with no significant delta from previous months.
- Due To/Due From numbers have been cleaned up. The retirement fund had additional entries at yearend that were captured.
- The airport owes the city \$1.1 million which will be cleared with the grant anticipation note (GAN) approved by City Council.

Sharon Bushor asked if the airport is at risk with forecasting by Moody's. Rich Goodwin explained one key matrix looked at by Moody's is the debt coverage score which is in good standing at the airport. Another item is cash on hand and due to the GAN this will improve for the airport. Early in the fiscal year the trend is for the airport to owe the city. If revenues continue to be off then adjustments to expenses will be necessary to ensure the ratios are still obtained. Mayor Weinberger said revenues are off at the airport because enplanements are down, but hopefully with the changes in service and addition of seats there will be a favorable catch up. Staff suggested Moody's not do a review prior to December 31st so the airport has an opportunity to rebound.

Jane Knodell asked if the city give an advance to Burlington Telecom. Bob Rusten said the city pays payroll and taxes and BT reimburses the city.

4.04 Review Quarterly Budget Amendment Report

Bob Rusten reported better budgeting has resulted in less need for budget amendments. If a budget line item decreases by a percentage of a dollar figure the Board of Finance will be notified.

5.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:24 PM.

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