Board of Finance
10/5/2015

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

October 5, 2015

APPROVED – 10/19/15

MEMBERS PRESENT: Mayor Miro Weinberger

Jane Knodell

Karen Paul

Sharon Bushor

Kurt Wright

OTHERS PRESENT: Bob Rusten, CAO

Rich Goodwin, Assistant CAO

Jenifer Kaulius, Mayor's Office

Richard Haesler, Assistant City Attorney

Gene Bergman, Assistant City Attorney

Susan Leonard, HR

Stephanie Reed, HR

Ken Nolan, BED

Chapin Spencer, DPW

Norm Baldwin, DPW

David Allerton, DPW

Lise Veroneau, Fire Dept.

Peter Owen, CEDO

Marcy Esbjerg, CEDO

Kirsten Merriman Shapiro, CEDO

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the meeting of the Board of Finance to order at 5:05 PM.

1.01 Agenda

MOTION Sharon Bushor, SECOND by Jane Knodell, to approve the agenda with the amendment to move Item 6.02 Communication re: Facebook to Item 4.09. VOTING: unanimous; motion carried.

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 APPROVAL OF MINUTES

3.01 September 21, 2015

MOTION by Kurt Wright, SECOND by Jane Knodell, to approve the minutes of 9/21/15 as written. VOTING: unanimous; motion carried.

4.0 APPROVAL/RECOMMENDATION TO CITY COUNCIL

4.01 Accept Grant for North Avenue Unsignalized Crosswalks Project

MOTION by Sharon Bushor, SECOND by Kurt Wright, to approve and recommend to City Council for approval acceptance of the grant for the North Avenue Unsignalized Crosswalks Project.

<u>DISCUSSION</u>: Chapin Spencer reported there is excitement for the project that will help the entire corridor by knitting together both sides of the avenue. There were no further comments.

VOTING: unanimous; motion carried.

4.02 Authorize Champlain Parkway Cooperative Agreement Amendment No. 5

Mayor Weinberger reported staff will provide a broader communication to City Council on the status of the design and right-of-way process for the project. There was dissatisfaction expressed in the past about approving cooperative agreements after the money has been expended (essentially ratifying the agreement) and staff is trying to avoid this.

Chapin Spencer briefed the Board on the project as follows:

· The project has never been further along than now. Vermont Supreme Court ruled in favor of the city on the Act 250 permit. The city has a clean Act 250 permit and the Record of Decision is filed with the feds.

· Monthly meetings with the state and the consultant have been held to bring the design forward and incorporate what was heard through the public process. CHA is preparing preliminary plans.

· The goal is to provide City Council with an update including design enhancements and where the project is on the timeline and answer any questions.

· A public information session on the project will be held in the south end at the end of October/early November.

· Construction is projected for fall 2018.

Jane Knodell asked about the increase in the maximum cost amount. David Allerton confirmed the amount is increasing from $8.25 million to $10.75 million.

Sharon Bushor commented the memo on the project summary and the table were very helpful, but clarification is needed of the $19,000 budgeted in 2016 in the Street Capital Program to cover the local share. David Allerton explained the total local share is $50,000 with $19,000 covering this fiscal year and the remainder covering FY17 and FY18.

Kurt Wright asked about outstanding obstacles to construction in 2018. Chapin Spencer said the risks are decreasing. Completing the permitting was a major advancement. Soils and right-of-way acquisition are challenges to be addressed.

MOTION by Karen Paul, SECOND by Sharon Bushor, to approve and recommend to City Council for approval the authorization for the Champlain Parkway Cooperative Agreement Amendment No. 5. VOTING: unanimous; motion carried.

4.03 Authorize MOU with UVM for EV Charging Stations

MOTION by Karen Paul, SECOND by Kurt Wright, to approve and recommend to City Council for approval the MOU with UVM for EV charging stations.

<u>DISCUSSION</u>: Ken Nolan reported the MOU signed by UVM will be presented to City Council. The MOU requests that four charging stations be located on campus property. UVM will provide the land at no cost. BED will install the stations. Users will pay retail rate for the charge.

VOTING: unanimous; motion carried.

4.04 Authorize Reclassification of Fire Alarm Technician

MOTION by Jane Knodell, SECOND by Sharon Bushor, to approve and recommend to City Council for approval the reclassification of the Fire Alarm Technician position. VOTING: unanimous; motion carried.

4.05 Accept AmeriCorps Grant

MOTION by Kurt Wright, SECOND by Karen Paul, to approve and recommend to City Council for approval the AmeriCorps grant. VOTING: unanimous; motion carried.

4.06 Authorize Reimbursement of Waterfront TIF District FY2015

Sharon Bushor questioned why HR costs were not identified earlier in the process and expressed concern the TIF is acting like a bank to deal with CEDO budgetary issues. Richard Haesler explained a resolution is needed that documents actual costs that comply with statute and the approval by the voters for $1,080,000 in costs. A portion is CEDO staff time because CEDO is not funded by the General Fund. Last year the work was done by CEDO staff. This year consultants were hired. Peter Owen added staff hours can be estimated, but the actual hours must be submitted once known. Sharon Bushor said it would have been helpful to see projected staff time and actual staff time so the cost could be anticipated. Mr. Haesler assured that is what staff is trying to do, have actual versus budgeted figures month-to-month. There are unanticipated, unbudgeted events that occur. Mayor Weinberger said the revised memo to City Council has the budgeted amount for FY15, but bills are in and the actual amounts are known.

It was noted agenda item 4.06 erroneously had FY2014 as the fiscal year (should be FY2015).

MOTION by Jane Knodell, SECOND by Sharon Bushor, to approve and recommend to City Council for approval reimbursement of the Waterfront TIF District FY2015.

<u>DISCUSSION</u>: Jane Knodell asked if Mr. Braverman's hours are included. Richard Haesler said the hours are part of the consultant costs. Bob Rusten noted the action is for reimbursement; the money has been advanced. There were no further comments.

VOTING: unanimous; motion carried.

4.07 Authorize 2014 CDBG Action Plan Amendments

MOTION by Jane Knodell, SECOND by Karen Paul, to approve and recommend to City Council for approval the 2014 CDBG Action Plan amendments. VOTING: unanimous; motion carried.

4.08 Review Fiscal Stability Bond Report

MOTION by Karen Paul, SECOND by Jane Knodell, to approve and recommend to City Council for approval the Fiscal Stability Bond Report (which should be on the Deliberative Agenda) following a brief presentation.

<u>DISCUSSION</u>: The following was discussed/mentioned:

- **Bob Rusten said this is the second year of the reporting requirement for the stability bond. In FY14 the anticipated interest cost for the bond was identified at $390,000, but the actual cost was $415,000 so the numbers are being updated. The gross bond amount was $399,000 reduced to $244,000 by interest earnings on the money the city had in the bank and fees being waived. Even without reductions the $399,000 cost in FY15 sees a savings of $233,000 over the cost if the city had been downgraded. The savings is reflective of the city's finances. Savings was realized by doing the fiscal stability bond.**

- **Sharon Bushor pointed out there are tangible savings and speculative savings if the city had been downgraded. The preference is to deal with real numbers.**

- **Bob Rustin said the interest paid on the fiscal stability bond is $83,432. The estimate of fees waived is shown based on the total amount of money the city has, not just on the fiscal stability bond.**

- **Rich Goodwin noted the interest rate and amount if the city was downgraded was estimated. The interest rate for downgrade was provided by the financial advisor to the city based on market conditions on the day of fail. The speculation is whether the city would be downgraded or not. The rate is not speculative, but is the rate that would be paid.**

- **Mayor Weinberger stated the city was downgraded three steps with a negative outlook. Further downgrade would have happened without corrective action. The corrective action by the city was to secure the fiscal stability bond. It has always been noted in the Moody's reports that the bond was how they came to a different view of the city. With the BT settlement the city saw an upgrade.**

- **Jane Knodell noted the interest rate on the shared line of credit was lower a year ago than now (2.75% a year ago and 3% now). Rich Goodwin explained the bank knew the city did not use the line of credit tax anticipation note in fiscal years 15, 14, or 13 so a higher interest rate was applied. The probability the city was to use the line of credit was low so this was not really a true cost as part of the loan. The bank makes money on the fees at closing for the line of credit and not on the interest rate.**

- **Jane Knodell mentioned the Series 1 waste water borrowing from the Municipal Bond Bank and having a better understanding of the basis for underwriting and interest savings. Staff will forward a beneficial statement (prospectus) for the fiscal stability bond.**

- **Kurt Wright asked for a list of items that have improved the city's financial position. Bob Rusten said to determine the interest rate the lenders looked at the BT settlement, the city's positive unassigned fund balance, having an unqualified audit, and showing surpluses. The fiscal stability bond was a first step to achieve a better financial picture for the city and plays into the positive unassigned fund balance of $72,000. Estimated positive unassigned fund balance for FY15 is over $2 million.**

- **Karen Paul stated when the fiscal stability bond was approved the city knew the cost of the bond would be higher than short term borrowing and still there has been a savings of city dollars and the credit rating has been helped.**

- **Mayor Weinberger said the action taken was to avert a fiscal crisis. The financial stability bond is a factor in the improved credit rating along with the willingness of partners to work with the city.**

· **Kurt Wright agreed action had to be taken by the city, but the numbers still need to be carefully analyzed because it is taxpayers paying for the bond.**

· **Jane Knodell stated a discussion of the liquidity analysis is needed. Cash is needed to operate without challenging the liquidity position. Bob Rusten said information can be provided to better understand the matter. Mayor Weinberger added the sweep account reports are much improved and show liquidity, fund balance, and reserves. Prior to the waste water bond there were requests for different financing which the bond bank could not accommodate so there was a shift in policy. Staff will provide further information on the matter.**

· **There was agreement the information on the fiscal stability bond should be shared with the public at the City Council meeting rather than be an item on the Consent Agenda.**

VOTING: unanimous; motion carried.

4.09 Communication re: Facebook

Sharon Bushor suggested the 30 day window be expanded to 45 days. Mayor Weinberger acknowledged the feedback and noted the policy of Channel 17 is a 30 day production block-out and a 21 day airing.

5.0 ADJOURNMENT

Next Meeting and Agenda:

· Tuesday, 10/13/15, prior to the City Council meeting. Time to be announced.

· Agenda items include discussion of contracts with bargaining units in Executive Session.

With no further business before the Board of Finance and without objection the meeting was adjourned at 6:06 PM.

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