Board of Finance
9/21/2015

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

September 21, 2015

APPROVED – 10/5/15

MEMBERS PRESENT: Mayor Miro Weinberger

Jane Knodell [arrived 5:11 PM]

Karen Paul

Sharon Bushor

Kurt Wright

OTHERS PRESENT: Adam Roof, City Councilor

Sara Giannoni, City Councilor

Bob Rusten, CAO

Rich Goodwin, Assistant CAO

Brian Lowe, Mayor's Office

Susan Leonard, HR

Neale Lunderville, BED

Ken Nolan, BED

Martha Keenan, DPW

Stephan Barraclough, GM

Mike Kamrick, GM

Rob Green, DPM

Laura Wheelock, DPM

Seth Lasker, Fire Chief

Lise Verneau, Fire Dept.

Nic Longo, Airport

Marcy Esbjerg, CEDO

1.0 CALL TO ORDER and AGENDA

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

1.01 Agenda

MOTION Kurt Wright, SECOND by Sharon Bushor, to approve the agenda with the following amendments:

- **Advance Items 4.10 (C/T reorganization) and 4.11 (BED reorganization) to Items 4.015 and 4.016 respectively.**
- **Postpone Item 4.14 (Fiscal Stability Bond Report).**
- **Remove Item 5.02 (CDBG Action Plan Amendment).**
- **Remove Item 5.03 (HOME Action Plan Amendment).**

VOTING: unanimous [Jane Knodell not present for vote]; motion carried.

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 APPROVAL OF MINUTES

3.01 August 31, 2015

MOTION by Sharon Bushor, SECOND by Kurt Wright, to approve the minutes of 8/31/15 as written. VOTING: unanimous; motion carried.

4.0 APPROVAL/RECOMMENDATION TO CITY COUNCIL

4.01 Authorize Reclassification of BT Division Manager Technical and Field Operations and Service Support - HR

Stephen Barraclough explained the resignation of the Division Manager of Regulatory Affairs, Forward Planning and Outside Plant at BT led to the increase in job duties driving reclassification of the BT Division Manager of Technical

Operations and Commercial Sales position to Senior Division Manager Technical and Field Operations and Service Support. An additional $20,000 compensation for the added responsibilities with the position is suggested.

Karen Paul noted BTAB supports the reclassification.

Sharon Bushor asked about consistency and a range of salary when creating market rate and market driven salaries. Susan Leonard explained there is a base salary for the position ($130,000) and opportunity for bonus and cost of living adjustment applies. There is a range for most positions outside BT, but not pay-for-performance positions which are unique at BT. City Attorney's Office may have to assume some regulatory responsibilities and should be compensated. Stephen Barraclough added money paid to the City Attorney's Office will not change. Money paid to outside services is about $4,000 per month and not expected to fluctuate and may even be less. There is a savings with the elimination of the position and the reclassification to handle added responsibilities. It is expected a part-time paralegal with a range of $30,000-$40,000 will replace Amber. Base salary to base salary there is a $22,000 per year savings including money spent on Amber.

MOTION by Karen Paul, SECOND by Kurt Wright, to approve and recommend to City Council for approval the reclassification of BT Division Manager Technical and Field Operations and Service Support. VOTING: unanimous [Jane Knodell not present for vote]; motion carried.

4.015 Authorize C/T Reorganization - HR

Bob Rusten explained the proposal to eliminate the Assistant to CAO Management and Administration position and create a full time Assistant City Clerk position to report to the CAO. The Central Purchasing Agent will report to the Assistant CAO Finance. Licensing, Voting and Records Coordinator will report to the CAO. There will be a cost savings to the city because the grades of the position being eliminated and the newly created position are significantly different.

Sharon Bushor noted the resolution indicates the position is part-time, not full time, and needs to be amended.

Karen Paul questioned the need for a Customer Service Supervisor supervised by the Assistant City Clerk. Bob Rusten said additional changes to the Customer Service Supervisor position will be brought before the Board of Finance.

MOTION by Sharon Bushor, SECOND by Jane Knodell, to approve and recommend to City Council for approval the C/T reorganization as presented with correction of Line 13 of the resolution to read "full time" rather than "part-time". VOTING: unanimous; motion carried.

4.016 Authorize BED Reorganization – HR

Neale Lunderville explained changes at BED as part of the transformation to a utility of the future to take advantage of energy changes that are coming to better serve the customer. In broad terms seven free standing departments at BED are reduced to the following three centers:

- Center for Safety & Reliability (utility services, engineering)
- Center for Innovation (energy efficiency, finance, policy and planning, administration and general services, risk management, IT)
- Center for Customer Care (call center, education, community engagement)

A full package of changes will be presented to the Board of Finance in October. Action is needed on the following positions now:

- Distribution Superintendent
- Director of Finance to report to the Manager of Strategy and Innovation
- Meter Service Technician under Finance
- AMI Analyst (software programmer analyzing and reviewing data)

There was discussion of the Director of Finance position reporting to the Manager of the Center for Innovation rather than the General Manager. Neale Lunderville explained the Electric Commission discussed the matter. The Finance Director will serve more of an accounting function. There will not be a break in service or quality of service. The new director will be a member of the Leadership Team and will meet with the Executive Team on a regular basis. There will be no change in the authority of the Director of Finance with regard to budgets and authorization. Protocols will remain in place.

Sharon Bushor expressed concern about consistency with compensation across city departments so employees in other departments do not leave to work at BED because of the better compensation. It is hoped the consultant's recommendations for checks and balances and the commitment put in place for BED is being followed. Neale Lunderville assured BED feels competitive pressures of the marketplace and wants a system in place that is equitable across employees. The goal is to balance funding comparable positions as positions are combined and responsibilities added.

MOTION by Jane Knodell, SECOND by Karen Paul, to approve and recommend to City Council for approval the BED reorganization as presented. VOTING: unanimous; motion carried.

4.02 Accept Grant and Award Contract for Repair of Queen City Bridge

Sharon Bushor asked for clarification on the local match (different dollar amount total overall). Laura Wheelock explained there are funds in the local match approved in the FY16 budget. A place is needed to bring grant funds in until reimbursement.

MOTION by Sharon Bushor, SECOND by Kurt Wright, to approve and recommend to City Council to accept the grant and award the contract for repair of the Queen City Bridge. VOTING: unanimous; motion carried.

4.03 Authorize Replacement of Memorial Auditorium Roof

MOTION by Sharon Bushor, SECOND by Kurt Wright, to approve and recommend to City Council for approval replacement of the Memorial Auditorium roof. VOTING: unanimous; motion carried.

Jane Knodell observed the cost of repair will exceed the original estimate. Using funds from the FY15 surplus needs to be discussed by City Council. Mayor Weinberger said the alert to City Council was that work is underway and will exceed the budget that was contemplated. Further information will be forthcoming.

4.04 Authorize Replacement of the Police Dept. Parking Lot

MOTION by Karen Paul, SECOND by Jane Knodell, to approve and recommend to City Council for approval replacement of the parking lot at the Police Department as presented. VOTING: unanimous; motion carried.

4.05 Authorize Vehicle Purchases – Parks/DPW

MOTION by Kurt Wright, SECOND by Karen Paul, to approve and recommend to City Council for approval vehicles purchases for Parks/DPW as presented.

<u>DISCUSSION</u>: It was noted the recommended vehicle purchases have better maintenance packages. Financing is through KeyBank.

VOTING: unanimous; motion carried.

4.06 Accept Public Safety Grant for Purchase of Portable Radios – Fire

MOTION by Kurt Wright, SECOND by Karen Paul, to approve and recommend to City Council for approval acceptance of the Public Safety Grant for purchase of portable radios.

<u>DISCUSSION</u>: Sharon Bushor pointed out the “Director of Fire Department” should be retitled to “Fire Chief” in the document.

VOTING: unanimous; motion carried.

4.07 Authorize Storm Water Permit Management Contract - Airport

MOTION by Karen Paul, SECOND by Jane Knodell, to approve and recommend to City Council for approval the storm water permit management contract at the airport as presented.

DISCUSSION: Nic Longo explained Stantac is doing work at the airport that includes inspection of systems, annual reporting to the state, and coordination of public outreach. Gene Richards added airport staff is consolidating vendors at the airport so there is less likely to be mistakes. There were no further comments.

VOTING: unanimous; motion carried.

4.08 Authorize Ground Lease with Audette – Airport

MOTION by Sharon Bushor, SECOND by Jane Knodell, to approve and recommend to City Council for approval the airport ground lease with Audette as presented. VOTING: unanimous; motion carried.

4.09 Authorize Budget Amendments – CEDO

Marcy Esbjerg explained once the budget year is closed out any leftover funds in the entitlement grants are carried forward to the next fiscal year. The carryover is from funding for CEDO projects such as economic development programs or neighborhood stabilization. Board of Finance and City Council granted authority to carry forward up to $100,000, but amounts greater than that must come before the board. The funding can be used for staff working directly on the grant related projects.

MOTION by Jane Knodell, SECOND by Kurt Wright, to approve and recommend to City Council for approval budget amendments as presented by CEDO. VOTING: unanimous; motion carried.

Agenda items 4.10 (C/T reorg) and 4.11 (BED reorg) were previously addressed as agenda items 4.015 and 4.016.

4.12 Review Sweep Account Report as of August 2015

Rich Goodwin reported the following:

- The sweep report covers July and August 2015.
- There are no significant trends noted.
- Going forward bank balances will be the last day of the month.

Karen Paul asked about the use of the sweep account by the airport. Rich Goodwin explained once the airport gets the grant anticipation note that money will be used to pay the AIP projects until reimbursement rather than borrowing from the sweep account.

Jane Knodell asked about the advance to the retirement fund. Rich Goodwin explained how the city pays the retirement system noting:

- Typically through the fiscal year if amounts are owed to the sweep account the money is not pulled from the investment accounts in order to maximize returns.
- Any amount owed to the retirement account is reimbursed immediately.
- There is a dedicated tax and the city only received one quarter of the tax payment, but had expenses beyond that amount. The school also has a component.
- The largest expenditure for retirement is the retirement checks amounting to nearly $900,000 per month.
- Money is pulled from VPIC once a year. Last year there was a request to pull $1.6 million from VPIC to make the fund whole.
- Approval is needed from the Retirement Board in order to pull money from the investment accounts.

Mayor Weinberger said staff will draft a clear, written statement of disbursement from the investment body for a better understanding of the matter.

4.13 Review Monthly Financials as of August 2015

Bob Rusten reported there is nothing outstanding in the first two months of the fiscal year. There will be more information after the first quarter.

4.14 Review Fiscal Stability Bond Report

Postponed.

5.0 FOR BOARD ACTION

5.01 Authorize Airport Grant Anticipation Note

MOTION by Jane Knodell, SECOND by Karen Paul, to approve and recommend to City Council for approval the grant anticipation note for the airport. VOTING: unanimous; motion carried.

6.0 ADJOURNMENT

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

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