Board of Finance
8/31/2015

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

August 31, 2015

APPROVED – 9/21/15

MEMBERS PRESENT: Mayor Miro Weinberger

Jane Knodell

Karen Paul

Sharon Bushor

OTHERS PRESENT: Adam Roof [present for Executive Session], City Councilor

Sara Giannoni [present for Executive Session], City Councilor

Bob Rusten, CAO

Rich Goodwin, Assistant CAO

Brian Lowe, Mayor's Office

Laurie Adams, DPW

Martha Keenan, DPW

Norm Baldwin, DPW

Martin Lee, DPW

Eileen Blackwood, City Attorney

Richard Haesler, Assistant City Attorney

Peter Owen, CEDO

Kirsten Merriman, Shapiro, CEDO

Beth Anderson, IT

Ben Pacy, Human Resources

Bill Ward, Code Enforcement

Mark Naud, Lake Champlain Community Sailing Center

Ken Braverman, Braverman & Associate

ABSENT: Kurt Wright, City Councilor

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the meeting of the Board of Finance to order at 5:04 PM.

1.01 Agenda

MOTION Jane Knodell, SECOND by Karen Paul, 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 MINUTES

3.01 August 3, 2015

3.02 August 10, 2015

MOTION by Sharon Bushor, SECOND by Jane Knodell, to approve the minutes of 8/3/15 and 8/10/15 with the addition that those present at the Executive Session on 8/3/15 be identified in the minutes. VOTING: unanimous; motion carried.

4.0 APPROVAL/RECOMMENDATION TO CITY COUNCIL

4.01 Authorize Purchase of Tandem Truck

MOTION by Sharon Bushor, SECOND by Jane Knodell, to approve and recommend to City Council for

approval the purchase of a tandem truck by DPW. VOTING: unanimous; motion carried.

4.02 Authorize Creation of Technology Support Specialist Position

Beth Anderson explained her work over the past two months learning the infrastructure of the IT network and understanding the needs and goals of the departments in order to provide the platform they need. Infrastructure will be done to address the security of the data network and protect assets. The Technology Support Specialist will have an operational focus and free up team members to focus on the network and programming. Mayor Weinberger noted the additional position in IT was budgeted to be filled once the new department head was hired.

Sharon Bushor thanked Ms. Anderson for filling the position and commented the help desk is an important part of offering IT services to the different departments with different needs.

MOTION by Sharon Bushor, SECOND by Karen Paul, to approve and recommend to City Council for approval the creation of a regular full-time Technology Support Specialist position. VOTING: unanimous; motion carried.

4.03 Authorize Property/Boiler and Machinery Insurance Renewal

MOTION by Karen Paul, SECOND by Sharon Bushor, to approve and recommend to City Council for approval the property/boiler and machinery insurance renewal.

<u>DISCUSSION</u>: Sharon Bushor noted the cost of the renewal was higher than assumed. Bob Rusten explained additional money was in the budget with the assumption the cost could be higher. There were no further comments.

VOTING: unanimous; motion carried.

4.04 Review Sweep Account Report as of June 2015

Rich Goodwin highlighted the following:

- Liquidity and bank balance as of 6/30/15 is substantially better than a year ago. Cash balance and liquidity as of 6/30/15 is $15.7 million compared to $7.5 million as of 6/30/14.
- Owed to the city sweep account shows $90,000 owed by the Traffic Fund, $750,000 owed by CEDO, $740,000 owed as of 6/30/15 by the Retirement Fund.
- The amount owed by the Retirement Fund was driven by capital calls on alternate investments and those who left the city and elected to be paid their contribution to their retirement fund.
- The city uses VPEC services that does not do real time investment so staff must project out to the end of the fiscal

year and draw in the need. With movement of funds to a different investment portfolio the dollars will be real time and staff will know daily the balance in the investment portfolio and be able to transfer or reimburse the city within a day.

4.05 Review Quarterly Budget Amendment Report

Bob Rusten noted numbers are unaudited until the audit at the end of November/early December.

4.06 Review Monthly Financials as of June 2015

Bob Rusten reported at the end of FY14 the audited unassigned fund balance in the General Fund was $70,000. The revenues will exceed expenditures in various departments. Staff now feels the number will be closer to $2.5 million. Money for CI, reserve funds, and union contract negotiated outcomes is not part of the $2.5 million. A surplus is expected in the health insurance, workers comp, and liability funds as well. After the audit staff will have a recommended plan to present to City Council to address the unassigned fund balance. The tax rate was decreased for FY16.

Jane Knodell asked for a summary of the yearend surpluses as reported by Mr. Rusten. Councilor Knodell cautioned that the city does not need to be collecting more taxes than needed. Bob Rusten said there is now trending data (three years) so staff can see what is going on. There is a hole in the CIP for FY16.

Sharon Bushor asked if the insurance premium is renegotiated based on use. Bob Rusten said for FY16 the Liability Fund did get some reduction in premiums. In addition the FY16 General Fund budget amount going to these funds was reduced based on the trends. Staff is doing a better job of tracking damage to city property and will be talking to insurers about their position. Once the numbers are known staff will try to build a surplus/reserve in the liability, health insurance, and retirement funds to better control costs and have some money in reserve. Sharon Bushor requested in addition to the summary information from Mr. Rusten that staff send information on funds with consecutive years of savings.

4.07 Authorize Contract for Pine Street/Lakeside Avenue Intersection Improvements

Norm Baldwin and Martin Lee reported the Pine Street/Lakeside Avenue intersection improvement project is a high priority for Public Works and the Mayor's Office due to the liability the intersection presents. The project should advance now. The intersection is very complicated to design. The private sector (Champlain College, Pomerleau) have contributed funds to offset project costs. The project will be complete by mid-January if approved now. Mayor Weinberger spoke in support of moving the project forward.

Karen Paul commented on how expediently the project is moving forward and credited staff (Martin Lee) for the effort. Councilor Paul also spoke positively of the increase in the contribution from Pomerleau.

Jane Knodell asked why a private party would pay for a public project. Norm Baldwin explained there is signalization on the Feldman approach which is on Pomerleau property so 25% of the project is directly benefitting them. The amount of the contribution is 25% of the design and construction costs. The engineer looked at line items and Pomerleau's interests and calculated a contribution based on fundamental direct costs.

Sharon Bushor questioned using the VTrans Estimator tool which underestimated project costs in the past. Norm Baldwin explained the estimate comes from the consultants who use standardized unit prices from VTrans. With the intersection project there is a significant amount of traffic control that the estimator tool likely did not consider. Also, the project is going out mid-season so bids may not be as competitive as they would be in the spring. The sense of urgency to get the project done compelled staff to put the project out to bid.

MOTION by Jane Knodell, SECOND by Karen Paul, to approve and recommend to City Council for approval the contract for the Pine Street/Lakeside Avenue intersection improvements. VOTING: unanimous; motion carried.

5.0 EXECUTIVE SESSION

5.01 Enter Executive Session to Discuss Lease with Sailing Center

The Board of Finance was briefed on the sailing center project. Mark Naud with the Sailing Center said executing the lease with the city is critical to raising funds for the capital campaign. Half the money for the project has been raised to date. Further details on the lease and development agreement will be discussed in Executive Session.

MOTION by Jane Knodell, SECOND by Karen Paul, that premature disclosure of the community sailing center lease and development agreement with the city would place the city at a disadvantage. VOTING: unanimous; motion carried.

MOTION by Jane Knodell, SECOND by Sharon Bushor, based on the finding of premature public knowledge placing the city at a disadvantage that the Board of Finance go into Executive Session to discuss the lease and development proposal for the community sailing center, and to invite City Councilors in attendance (Knodell, Bushor, Paul, Roof, Giannoni) and Mayor Weinberger and staff members in attendance (Brian Lowe, Eileen Blackwood, Richard Haesler, Peter Owen, Kirsten Merriman Shapiro, Bob Rusten, Rich Goodwin, Ken Braveman). VOTING: unanimous; motion carried.

Executive Session was convened at 5:49 PM.

5.02 Exit Executive Session

MOTION by Jane Knodell, SECOND by Sharon Bushor, to adjourn Executive Session and reconvene the regular meeting. VOTING: unanimous; motion carried.

Executive Session was adjourned and the regular meeting reconvened at 6:30 PM.

6.0 ACTION FOLLOWING EXECUTIVE SESSSION FOR APPROVAL/RECOMMENDATION TO CITY COUNCIL

6.01 Authorize Lease with Lake Champlain Community Sailing Center

MOTION by Jane Knodell, SECOND by Karen Paul, to approve and recommend to City Council for approval the Development Agreement and Ground Lease for the Lake Champlain Community Sailing Center.

DISCUSSION: Staff reported the city retained David Rath, real estate expert, who consulted and produced the draft ground lease presented to the sailing center. Mayor Weinberger noted the vote on the development agreement and the lease will be consistent with the draft. There were no further comments.

VOTING: unanimous; motion carried.

7.0 ADJOURNMENT

With no further business before the Board of Finance and without objection the meeting was adjourned at 6:31 PM.

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