Board of Finance - Monday, August 1, 2016 at 5:30 p.m.
Conference Room 12, City Hall
8/1/2016

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 1, 2016

DRAFT

MEMBERS PRESENT: Mayor Miro Weinberger

Jane Knodell

Karen Paul

Sharon Bushor

Kurt Wright

OTHERS PRESENT: Bob Rusten, CAO

Rich Goodwin, DFO

Eileen Blackwood, City Attorney

Richard Haesler, Assistant City Attorney

Brian Lowe, Mayor's Office [arrived 5:55 PM]

Susan Leonard, HR

Stephanie Reed, HR

Martha Keenan, DPW

Jesse Bridges, Parks & Rec

Chief Steve Locke, Fire Department

Lise Veroneau, Police/Fire

Deputy Chief Shawn Burke, Police Department

Noelle McKay, CEDO

Marcy Esbjerg, CEDO

Kirsten Merriman, CEDO

Gillian Nanton, CEDO

Ron Redmond, Church Street Marketplace

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 5:01 PM on August 1, 2016.

All welcomed Jane Knodell's return from her recent surgery.

1.01 Agenda

MOTION Councilor Bushor, SECOND by Councilor Wright, 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 June 27, 2016

MOTION by Councilor Bushor, SECOND by Councilor Wright, to approve the minutes of June 27, 2016 as written. VOTING: all ayes except one abstention (Jane Knodell); motion carried.

3.02 July 11, 2016

MOTION by Councilor Bushor, SECOND by Councilor Wright, to approve the minutes of July 11, 2016 with correction to the motion for Item 1.01 (minutes) to noted Councilor Bushor made the motion, not Councilor Knodell who was not in attendance. VOTING: all ayes except one abstention (Jane Knodell); motion carried.

4.0 BOARD OF FINANCE APPROVAL

4.01 Contract: Ethan Allen Tower Renovation

MOTION by Councilor Wright, SECOND by Councilor Bushor, to authorize Burlington Parks & Rec to execute contracts related to the Ethan Allen Tower renovation.

DISCUSSION: Jesse Bridges gave a brief update on the work on the tower, noting staff is getting pricing options balancing aesthetics, view corridor, and safety. The area is complicated and expensive to fence due to the ledge. The walkway will be gravel because the cost of the repointing was significantly higher than anticipated. The project budget is $60,500. Councilor Bushor noted Alpine Restoration was the only bidder and did work on the tower in the past. Jesse Bridges said they have been happy with the work by Alpine Restoration. Councilor Bushor commented on language in the contract saying City Council will settle disputes. Jesse Bridges said the contract has been reviewed by the City Attorney. There were no further comments.

VOTING: unanimous; motion carried.

5.0 APPROVE AND RECOMMEND TO CITY COUNCIL

5.01 Three Year Lease Agreement with Panache of Paris

MOTION by Councilor Bushor, SECOND by Councilor Wright, to approve and recommend to City Council the three year lease agreement with Panache of Paris.

DISCUSSION: It was noted upgrades will be done by the end of August. There were no further comments.

VOTING: unanimous; motion carried.

5.02 Contract with MHG to Purchase Five New Police Cars

Councilor Paul recused herself.

MOTION by Councilor Wright, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the contract with MHG for the purchase of five new police cars.

DISCUSSION: Councilor Bushor stated the base price for each bidder was hard to decipher. Lise Veroneau confirmed the cost information was put in together and comparisons were done for a "one stop shop". There were no further comments.

VOTING: unanimous [Councilor Paul recused]; motion carried.

5.03 Authorize $5,000 from Contingency Fund for City's Share of Proposed Regional Dispatch Implementation Report

Fire Chief Locke explained the stakeholders in the county met (10 communities with dispatch centers or a need for one) and agreed to study how to implement regional dispatch. Regional Planning developed the RFP. Most of the communities have agreed to participate in the study so collectively there will be $50,000 for the study of how to proceed.

Councilor Bushor asked how far back the study will look for governance and such. Chief Locke said Vision 2000 was the last substantial report and will be a good foundation. Many changes have occurred and are occurring.

Councilor Knodell asked when the study will be complete. Chief Locke said optimistically December 31, 2016, more realistically in the spring of 2017. Councilor Knodell asked if there will be staffing changes. Chief Locke said multiple unions will be impacted. A work group that includes labor is being formed to look at the issues. It will be 24 months before any significant changes occur. Mayor Weinberger said the Police Chief is also aware of the issues.

MOTION by Councilor Bushor, SECOND by Councilor Wright, to approve and recommend to City Council for approval authorization to use $5,000 from the Contingency Fund for the city's share of the proposed regional dispatch implementation report. VOTING: unanimous; motion carried.

5.04 Approve Paramedic Training and Employee/Union Agreement and MOU

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve and recommend to City Council for approval authorization of paramedic training and the employee/union agreement and MOU.

<u>DISCUSSION</u>: Councilor Bushor said the agreement is fair. The city is paying for classes which will make the employees more marketable. Chief Locke said the agreement is a safety net for the city. Mayor Weinberger added the agreement moves the city forward and was desired by all parties. There were no further comments.

VOTING: unanimous; motion carried.

5.05 Reclassify Fire Inspector Position

MOTION by Councilor Paul, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the reclassification of the Fire Inspector position. VOTING: unanimous; motion carried.

5.06 Authorize Increase in the Braverman Contract for FY16 and FY17

New CEDO Director, Nicolle McKay, was welcomed to the meeting.

Councilor Knodell clarified the request is to extend the contract and include payment for items in FY16 with projection of what is needed for FY17. The amount Mr. Braverman has been paid to date is $234,317 plus $59,373. Another conversation will be needed if the amount of $50,288 will be exceeded. Gillian Nanton said the $234,000 amount covers three fiscal years. Councilor Knodell asked if the amount of time allocated to Mr. Braverman was affected now that there is a permanent CEDO Director in place. Gillian Nanton explained estimated hours were put in the contract, but the city will only be billed for hours worked. With more staffing at CEDO the hours could decrease. Councilor Knodell commented it is more cost effective to have the CEDO Director do the work and eventually that should happen. Mayor Weinberger stated Director McKay will be involved in the projects Ken Braverman has been working on. There have been times in CEDO's history when there was a developer as director. CEDO staff spoke of other areas for the Director to address and be skillful. CEDO will engage in projects such as the town center, Moran, the marina, but the real estate lead in negotiating and being the city's developer will, in the near term, be consultants.

Councilor Knodell asked if there are any elements of the Braverman payment linked to successful outcomes. Mayor Weinberger said for projects where the consultant is responsible for the success of the project then the city seeks payment to be performance based. Most of the projects CEDO is engaged in are with outside parties where ultimate success or failure of the project is largely in the hands of the outside parties. There may be opportunity for more deliverables to be performance based.

Councilor Bushor concurred with the linkage to performance based compensation. Councilor Bushor asked about work on the Echo Plaza (Mayor Weinberger confirmed work has been done) and stressed that redevelopment of the Moran Plant is critical whether by consultants or the CEDO Director. Sixty-seven hours does not seem like a lot of time with the work to do there and it may be that the consultant should have someone else work with him for a fresher perspective. Gillian Nanton pointed out the estimated hours are across the entire contract. For Moran the intention is for CEDO to do much of the legwork in relation to demolition assessment. Some of the work previously done needs to be updated, but there would still be a close working relationship with CEDO staff and Mr. Braverman to achieve the outcomes.

Councilor Bushor asked if the contract with Mr. Braverman will end once the projects are done. Gillian Nanton said the contract expires in November. Bob Rusten said his office is looking at the CEDO TIF budget and making sure all the different contracts fall within the budgeted amounts. Mayor Weinberger said his expectation is Ken Braverman's work will not be done by November and there will be further contract work so an additional decision to extend the contract at that time will be needed.

Councilor Wright asked the amount left in the CEDO TIF budget. Gillian Nanton said $50,000 for pre-development work came from the Waterfront TIF and the voters approved another $100,000. Bob Rusten referred to having sufficient capacity in both amounts for Ken Braverman and additional contracts that are anticipated, and reallocating among either portion of the Waterfront TIF.

MOTION by Councilor Paul, SECOND by Mayor Weinberger, to approve and recommend to City Council for approval increase in the Braverman contract for FY16 and FY17.

<u>DISCUSSION</u>: The following comments were made:

- **Councilor Knodell said she will support the motion, but finds it hard to spend city money on consultants when the work seems to be going on and on. Less would have been spent if staff had been in place.**
- **Councilor Paul agreed lots of money has been spent, but the hope is for a great outcome. The city cannot give up now.**

- **Mayor Weinberger pointed out it is consistent with the city's past practice to use development consultants for larger contracts and there have been times when the city had that capacity with staff. The city recently recommitted to hiring a CEDO Director who is not a developer and continue to rely on development consultants. Possibly creating a new staff position can be revisited, but it will be difficult to find someone with the level of expertise as Ken Braverman.**
- **Councilor Bushor said she would have preferred to discuss the matter in Executive Session. The city might be served by different people based on their expertise so having consultants to augment CEDO where there is lack expertise is fine, but having one person sometimes does not get to where the city needs to be because there is only so much expertise. Councilor Bushor said she is not opposed to consultants, but wants to think carefully about this going forward and have more conversation on what to expect from consultants and how to measure this.**
- **Councilor Paul stated consultants have areas of expertise and like what they do as consultants. The city has spent a lot of money on this consultant. The concern is the city has not been as good as it could be with sticking to deadlines, and if that had happened probably less money would have been spent.**

There were no further comments.

VOTING: unanimous; motion carried.

5.07 June Sweep Account Report

Rich Goodrich reported:

- The numbers in the report are unaudited and preliminary, but show as of June 30, 2016 cash in the bank at over $19 million which is $3.2 million higher than the amount as of June 30, 2015. Cash liquidity has improved significantly.
- Cash on hand is a very attractive 111 days as of June 30, 2016.
- As of June 2016 nothing was owed by Retirement.
- CEDO owes $448,000 of which $224,000 was collected in July and $78,000 in August so the "due from" has been significantly reduced.

Councilor Paul stated 111 days of cash on hand is amazing and another benchmark.

Councilor Knodell asked the target for cash on hand. Bob Rusten said there is no current target. The amount depends on when revenues and expenses occur. Councilor Knodell recalled past discussions on policy around liquidity measures. Mayor Weinberger said there are clear goals with the fund balance policy and meeting cash on hand needs, but targets have not been set one month to the next. Bob Rusten added there does not appear to be a standard for general funds for municipalities for cash on hand as compared to enterprise funds. It was noted cash on hand is not the same as fund balance in those situations, but there is a relationship. Staff will check with the PFM and others, but it does not make sense to establish a policy if nothing is needed in addition to fund balance.

5.08 Approve Master Lease for up to $2.5 million for Purchase of Capital Equipment and Vehicles

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

approval the master lease for up to $2.5 million for the purchase of capital equipment and vehicles.

DISCUSSION: Councilor Bushor requested seeing the final numbers as a communication on the Board of Finance agenda. Rich Goodwin said it is important to note that the city has not been able to go out for a master lease since at least 2010, but as a result of improvement in cash flow and fund balance cash on hand an RFP was done for a master lease in the amount of $2.5 million. Final bids are due August 5, 2016. Six entities have expressed interest in bidding. It will be interesting to see the final rate on the lease and it will make it easier on the Board of Finance and City Council to have one lease for all needs for the entire year. Councilor Bushor acknowledged the lease is a lot of hard work distilled into one. There were no further comments.

VOTING: unanimous; motion carried.

6.0 EXECUTIVE SESSION and/or ADJOURNMENT

6.01 Brown's Court Letter of Intent

6.02 Update on Burlington Police Officers Association Contract

MOTION by Councilor Knodell, SECOND by Councilor Paul, to find that premature public disclosure of a real estate transaction and pending contractual negotiations would be adverse to the city's interests. VOTING: unanimous; motion carried.

MOTION by Councilor Knodell, SECOND by Councilor Wright, based on the finding of premature public disclosure placing the city at a disadvantage to go into Executive Session to discuss a real estate transaction and pending contractual negotiations, and to include the Mayor and Mayor's Office staff, the City Attorney and City Attorney's Office staff, and CEDO staff. VOTING: unanimous; motion carried.

The regular meeting was adjourned and Executive Session convened at 6:20 PM.

RScty: MERiordan