Board of Finance - Monday, June 27, 2016 at 5:30 p.m.
Conference Room 12, City Hall
6/27/2016

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

June 27, 2016

DRAFT

MEMBERS PRESENT: Mayor Miro Weinberger

Jane Knodell

Karen Paul [arrived 5:36 PM]

Sharon Bushor

Kurt Wright

OTHERS PRESENT: Bob Rusten, CAO

Rich Goodwin, DFO

Eileen Blackwood, City Attorney

Susan Leonard, HR

Chapin Spencer, DPW

Martha Keenan, DPW

Patrick Cashman, DPW

Martin Lee, DPW

Amanda Hanaway-Corrente, Airport

Adam Roof, City Councilor

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 5:33 PM on June 27, 2016.

1.01 Agenda

MOTION Councilor Knodell, SECOND by Councilor Wright, to approve the agenda as presented. VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 APPROVAL OF BOARD OF FINANCE MINUTES

3.01 June 6, 2016

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve the minutes of June 6, 2016 with clarification that Item 7.0 (Development Agreement Northern Waterfront Marina) was postponed to the June 13, 2016 Board of Finance meeting. VOTING: unanimous; motion carried.

4.0 BOARD OF FINANCE APPROVAL

MOTION by Councilor Knodell, SECOND by Councilor Wright, to approve the contract with Hoyle Tanner and Associates to prepare the 2016 Passenger Facility Charge Program at Burlington Airport.

<u>DISCUSSION</u>: Amanda Hanaway-Corrente explained the Passenger Facility Charge (PFC) is between $4 and $4.50 presently. The PFC is based on enplanements. Approximately $2.4 million is taken in PFCs. There were no further comments.

VOTING: unanimous; motion carried.

5.0 APPROVE AND RECOMMEND TO CITY COUNCIL

5.01 Enter into Three Year Agreement with Northeast Delta Dental for Dental Care Benefits

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve and recommend to City Council for approval entering into a three year agreement with Northeast Delta Dental for dental are benefits.

<u>DISCUSSION</u>: Councilor Bushor noted her question about the city researching other providers was confirmed by the letter. There were no further comments.

VOTING: unanimous; motion carried.

5.02 Approve Contract with Stantec Consulting Services, Inc. for Management of Stormwater Permits at the Airport during Fiscal Year 2017

MOTION by Councilor Paul, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the contract with Stantec Consulting Services, Inc. for management of stormwater permits at the airport during FY17. VOTING: unanimous; motion carried.

5.03 Approve Contract with Pike Industries, Inc. for FY17 Street Reconstruction Project

MOTION by Councilor Paul, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the contract with Pike Industries, Inc. for the FY17 street reconstruction project.

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

- **Martha Keenan, DPW, stated all the work will be in FY17. The bid was under budget and is essentially the paving budget and includes everything that is funded.**
- **Councilor Bushor said there are challenges with sections of the city not having any work done and people feeling their property taxes matter. Nothing is being done in Wards 5, 6 or 1. Councilor Bushor suggested having a "Get Something in your Ward Done" fund to assuage people feeling they do not matter and their section of the city does not get attention.**
- **Chapin Spencer, DPW, said there is opportunity with the 10-Year Capital Plan to look at where the city wants to get to collectively. It is more than street paving and sidewalk work. DPW is happy to talk to anyone in any ward about what is planned for the coming year. Martha Keenan added there is a breakdown of paving and sidewalk work in each ward so the work to be done with the funding can be seen. If paving and streets are grouped together the work evens out, but when looked at one-on-one it is unbalanced.**
- **Councilor Knodell asked if the list of streets in the FY17 program is in the January 12, 2016 memo. Ms. Keenan confirmed this, adding all have been approved. There was also information on unfunded paving (streets not yet approved that will be done if funding is received).**
- **Councilor Knodell asked where additional spending will be focused. Mayor Weinberger said the plan is to discuss this as soon as possible and include finalization of additional agreements with Champlain College and UVM, and decision from City Council on whether to increase the gross receipts tax. On the transportation side there will be additional discussion of potential Traffic Fund changes to make transportation investments and General Obligation (GO) bonds.**
- **Councilor Knodell asked if the bond would be issued on the vote if there is a GO bond vote November. Mayor Weinberger confirmed this adding the target is the spring construction season.**

There were no further comments.

VOTING: unanimous; motion carried.

5.04 Expend Grant Amendment for Colchester Avenue Side Path and Increase City Contributions

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve and recommend to City Council for approval expending the grant amendment for the Colchester Avenue side path and increase city contributions. VOTING: unanimous; motion carried.

5.05 Authorize Mayor to Execute One Year Extension of the UVM Letter of Agreement

MOTION by Councilor Wright, SECOND by Councilor Paul, to approve and recommend to City Council for approval authorization for the Mayor to execute a one year extension of the UVM Letter of Agreement.

DISCUSSION: Councilor Bushor requested the zoning agreement and quality of life agreement for fiscal contributions be sent to City Council before signing and any changes be revisited with City Council. Mayor Weinberger said there are four issues of discussion with UVM:

- **Letter regarding payout for services**
- **Capital Plan contribution**
- **Repurposing Memorial Auditorium as an arena to serve as a UVM function as well**
- **Housing (update to prior agreement).**

Mayor Weinberger assured before signing there will be City Council approval. The Institutions Committee will be involved with the housing agreement. Memorial Auditorium will be discussed with the full City Council. There were no further comments.

VOTING: unanimous; motion carried.

5.06 State Required Yearly Financial Management Questionnaire

MOTION by Councilor Paul, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the state required yearly financial management questionnaire.

DISCUSSION: Councilor Bushor asked if the auditor sees the questionnaire and if each town official has a copy of the policy and procedures. Bob Rusten said the city auditor sees the document, the state auditor does not. There were no further comments.

VOTING: unanimous; motion carried.

5.07 May 31, 2016 Sweep Report

Rich Goodwin, Director of Financial Operations, reported as of May 31, 2016 there was $6.5 million in the bank. Daily cash-on-hand was 47 days. Areas of note include the amount owed from the Retirement Fund (approximately $2 million). The fund will be reimbursed by June 30th. Also of note is Community Economic Development due to/due from is the lowest it has been all year ($306,000). Due to many reimbursements BCDC owes about $150,000 as of May 31st.

Councilor Paul asked about the significant jump in the Retirement Fund. Rich Goodwin explained a deficit is run in the Retirement Fund all year due to retirement checks issued on a monthly basis. Typically the fund will be behind two years by the end of the year, but double digit returns on the investment portfolio are used to make the Retirement Fund whole at the end of the year rather than reimbursing the shortfall each month. Bob Rusten clarified the money is owed from the Retirement Fund to the Sweep Account.

The report was accepted by the Board of Finance.

5.08 Review Budget, Budget Resolutions, and Vote on Recommendations to City Council

The following comments were made:

- Mayor Weinberger expressed hope the Board of Finance will recommend that City Council adopt the budget. The budget keeps the goal of $1 million unassigned fund balance (operating surplus) which gets to the 10% target and expands on the tax reduction to a full penny on the tax rate as a one-time tax cut in the FY17 municipal budget. The school tax is showing only a modest increase. Mayor Weinberger said this is the best budget he has had the opportunity to work on in the last five years. The budget moves forward with work on public safety as well as having a positive impact on tax decrease.
- Councilor Knodell agreed much has been accomplished with the budget including a modest one-time property tax reduction which is a one-time adjustment to the general city tax rate. It is not expected this will be ongoing based on current projections of budget gaps. It is understood the property tax can be a burden and the city is trying to be prudent with resources. The collaborative work and budget management throughout the year is appreciated.
- Councilor Bushor acknowledged the process has had its ups and downs, but the budget is a good one. There is an issue with the revenue generated by the extended parking to 10 PM though and the city needs to watch this issue carefully because South Burlington and Williston are competing for the same customer. The city does not want to harm itself by trying to create revenue. The rationale for the extended hours and the revenue is appreciated, but there is concern about the impact. There could be an impact on people coming downtown because adding additional dollars to a night out matters. Councilor Bushor suggested amending the budget resolution to reflect these concerns and desires while still supporting the budget and to speak in protest of money generated between 7 PM and 10 PM for the Traffic Fund. The language for the amendment would be inserted on line 10 of the resolution.
- Mayor Weinberger recognized each budget resolution will need to be approved and an amendment to one of the resolutions is expected. It is suggested there be two separate recommendations from the Board of Finance:
- The amendment
- Recommendation on the budget whether or not the amendment passes.

MOTION by Councilor Knodell, SECOND by Councilor Paul, to recommend the Board of Finance approve and recommend to City Council for approval the resolutions relating to adoption of the FY17 budget on the 6/27/16 City Council agenda (i.e. Items 4.04 – 4.11).

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

- **Mayor Weinberger suggested voting the motion so City Council has a clear recommendation from the Board of Finance to support the budget.**
- **Councilor Bushor proposed dividing the question and voting on the resolutions in Items 4.05 through 4.11 on the City Council agenda and then having a separate vote on the budget resolution (Item 4.04).**
- **Councilor Bushor asked why over $300,000 is being borrowed for 30 years by the Water Division which seems like a small amount to bond. Chapin Spencer explained to continue the trajectory of having additional capital funds each year to do a better job of aligning the street paving program with subsurface utilities and to make the budget work best for ratepayers and the public at large mixing a small bond with operational savings was the way to continue the capital investment increase. The 10-Year Capital Plan will cover**

additional increase for the enhanced paving program, but for FY17 the approach met the needs of capital investment going forward. Bob Rusten added water revenues versus expenses for FY17 are off by $500,000. Money in the fund balance and borrowing will be used as the first step. If the enhanced paving program is done in the future then the conversation will have to be revisited.

There were no further comments.

VOTING: unanimous; motion carried.

Councilor Bushor said she would like to amend the FY17 budget resolution (Item 4.04 on the City Council agenda) by adding the following language to line 10 of the resolution and retaining all the other language:

"Whereas, the Board of Finance and City Council oppose the collection of parking meter revenue from 7 PM – 10 PM, but until such time the hours of collection can be rolled back the Board of Finance and City Council support the budget with protest to the revenue derived during these evening hours."

Councilor Bushor stressed she supports the budget, but protests the revenue.

Bob Rusten questioned if the Board of Finance can approve an amendment or must recommend to City Council to approve an amendment. City Attorney Blackwood advised the Mayor presents his budget and resolution(s) to City Council so both the Mayor's resolution and Councilor Bushor's resolution need to go forward. Councilor Knodell pointed out the amendment does not change the Mayor's budget. Mayor Weinberger noted the Mayor's budget includes the numbers in the book as well as the budget resolutions. It is understood Councilor Bushor will be bringing forth an amendment to Item 4.04 and it is unfortunate concerns could not be satisfied before now. The fundamental concerns are reasonable and a service has been done by bringing attention, but the process is the budget resolution (Item 4.04) has been warned and is before City Council as warned. Amendment can be made at the City Council level and the Board of Finance can make a recommendation on the amendment. Councilor Bushor stated there will be a report on the action of the Board of Finance at the City Council meeting and then the resolution as presented will move forward and can be amended before City Council. Councilor Knodell clarified according to the City Attorney the motion should say Councilor Bushor moves to recommend to City Council that the resolution be amended with the suggested language versus actually amending the resolution.

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to recommend to City Council that the budget resolution (Item 4.04) be amended at line 10 with the following language: *"Whereas, the Board of Finance and City Council oppose the collection of parking meter revenue from 7 PM – 10 PM, but until such time the hours of collection can be rolled back the Board of Finance and City Council support the budget with protest to the revenue derived during these evening hours."*

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

- **Mayor Weinberger recognized the long standing concern of Councilor Bushor with the parking revenue and that Councilor Bushor has expressed her concern a number of ways in the budget process, at public meetings and off line. The Administration and staff have heard the concern and will return to the conversation on**

parking policy, enforcement hours, marketplace garage, billing, two hour free program, and potentially Sunday parking enforcement in light of the larger capital plan proposal. All the policies impact the Traffic Fund and the ability to do what the city wants to do – investment in the parking garages and the larger transportation system. There has been general support for the parking system and it is acknowledged there are serious questions to grapple with before having votes on a variety of decisions by City Council on the capital plan. There will be further analysis and recommendation on the parking system and it is likely there may be a recommendation to decrease the enforcement hours. There is data now to make decisions. In sum, raising the issue is appreciated. The Administration tried to be responsive and it is acknowledged Councilor Bushor did not find this fully satisfactory, but the conversation is not done and soon with more information decisions can be made together on where the Traffic Fund goes. It is premature to insert the 'whereas' clause that calls out and has a protest vote around the hours of 7 PM to 10 PM which is further than staff thinks makes sense operationally as well as functionally.

- **Councilor Wright asked the Mayor if he objects to the words saying City Council opposes the 7 PM to 10 PM hours and a vote with protest. Mayor Weinberger said if City Council reaches a conclusion to do no enforcement 7 PM to 10 PM the preliminary analysis data say it does not make sense from an operational or revenue perspective for 9 PM to 10 PM. A conclusion has not been reached for 7 PM to 9 PM. More analysis is needed before City Council weighs in. It is premature to conclude 7 PM to 9 PM does not make sense and it feels like a significant repudiation of the Parking Management Plan. There is a significant principle that says the city will enforce during hours when there is over utilization of the parking system. It seems hasty in a 'whereas' clause for City Council to say it does not like the policy anymore.**
- **Councilor Wright said he does not like enforcement hours at nighttime and on Sundays. If City Council passes a separate resolution outside of the budget that speaks to the issue and rolls back the hours knowing City Council does not have that jurisdictional there must be assurance that the Administration will push for a roll back of hours. Mayor Weinberger said City Council can suggest a charter change to the way the current charter reads, but this kind of fractured government is problematic. The Administration is open to structural changes and cares about City Council input and would not want to make recommendations to the Public Works Commission not supported by City Council. Mayor Weinberger said he would like to have a future City Council vote on the parking matter and hopes there can be alignment on it.**
- **Councilor Wright suggested replacing "oppose" in the language with "have serious concerns" regarding the collection of parking meter revenue from 7 PM to 10 PM and to revisit the issue in the very near future.**
- **Mayor Weinberger said everyone has worked hard on the 10-Year Capital Plan and having non-property tax sources paying for a substantial part of the plan. There is a way to meet infrastructure needs without being wholly reliant on Burlington residents. Visitors to Burlington are the great majority of the source for the Traffic Fund. There continues to be serious concern about going on record without having full discussion though the proposed language does give City Council the ability to fully consider the parking policy.**
- **Councilor Wright said City Council can come back with another resolution outside the budget process that deals more specifically with the parking revenue issue after getting more information from the Administration.**
- **Councilor Paul acknowledged Councilor Wright's ability for compromise and making it work for everyone. Councilor Paul said after all the work that has been done and the months of time she cannot support a resolution that says the budget is supported in protest. It is unfair to see all the work and all the opportunity to discuss beforehand and then on the last day before the budget resolution to say the budget will be supported in protest. The language without the word "protest" is probably better. Councilor Paul said she is not necessarily in favor of parking revenue from 9 PM to 10 PM, but there is not enough information to know absolutely whether the decision is right or wrong. It is preferable to vote on the budget and come back after working with the Public Works Commission and the Public Works Director and looking at the numbers to do a resolution. If part of the long term plan was to repeal the hours in five years, that is a different story, but this will happen in the next few months. The process needs opportunity to unfold.**

Councilor Paul said she does not disagree with a lot of what is in the amendment, but cannot support the way that it stands.

- **Councilor Bushor conceded the language came late, but the conversation began in December 2015 when she raised the issue and was told this would be presented during the budget process. The information was received in June. Those are the facts. Councilor Bushor said she looked for ways to go on record as not supporting the revenue collected from 7 PM to 10 PM and that is the language proposed. Councilor Bushor said the language is strong intentionally because she does protest and does not agree with the revenue. It is good to hear that there will be continued discussions. The language was specific so someone looking at the budget can see this part was not silent. It is hoped the matter will be evaluated and maybe some changes made. Councilor Bushor said the information she was given suggested most of the revenue collected was between 6 PM and 7 PM and a limited amount of revenue was collected from 7 PM to 10 PM, and that is why a conscientious and thoughtful decision was made while still trying to respect what was set out initially and protecting Burlington and not putting the city at a disadvantage and making sure the city is competitive with all the customers. Councilor Bushor agreed to contemplate the added language, but the language has to be clear so people can vote for or against the amendment. Councilor Bushor reiterated she wants to be on record that she feels very strongly about the situation and generating monies from 7 PM to 10 PM.**

The Board of Finance took a two minute recess at 6:46 PM. Mayor Weinberger called the board back into session at 6:48 PM,

FRIENDLY AMENDMENT by Councilor Wright to amend the language in the amendment to eliminate the word "protest" and say that City Council supports the budget, but expresses great concern with the revenue derived between 7 PM and 10 PM.

<u>DISCUSSION ON FRIENDLY AMENDMENT</u>: The following comments were made:

- **Chapin Spencer explained a fundamental tenet of the Downtown Parking Plan is to make decisions based on data and create occupancy at times of high demand so the reason to charge for parking is to create turnover at times when the street would be highly occupied. There is a large drop off from 7 PM to 8 PM because people coming downtown for dinner or a show are paying for parking at 6 PM for a duration that continues to 8 PM, 9 PM or 10 PM. A large percentage of the revenue seen at 7 PM is not just for 6 PM to 7 PM, but goes beyond 7 PM. A presentation will be brought to the board and staff will share data to inform the decision making process. Advisement on the policy is welcomed.**
- **Councilor Paul mentioned expressing concerns now and introducing a resolution in July.**
- **Councilor Bushor said she had the choice to vote against the budget because of the parking issue or separating the issue out. The amendment is there to contemplate and vote and then it will be on the record. Councilor Bushor stated the amendment was the only way to voice her opinion on this particular aspect of the budget.**

There were no further comments.

VOTING on friendly amendment (language offered by Councilor Wright): 3 ayes, 2 nays (Mayor Weinberger, Councilor Paul); motion carried.

VOTING on motion as amended (whereas clause offered by Councilor Bushor and amended by Councilor Wright): unanimous; motion carried.

6.0 COMMUNICATIONS

6.01 Repayment to State of TIF Increment Retained in Error

No comments.

6.02 Special Projects: Emerging Needs – Generator Maker Space

No comments.

7.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:58 PM.

RScty: MERiordan