Board of Finance - Monday, June 26, 2017 at 5:00 p.m.
Conference Room 12, City Hall
6/26/2017

BURLINGTON BOARD OF FINANCE

CITY HALL

BURLINGTON, VERMONT

MINUTES OF MEETING

June 26, 2017

APPROVED – 1/29/18

MEMBERS PRESENT: Mayor Miro Weinberger [arrived 5:15 PM]

Jane Knodell

Sharon Bushor

Karen Paul [arrived 5:15 PM]

Kurt Wright

OTHERS PRESENT: Bob Rusten, CAO

Rich Goodwin, DFO

Eileen Blackwood, City Attorney

Susan Leonard, HR

Stephanie Reed, HR

Chapin Spencer, DPW

Norm Baldwin, DPW

Martha Keenan, DPW

Laura Wheelock, DPW

Noelle Mackay, CEDO

Kirsten Merriman Shapiro, CEDO

Gillian Nanton, CEDO

Marcy Esbjerg, CEDO

Meagan Tuttle, Planning & Zoning

Nina Safavin, Parks & Rec

Jesse Bridges, Parks & Rec

1.0 CALL TO ORDER and AGENDA

Until the arrival of Mayor Weinberger, CAO Rusten facilitated the meeting and called to order at 5:03 PM on June 26, 2017.

1.01 Agenda

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve the agenda with the amendment to remove Item 5.06 – Reorganization of BTV. VOTING: unanimous [Councilor Wright, Councilor Paul, and Mayor Weinberger not present for vote]; motion carried.

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 MINUTES

3.01 June 5, 2017

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve the minutes of 6/5/17 with the following correction(s)/clarification(s):

- **Item 5.13, FY18 Budget Discussion, paragraph beginning "Councilor Bushor asked how much money…." – change "Councilor Bushor" to "A councilor".**

VOTING: unanimous [Councilor Paul and Mayor Weinberger not present for vote]; motion carried.

4.0 BOARD OF FINANCE APPROVAL

No items.

5.0 APPROVE AND RECOMMEND TO CITY COUNCIL

5.01 Contract with Courtland Construction for Water Line Replacement – DPW

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the contract with Courtland Construction for the water line replacement. VOTING: unanimous [Councilor Paul and Mayor Weinberger not present for vote]; motion carried.

5.02 Contract with A.Cooper Mechanical for 645 Pine Street Renovations - DPW

MOTION by Councilor Bushor, SECOND by Councilor Wright, to approve and recommend to City Council for approval the contract with A. Cooper Mechanical for 645 Pine Street renovations. VOTING: unanimous [Councilor Paul and Mayor Weinberger not present for vote]; motion carried.

5.03 Contract Amendment with Preferred Construction, Inc. - DPW

MOTION by Councilor Wright, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the contract amendment with Preferred Construction, Inc. VOTING: unanimous [Councilor Paul and Mayor Weinberger not present for vote]; motion carried.

5.04 Participation in RPC/DEC Municipal Roads Grants-in-Aid Pilot Project - DPW

MOTION by Councilor Knodell, SECOND by Councilor Wright, to approve and recommend to City Council for approval participation in the RPC/DEC Municipal Roads Grants-in-Aid pilot project. VOTING: unanimous [Councilor Paul and Mayor Weinberger not present for vote]; motion carried.

5.05 Great Streets Budget and Contract Amendment – P&Z

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the Great Streets budget and contract amendment.

DISCUSSION:

- **CAO Rusten reviewed the spreadsheet showing projected tax rates for FY18 and forward, incremental non-homestead equalized property value of $32 million, increment of the homestead property value, and commercial tax component of the non-homestead equalized property value of $24,000. Together the elements yield an estimated revenue in the TIF for FY18 of $751,000 plus $260,000 from Champlain for a total of approximately $1 million. The city will be borrowing more than the amount identified, but there is sufficient revenue coming in to be able to pay for the borrow.**
- **Councilor Bushor asked if the amount was for the project or for everything. CAO Rusten explained this is the original estimate of what the costs will be, but if the cost is greater the city still has capacity. Even if the borrowing is expanded the city still has capacity. The Board of Finance has the ability to look at this each year. There was clarification that the borrowing is for only what is needed. The current request is for design. Staff will come back with a request for construction.**
- **Councilor Bushor said the Main Street project from Church Street to Pine Street needs more public input, planning, and discussion before the funding is approved.**
- **Mayor Weinberger clarified the approval is to do design and the construction administration packet for two blocks of St. Paul Street from Main Street to Maple Street.**
- **Principal Planner, Meagan Tuttle, said the reconstruction on St. Paul Street will be between Main Street and Maple Street in the block between King Street and Maple Street. The configuration will be the same as the street is today with accommodation for a new transit pull-off for Champlain College on the east side of the**

road. Also, utilities will be underground, the sidewalks will be widened slightly, and more trees will be planted. Between King Street and Main Street the west side of the street remains unchanged. On the east side of the street the diagonal parking will be converted to parallel parking to accommodate the loading zone and wider sidewalk as well as other amenities to support adjacent users. There will be a loss of eight parking spaces.

- **DPW Engineer, Laura Wheelock, said two alternatives were reviewed and both removed the same amount of parking due to storm water adds, bump-outs, and other elements of Great Streets.**
- **Project Manager, Martha Keenan, added there is the same level of benefits in terms of the Great Streets goals and one more parking space was gained. The businesses on the street are supportive of the option and like having more public space on the sidewalk and the loading dock. The loading zone will be a mixed use with loading zone use in the earlier hours of the day and parking at the end of the day into the evening. Staff has worked with all the stakeholders.**
- **Mayor Weinberger said construction and completion is expected in calendar year 2018. The Eagles Landing project will also be done and offer new public parking spaces. The stakeholders have been universally supportive of the project.**
- **DPW Director, Chapin Spencer, said at night and on weekends there will be 65 parking spaces available per the development agreement. Browns Court only had 40 parking spaces.**
- **Councilor Paul asked for an explanation of what has been done in the five years of the community plan effort. Principal Planner Tuttle said the Great Streets initiative takes recommendations and goals of PlanBTV and TIF and a number of studies and embodies them in the street design. With the Great Street initiative there were three major presentations leading up to December 2016 and a follow up presentation twice in one day focused on St. Paul Street. There were also one-on-one engagements with the stakeholders on the street, meetings with the NPAs, commission meetings, subcommittee meetings, Parks & Rec and Culture meetings so there was ample opportunity for public input.**

There were no further comments.

VOTING: unanimous; motion carried.

5.06 Reorganization of BTV

Removed from agenda.

5.07 Reorganization of Parks, Recreation and Waterfront - HR

MOTION by Councilor Bushor, SECOND by Councilor Wright, to approve and recommend to City Council for approval the reorganization of Parks, Recreation and Waterfront.

<u>DISCUSSION</u>: Councilor Bushor commented positively on the information packet.

VOTING: unanimous; motion carried.

5.08 Reclassification of Vacant Environmental Specialist Role at McNeil Generation Station - BED

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

approval the reclassification of the vacant Environmental Specialist role at McNeil Generation Station. VOTING: unanimous; motion carried.

5.09 U.S. Department of Housing and Urban Development Continuum of Care Grant Agreement - CEDO

MOTION by Councilor Paul, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the U.S. Department of Housing and Urban Development Continuum of Care grant agreement.

DISCUSSION:

- **Councilor Bushor noted the allocation of money in the budget line item does not show the dollar amount. It was noted line item A is for planning activities.**

VOTING: unanimous; motion carried.

5.10 2017 Action Plan, Revised Citizen Participation Plan, and Amendments to 2014, 2015, 2016 Action Plans – CEDO

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the 2017 Action Plan, the revised Citizen Participation Plan, and amendments to the 2014, 2015, and 2016 Action Plans.

DISCUSSION:

- **Assistant Director, Marcy Esbjerg, explained the approval is on how the money in the budget will be spent. The Citizen Participation Plan has been added.**

There were no further comments.

VOTING: unanimous; motion carried.

5.11 Ewing Marion Kauffman Foundation Grant – CEDO

MOTION by Councilor Knodell, SECOND by Councilor Paul, to approve and recommend to City Council for approval the Ewing Marion Kauffman Foundation grant. VOTING: unanimous; motion carried.

5.12 Utilize Contingency Funds for Family Room – Mayor's Office

Steering committee member, Councilor Knodell, recused herself.

MOTION by Councilor Paul, SECOND by Councilor Bushor, to approve and recommend to City Council for approval utilization of contingency funds for the Family Room.

DISCUSSION: The $10,000 requested will allow for another part-time staff member so the busiest time of

programming will be adequately staffed.

VOTING: unanimous; motion carried.

Councilor Knodell returned to the Board of Finance.

5.13 Extend Payment for UVM Services Agreement – Mayor's Office

Mayor Weinberger explained in addition to the routine authorization the additional payment is in recognition of UVM's and Champlain College's participation in the sustainable infrastructure plan. There is optimism the conversations will be concluded in advance of next year's construction season.

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval extension of payment for the UVM Services Agreement.

DISCUSSION:

- **Councilor Bushor commented on being at this threshold for a while. It is disappointing there is not more of a willingness to understand how to live together and share some costs and investment in the community.**
- **Councilor Paul questioned why action is being taken on June 26, 2017 when the letter was dated and signed on June 6, 2017, noting there seems to be a sense of urgency to get the matter done because it has been going on for a while. Mayor Weinberger agreed negotiations have taken some time, but there is optimism it will get done in the near future. The resolution will be in advance of the next construction season.**
- **Councilor Knodell noted the pace is not unusual for the university.**

There were no further comments.

VOTING: unanimous; motion carried.

5.14 Yearly Financial Management Questionnaire – C/T

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

DISCUSSION:

- **CAO Rusten explained the city is required to do the questionnaire every year. Accounting staff has reviewed the document.**
- **Councilor Bushor asked if policies and procedures are online. CAO Rusten will confirm this.**

There were no further comments.

VOTING: unanimous; motion carried.

5.15 Sweep Account – C/T

DFO Rich Goodwin reported the cash balance through the May 31st snapshot was $21.1 million which is the highest since 2010. The reports shows $5 million invested from the General Fund based on overall cash flow for 180 days. The Water Department had good cash flow so $1 million was invested there as well.

CAO Rusten stated one advantage of having money is being able to invest and make money. The investment policy approved by City Council where staff has the authority to invest up to $5 million is being reviewed and some changes will be recommended that might look at additional way to generate revenue while still maintaining the security of the city's money. DFO Goodwin added staff is capped at $5 million, but the city has excess capacity above and beyond that threshold.

Councilor Paul asked if the information has been communicated to Moody's. DFO Goodwin said the last time the city had conversation with Moody's was when Moody's did the rating for the city in spring of 2017. Moody's is also involved with the water bonds and the airport and when the city goes out to borrow money that is GO limited. Moody's rated the city for the March 31st neighborly deal for bonding for $5.2 million and on April 25, 2017 reaffirmed the current rating for the $2.7 million and KeyBank revenue bonds. CAO Rusten added the city will be going back to Moody's in the fall.

5.16 Monthly Financials – C/T

CAO Rusten reported the General Fund and other funds look good. The unassigned fund balance was $6 million, but $2.2 million of the anticipated surplus in the General Fund for FY17 was used. The unassigned fund balance is expected to increase above $6 million at the completion of FY17. Health Insurance Fund is not known yet and there are two more months of revenue to collect from the local options tax and gross receipts tax, but there are still expenses. It is assumed the unassigned fund balance will go up to approximately $6.5 million or more.

6.0 COMMUNICATION

6.01 Outcome of Bond Financing

Councilor Knodell asked about the combined premium of over $900,000 with the coupon bonds and principal payment. DFO Goodwin explained premiums were generated because the general obligation bonds sold at 5% coupons that resulted in a premium. Those sold at par do not result in a premium. Total Interest Cost (TIC) factors in all costs related to the bond. TIC for the neighborly deal had an interest rate of 3.27%. With the KeyBank bonds the TIC interest rate was 3.43%. When the bonds are sold at a premium the additional dollars are paid by the bond holders, not the city. There has been new demand for 20 year and 19 year bonds because they mature faster with less risk to the investor.

DFO Goodwin will send the complete book with the calculation for the TIC, denominations and terms.

6.02 FY17 Regional Programs: Services Rendered, Inc. & Vermont Council on Rural Development – Mayor

No report.

7.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 5:57 PM.

RScty: MERiordan