Board of Finance
6/23/2014

Board of Finance (Monday, June 23, 2014)

Generated by Amy Bovee on Tuesday, June 24, 2014

Members present
Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger, CAO Rusten

Also present

City Attorney Blackwood, ACAOs Schrader and Goodwin; Jesse Bridges, Parks; Gene Richards, Airport; Norm Baldwin, Pat Buteau, DPW; James Haslam, Vermont Workers' Center

Meeting called to order at 5:25 PM

1. Agenda

Action: 1.01 Adopt/Amend Agenda

Motion to adopt and amend agenda to add item 5.02.

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

2. Public Forum

No one came forward to speak.

3. Approval of the Minutes

Minutes: 3.01 May 19, 2014

Motion to approve the minutes.

Motion by Karen Paul, seconded by Sharon Bushor

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Minutes: 3.02 June 9, 2014

Motion to approve the minutes.

Motion by Karen Paul, seconded by Sharon Bushor

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

4. For Approval and Recommendation to City Council

Action, Resolution: 4.01 Authorization to Reclassify Associate Parks Project Coordinator Position from Limited Service to Full Time - HR

The Board addressed an item to allow the Parks Department to reclassify the Associate Parks Project Coordinator Position from limited service to regular full time.

Councilor Bushor stated the communications states that this position is fully funded through the Penny for Parks Capital Fund and inquired if it will continue. Jesse Bridges, Parks, stated it is included in next year's budget.

Motion to Approve and Recommend Approval to the City Council

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.02 Authorization for Recategorization of CJC Program Specialist and Creation of CJC Office Assistant II Position - HR

The Board addressed an item to allow the Community Justice Center to recategorize the CJC Program Specialist position from limited service to regular full-time and to create a limited service, part-time Office Assistant II position.

Councilor Paul stated she would appreciate knowing the total number of position changes from limited service to full time each fiscal year and which Human Resources said they would comply.

Motion to Approve and Recommend Approval to the City Council

Motion by Joan Shannon, second by Sharon Bushor.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.03 Authorization for Contract with Splash – Parks

City Council President Shannon inquired if this is the same contract that they had previously with a revenue floor of $150,000. Jesse Bridges, Parks, stated that is correct and that Splash has invested in capital improvements at the boathouse.

Motion to Approve and Recommend Approval to the City Council

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.04 Authorization for Contract with Spirit of Ethan Allen - Parks

Jesse Bridges, Parks, stated they have moved towards a model of receiving a percentage of revenue with a floor rather than charging them a flat fee. Previously Parks was paying their utility costs, but those will now be borne by the Spirit of Ethan Allen.

Motion to Approve and Recommend Approval to the City Council

Motion by Joan Shannon, second by Jane Knodell.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.05 Authorization for Contract with Burlington Kids - Parks

City Council President Shannon inquired if they receive a grant to operate this program. Jesse Bridges, Parks, stated this is revenue for them and not a grant. The School Department receives a grant and contract with Parks.

Motion to Approve and Recommend Approval to the City Council

Motion by Joan Shannon, second by Jane Knodell.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.06 Authorization to Purchase Small Parcel of Land - Airport

CAO Rusten stated they have had conversations with South Burlington about this.

Councilor Bushor inquired if the price is contingent upon the assessed value. Mayor Weinberger stated the price is the assessed value. Gene Richards, Airport, stated they agreed to pay the assessed value.

Motion to Approve and Recommend Approval to the City Council

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.07 Authorization for Airport Hangar Lease Agreement with David Mendel of Forest Travel, Inc. - Airport

The Board addressed an item to allow the Airport to lease a portion of the Airport Hangar to David Mendel of Forest Travel, Inc.

Motion to Approve and Recommend Approval to the City Council

Motion by Karen Paul, second by Joan Shannon.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.08 Authorization for Airport Hangar Lease Agreement with Perry Sporn of Sporn Co. Inc. - Airport

The Board addressed an item to allow the Airport to lease a portion of the Airport Hangar to Perry Sporn of Sporn Co. Inc.

Motion to Approve and Recommend Approval to the City Council

Motion by Karen Paul, second by Joan Shannon.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.09 Authorization for Construction and Resident Engineer Services Contracts for Waterfront Access North Project - CEDO

Norm Baldwin, DPW, stated the first item is a contract for Resident Engineering Services. They did a formal RFP process and selected Stantec Inc. The contract will total $428,992.13. The second item is for a construction contract. There were two bids with S. D. Ireland as the low bidder. The total cost will be approximately $9 million. Because of the complexity of the project, they have built a 15% contingency cost included.

Councilor Knodell inquired why they chose to put this out to bid with alternates. Mr. Baldwin stated they were concerned that the project would not be within their reach financially, so they wanted to have some alternate plans. Mayor Weinberger stated they are not yet deciding which alternates they will choose and are moving forward with the project.

Councilor Bushor inquired where the Flying A site that they will be stockpiling soil is. Mr. Baldwin stated it is on the Waterfront on the right as you head to the North Forty. Kirsten Merriman-Shapiro, CEDO, stated they have done testing on that site and the soil quality is similar to the site they will be moving the soil to. Contaminated soil will be brought off site. Councilor Bushor inquired where it will go. Ms. Merriman-Shapiro stated they are having discussions with the Department of Environmental Conservation. They may be allowed to remediate soil on site. Councilor Bushor inquired how large of a site this is. Ms. Merriman-Shapiro stated it is an area on the east side of the bike path. Councilor Bushor inquired how much soil will need to be removed. Mr. Baldwin stated they have estimated that they will be adding about 5,000 cubic yards of soil to the site. They will not have a full picture until they encounter the soil and make final determinations about the quality. They plan to transport as little soil away from the site as possible. Councilor Bushor inquired how they will address it if more soil than anticipated needs to be removed. Mayor Weinberger stated there is some uncertainty around this issue. State law does not make a lot of sense in this area. Urban soils tend to have higher levels of this particular contaminant than other areas. The State has agreed to allow them to stockpile clean soil while they have conversations about how to manage the contaminated soil. He is hopeful that they will not have to remove the soil at significant expense. Councilor Bushor stated she is concerned about the environmental impacts. Mr. Baldwin stated they will be working with an environmental consultant to manage this.

Councilor Paul inquired if the CSC Allocation, the remaining CSC TIF allocation, and the CSC Bid Alt A Contribution will be coming from the Sailing Center. Mr. Baldwin stated that includes the money they will be allocated from TIF and additional contributions that they will be making. Ms. Merriman-Shapiro stated the third item is their contribution beyond TIF dollars. Councilor Paul inquired if they will be paying this all at once or over time. Ms. Merriman-Shapiro stated they will be paying it over time.

Mayor Weinberger inquired about the cost of the Resident Engineering Contract. Mr. Baldwin stated the expense will be $428,000. It could cost less than that if they complete the project quicker than anticipated.

Motion to Approve and Recommend Approval to the City Council

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.10 Authorization for Sailing Center Lease Amendment - CEDO

The Board addressed an item to allow the Sailing Center to maintain its lease for space from the City until the development and construction of its new facility is complete.

City Council President Shannon inquired if this lease runs through 2017 and provides flexibility for the Sailing Center to move as construction is completed. Kirsten Merriman-Shapiro stated that is correct.

Motion to Approve and Recommend Approval to the City Council

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action: 4.11 Authorization for Smart Parking Meter Purchases - DPW

Councilor Knodell requested an explanation of how they selected the vendor. Pat Buteau, DPW, stated they are recommending IPS group. They have a greater market share than any of the other vendors. In the long run, their equipment appears to be much better and require less maintenance. Councilor Knodell inquired what the cost differential will be. Mr. Buteau stated these meters will cost about $30 more per meter. The total cost will be $44,193 on a five year lease purchase.

Mayor Weinberger inquired what the schedule for this item is. Mr. Buteau stated they will bring this before the City Council and the Public Works Commission at their next meetings in July.

Motion to Approve and Recommend Approval to the City Council

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.12 Authorization for Contract with Vermont Worker's Center to Serve as Designated Accountability Monitor – Attorney

Councilor Knodell stated they all agree that it is important to have a separation between the Accountability Monitor and the activities of the Vermont Workers' Center. She requested an explanation of when the Vermont Worker's Center will be acting as a monitor and when they will be acting independently. She noted that there is a section of the agreement that addresses this issue and inquired how the director will ensure this is being adhered to. James Haslam, Vermont Workers' Center, stated they have had to deal with this for a number of different projects in the past. They will be creating a new position to do this work. It will be clear what their role is and what services they will be providing. There will be detailed records on this person's time sheets about what work they have completed. They will be training specifically for this job. They understand their responsibility in this contract.

Councilor Bushor inquired what kind of activity would not be allowed under this agreement. City Attorney Blackwood stated if the Workers' Center were to go on site at a business that contracts with the City to research the livable wage, they cannot had out leaflets promoting themselves. If someone approaches them while they are on site and asks them questions, they will say that they cannot talk about that now, but can have the individual call Vermont Workers' Center. When they are acting as the Designated Accountability Monitor, they cannot advocate for other issues or hand out educational materials. Councilor Bushor suggested adding additional language to make it more clear for Councilors.

City Council President Shannon stated the Workers' Center is and independent entity and they will be educating people about the Ordinance. This Ordinance has been amended several times. She inquired if there would be a conflict if the Workers' Center advocated for any future changes or rates that the Council contemplates. City Attorney Blackwood stated there is no conflict as long as they are not acting as the Accountability Monitor. They do not want to tie the Workers' Center's hands so they can continue to do their work. Mr. Haslam stated they have had a lot of discussions about what their role is. Their job is to let people know their rights. Their mission is in line with the mission of the Ordinance. People are excited to see the City following this Ordinance. City Council President Shannon stated she can see the advantage of seeing the Workers' Center doing this work, but she is not sure how it will work. She requested an amendment to the agreement to remove the automatic renewal clause. This will allow them to revisit this and see how it is going. CAO Rusten stated the Board of Finance and City Council could approve this with the condition that the evaluation of the contract can occur prior to the renewal deadline.

Councilor Knodell inquired if they will prepare an annual report. Mr. Haslam stated they have not determined the specifics, but they will provide an annual report. City Attorney Blackwood stated they will include language about providing a report into the contract.

City Council President Shannon inquired about their ability to terminate the contract. City Attorney Blackwood stated they have to give notice 30 days before terminating the contract.

Motion to amend to add language to review the performance of the provider as it relates to the potential conflicts of interest prior to the renewal notification period of June 1st.

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Motion to Approve and Recommend Approval to the City Council as amended.

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action: 4.13 Review Monthly Financials as of June 18, 2014 - C/T

and

Action: 4.14 Review Sweep Account Report - C/T

CAO Rusten stated they have provided financials for May and half of June. They have reviewed General Fund revenues and expenditures.

Councilor Knodell stated there is an amount that the Schools owe that says it will be reduced after the June 12 tax payment. She inquired why that has not happened. ACAO Goodwin stated that will happen. The top part of the report shows actual balances on cash as of June 19, but the amounts owed to the Sweep Account are as of May 31. Councilor Knodell stated they have more due to the sweep account than due from in the amount of about $8 million. She inquired how they finance that. ACAO Goodwin stated it is signing differences between what is owed to the City and what cash is on hand. Their cash balances as of June 19 has not been higher than $32 million in the last five years. The largest portion of the amount due to the Sweep Account is Burlington Telecom. Councilor Knodell inquired if they internally finance that amount. ACAO Goodwin stated that is correct.

Councilor Paul requested they add notes about budget amendments to the report. CAO Rusten stated they do provide a budget amendment report. Councilor Paul stated the School Department came to them looking for a loan, but it shows that they owe the City $2.5 million. ACAO Goodwin stated a loan would be recorded. He is unsure if the total for the Schools will be positive or negative on June 30. It is contingent upon what they get for warrants. CAO Rusten stated they will be talking with the Schools about their loan this week. The City only has part of their money. Their cash flow is different than their deficit. Councilor Paul inquired if they owe the City $2.5 million as of May 31. ACOA Goodwin stated that is correct. On June 12, tax payments come in and that pushed their cash balance to a very strong number in the $8-10 million range. There have been weekly loans that they transfer to the Schools to allow them to pay their bills. Councilor Knodell inquired if the bill to the sweep account will be the last bill they will pay. CAO Rusten stated they are anticipating that the amount owed to the City will not change at the beginning of the fiscal year. They will be changing their practices to comply with State Statutes on how the Schools collect their money. ACAO Goodwin stated they want to be as close as possible, but they do not know what bills are outstanding. CAO Rusten stated they cover up to $50 million of their money. ACAO Goodwin stated they have their own bank accounts that they cannot see. Mayor Weinberger suggested they have further discussions about School finances at a future date. Councilor Bushor stated the Schools are a part of the City and they need to be concerned with their finances. CAO Rusten stated the under state statute, Schools are not considered a part of the City as far as finance goes. They will be clearly separating the funds going forward.

5. For Board Action

Action: 5.01 Allocation of FY14 Special Projects - Emerging Needs Funds to Support Generator - Mayor

The Board addressed an item to allow the Mayor’s Office to allocate $3,000 from their emerging needs fund to Generator to help develop their program.

Approve the Allocation

Motion by Jane Knodell, second by Sharon Bushor.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Action: 5.02 Authorization for Contract with Alliance Mechanical for Library Chiller Replacement - DPW

The Board addressed an item to allow the Department of Public Works to execute a contract in the amount of $68,838 with Alliance Mechanical to replace the chiller at the Fletcher Free Library.

Approve the Contract

Motion by Karen Paul, second by Joan Shannon.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

6. Discussion

Communication, Discussion: 6.01 Discussion of Internal Control Self-Assessment Checklist - C/T

Councilor Bushor stated she would like to spend time discussing this. ACAO Goodwin stated it is not time-sensitive, but he did want this to be submitted before the end of the fiscal year.

The Board discussed their upcoming meeting schedule and agreed to cancel their July 28 meeting and meet on July 7 and July 14.

Item postponed to the next Board of Finance Meeting of July 7, 2014.

Without objection, Mayor Weinberger adjourned the Board of Finance meeting at 6:27pm.