



**Board of Finance - Monday, June 17, 2019 at 5:30 p.m.
Conference Room 12, City Hall
6/17/2019**

BURLINGTON BOARD OF FINANCE

CITY HALL

BURLINGTON, VERMONT

MINUTES OF MEETING

June 17, 2019

APPROVED – 6/24/19

MEMBERS PRESENT: Mayor Miro Weinberger

Councilor Paul [via telephone]

Councilor Bushor

Council President Wright

Councilor Pine [arrived 5:40 PM]

OTHERS PRESENT: Beth Anderson, CAO

Rich Goodwin, DFO

Eileen Blackwood, City Attorney

Jordan Redell, Mayor's Office

Olivia LaVecchia, Mayor's Office

Chapin Spencer, DPW

Megan Moir, DPW

Adam Roof, City Councilor

Franklin Paulino, City Councilor

Jack Hanson, City Councilor

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 5:36 PM on June 17, 2019.



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1.01 Agenda

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

2.0 PUBLIC FORUM

None.

3.0 MINUTES

3.01 June 3, 2019

MOTION by Councilor Bushor, SECOND by Councilor Paul, to approve the 6/3/19 minutes with the following correction(s)/clarification(s):

- **Page 2, Item 5.01, CEDO FY20 Draft Budget, paragraph beginning "Councilor Bushor says she sees...." – add to the end of the first sentence "in the layout of the duties described. Planning is now proposed to take on many CEDO tasks."**

VOTING: unanimous [Councilor Pine not present for vote]; motion carried.

4.0 APPROVE AND RECOMMEND TO CITY COUNCIL

4.01 Letter of Agreement with UVM – CAO Anderson, Bob Rusten

DPW Director Spencer reported since the billing error was discovered staff has been evaluating the meter billing process and the connections themselves. Staff has been working with property owners for access to meters. A vast number of errors is not being found in Phase 2 of the investigation.

Councilor Paul commented the agreement is a reasonable compromise and a good resolution to a long term problem.

MOTION by Councilor Paul, SECOND by Councilor Bushor, to recommend City Council authorize the Mayor to execute the Letter of Agreement with UVM resolving both the water billing issues and establishing an annual omnibus payment beginning July 1, 2019 subject to final review by the City Attorney and CAO.

DISCUSSION:

- **Councilor Bushor acknowledged the role of Bob Rusten and Beth Anderson in resolving the matter.**
- **Council President Wright echoed the comments on the agreement being fair to both UVM and the city.**
- **Thanks were extended to all who worked on the matter.**

VOTING: unanimous; motion carried.





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4.02 Annual Appropriation and Budget for Fiscal Year beginning July 1, 2019 excluding IT - Mayor's Recommended Budget

Mayor Weinberger said the budget is solid and reflects financial trends in recent years, infrastructure trends in recent years, investment and social service needs to address, and key community challenges in ways that are innovative and push the envelope of city activities. The four page memo is the narrative for the budget. Major points are:

- Use of BT proceeds
- Funding of \$20,000 for NPAs
- Continuation of being above the unassigned fund balance target number
- Fourth year of enhanced infrastructure investments (Champlain Parkway, airport, sustainable infrastructure, clean water resiliency)
- Continued social services investments in youth and seniors (ELI, warming shelter, senior center, housing trust fund)
- New investments in CEDO (Assistant Director, use of BCDC funds)

Councilor Pine asked about funding for sidewalk plows. Mayor Weinberger said the plows are not yet funded in the budget, but the city has until July to place the order for the plows so there can be further discussion. Councilor Pine urged researching whether there are other ways to finance the plows so future taxpayers can share this long term investment.

Councilor Bushor said the Board of Finance should have a discussion on the information needed before deciding on the use of proceeds from BT so an informed decision is made. Options beyond BT funds for sidewalk plows should be evaluated. Regarding the fee for service, a value is needed under "I" in the fee schedule. CAO Anderson will investigate the matter.

Council President Wright echoed the need for additional information from Schurz in order to make an informed decision on use of the BT proceeds. City Attorney Blackwood said the city has contact with a number of people who can serve as experts. If the city wants to invest then the legal team will have to negotiate with Schurz. Mayor Weinberger noted the city has until March 2020 to make a full decision. It is hoped in the next three weeks to receive an update from Schurz on their capital investments.

Councilor Pine said City Council should have a full discussion on the budget before the vote on adoption.

MOTION by Councilor Paul, SECOND by Councilor Bushor, to recommend City Council adopt the resolution on the annual appropriation and budget for fiscal year beginning July 1, 2019 excluding the IT Department. VOTING: unanimous; motion carried.

4.03 Annual Appropriation and Budget for Innovation and Technology Department for Fiscal Year beginning July 1, 2019 – Mayor's Recommended Budget



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MOTION by Councilor Paul, SECOND by Councilor Bushor, to recommend City Council adopt the resolution on the annual appropriation and budget for the Innovation and Technology Department for fiscal year beginning July 1, 2019.

DISCUSSION:

- **Councilor Bushor mentioned finding the source of the funds was difficult and urged including the chart showing the proposed use of the unassigned fund balance.**

VOTING: unanimous; motion carried.

4.04 Annual Tax Assessments on the Property Grand List of the City for Fiscal Year beginning July 1, 2019 – Mayor's Recommended Budget

CAO Anderson said some changes include:

- The pilot payment from Cathedral Square ending this year so there will be a tax payment.
- Commercial taxes are updated.
- Local agreement tax rate went down.
- Grand list is recast.
- Retirement tax went down.
- GMT rate decreased.
- Taxpayers will see a decrease in the tax rate.

MOTION by Councilor Paul, SECOND by Councilor Bushor, to recommend City Council adopt the resolution on the annual tax assessments on the property Grand List of the city for fiscal year beginning July 1, 2019. VOTING: unanimous; motion carried.

4.05 Investment of unassigned Fund Balance to Improve City Services and Drive Operational Efficiencies – Mayor's Recommended Budget

Councilor Bushor mentioned not recalling adding money for sidewalks or paving. Mayor Weinberger said there was discussions at one of the four budget meetings and when DPW production levels were discussed. Councilor Bushor asked what the unassigned fund balance would be if all the items were funded. CAO Anderson said staff is projecting \$10.6 million less \$2.3 million or 13.6%. Use of the fund balance is \$1.1 million in the FY20 budget and \$1.2 million as shown in the resolution.

MOTION by Councilor Bushor, SECOND by Council President Wright, to recommend City Council adopt the resolution on investment of unassigned fund balance to improve city services and drive operational efficiencies. VOTING: unanimous; motion carried.

4.06 Public Improvement Bonds for Fiscal Year 2020 – Mayor's Recommended Budget



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MOTION by Councilor Bushor, SECOND by Councilor Paul, to recommend City Council adopt the resolution authorizing the public improvement bonds for FY2020. VOTING: unanimous; motion carried.

4.07 Grant Anticipation Notes for Airport Improvement Projects FY2020 – Mayor’s Recommended Budget

MOTION by Councilor Bushor, SECOND by Councilor Paul, to recommend City Council adopt the resolution on the issuance on grant anticipation notes for the costs of certain airport improvement projects for FY2020.

DISCUSSION:

- Councilor Bushor explained the airport is getting a loan to bridge over until grant money is received for the improvement projects at the airport.

VOTING: unanimous; motion carried.

4.08 Bond Anticipation Notes for Capital Public Improvement Infrastructure per the November 8, 2016 Authorization – C/T

Councilor Bushor asked for an update on the spending of the \$27.5 million bond. DFO Goodwin explained all has been drawn down except \$10.9 million and \$4.1 million will be used for a bond anticipation note. CAO Anderson said the borrowing is short term.

MOTION by Councilor Bushor, SEOCND by Councilor Pine, to recommend City Council adopt the resolution authorizing the bond anticipation notes for capital public improvement infrastructure per the November 8, 2018 authorization. VOTING: unanimous; motion carried.

4.09 Grant Anticipation Note for Champlain Parkway – DPW, C/T

MOTION by Councilor Paul, SECOND by Councilor Bushor, to recommend City Council adopt the proposed resolution authorizing the grant anticipation note for the Champlain Parkway.

DISCUSSION:

- Councilor Bushor said the hope is to get \$8 million to bridge \$7 million. DFO Goodwin confirmed this.

VOTING: unanimous; motion carried.

5.0 COMMUNICATION

5.01 May Sweep Report - C/T

DFO Goodwin reported per the May Sweep Report the cash balance is \$31.6 million, the interfund loan balance year-to-date is \$674,807, the Retirement Fund owes the General Fund and the General Fund will be paid in full as of June 30, 2019.





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Councilor Pine asked about the earnings on the sweep accounts. DFO Goodwin answered 70 basis points. A statement of performance on investments will be forthcoming in the next three weeks. The new investment policy will grow the balance for FY20 and significantly more than 70 basis points will be received on the dollars.

6.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:39 PM.

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