



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

BURLINGTON BOARD OF FINANCE

CITY HALL

BURLINGTON, VERMONT

MINUTES OF MEETING

June 12, 2017

MEMBERS PRESENT: Mayor Miro Weinberger

Jane Knodell

Sharon Bushor

Karen Paul

Kurt Wright [arrived 6:07 PM]

OTHERS PRESENT: Bob Rusten, CAO

Rich Goodwin, DFO

Eileen Blackwood, City Attorney

Susan Leonard, HR

Chapin Spencer, DPW

Martha Keenan, DPW

Jesse Bridges, Parks & Rec

David White, Planning & Zoning

Adam Roof, City Councilor

Morgan True, VTDigger

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the meeting to order at 6:05 PM on June 12, 2017.



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1.01 Agenda

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

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 APPROVE AND RECOMMEND TO CITY COUNCIL

3.01 Annual Appropriation and Budget for FY18 beginning July 1, 2017

3.02 Annual Tax Assessments on Property Grand List for FY18 beginning July 1, 2017

Mayor Weinberger said the proposed budget represents the work done together for the past five years on pension reform, health care costs, building fund balance, repairing the city's credit rating, and being fiscally responsible and keeping the tax rate under control.

CAO Rusten reviewed changes to the budget since the last meeting including increasing the amount given to Howard Center Outreach by \$12,500 for a total of \$77,500 and reducing by \$12,500 the amount to Church Street Marketplace and putting the money in capital reserves. In response to helping the senior centers and food shelf, the amount in the General Fund contingency was increased to \$65,000 to cover a plan for use when one is developed and approved by City Council.

MOTION by Councilor Paul, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the annual appropriation and budget and annual tax assessments on the property grand list for the fiscal year beginning on July 1, 2017 (FY18 budget).

DISCUSSION:

- Councilor Bushor mentioned the following:
- Spending the money to better serve the community and reaching out for input from the community on how to best spend the money for seniors or for access to food is good.
- The amount of money in the budget to manage the Retirement Fund seems high.
- The amount of money the community has to spend on water and waste water rates is a concern. Investments are needed, but costs are escalating.
- Keeping the rates for parking high may not attract people to the downtown during the changes with the new development.
- Forty seven employee positions have been added since FY11 which seems like a lot.
- The format of the budget allows details to be pulled out and provides opportunity to say where discussion is needed.
- CAO Rusten explained the money for the Retirement Fund is \$700,000. The city was paying \$800,000 in fees,



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but now the fee for the index fund is \$200,000 and the fee for the real estate fund is \$200,000 for a total of \$400,000 in management fees.

- Councilor Paul mentioned the money the city spends indirectly and directly related to children to the sum of \$1.4 million and the discussion of PILOT funds. Councilor Paul requested on a quarterly basis the Board of Finance be updated on PILOT funds similar to the sweep account report and to have a short written narrative on conversations with the school district beginning July 1st.
- Mayor Weinberger said it will not take many quarterly reports to see where the money is going with the budget. The Early Learning Initiative and summer programming have been discussed.
- Councilor Knodell urged having discussion on the projected FY19 and FY20 budgets to ensure the budgets are manageable in the out years.
- CAO Rusten said total expenses not including pass through money for FY19 is \$62 million based on 1% cost of living adjustment, 4% general budget increase, and 11% health insurance. Revenue is \$61 million. The deficit is \$661,000 plus the estimated increases of \$55,000 for one and a half police officer positions and \$172,000 for permit reform staff if fully implemented under the recommendation. Increasing the cost of living adjustment by an additional 1% for each 1% will add \$325,000. The same estimates were used for FY20. The estimated deficit is \$1.5 million in FY20 and \$255,000 for permit reform staffing.
- Councilor Knodell pointed out savings and ways to increase revenues are found each year. The budget for the city maintains and enhances public services particularly in public safety without increase in the general city tax rate or any of the dedicated tax rates which is a significant accomplishment. There is support in the Central District to find a way to fund foot patrols, but this level of service cannot be sustained without some additional, ongoing funding. The foot patrols have made a huge difference in the quality of life for people in the Central District and downtown. Other good items in the budget include the Early Learning Initiative and funding for the street outreach program.
- Councilor Wright echoed support for the budget and also noted concern for affordability, water rates, parking rates, and growth in government. Councilor Wright urged continuing to concentrate in future years on the tax situation and affordability.
- Mayor Weinberger said the state and federal budgets are dependent on income taxes and sales and gross receipt taxes which tend to increase with inflation. Local government has as the main revenue source the property tax which does not increase with inflation. Property taxes increase if there is growth in the grand list which makes it a challenge to respond to increasing costs. The city has had three consecutive fiscal years with a .2% tax increase because of the work to change the direction of the Retirement Fund and work in other areas as well. Employee positions have been added, but not all were increases in governmental cost. Nearly 2/3 of the three additional firefighter positions are paid by the savings in overtime.

There were no further comments.

VOTING: unanimous; motion carried.

3.03 Authorization for Public Improvement Bonds for FY18

MOTION by Councilor Bushor, SECOND by Councilor Wright, to approve and recommend to City Council for approval the authorization for public improvement bonds for FY18. VOTING: unanimous; motion carried.

3.04 Issuance of Grant Anticipation Notes for Airport Improvement Projects for FY18

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



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the issuance of grant anticipation notes for the costs of certain airport improvements projects for FY18. VOTING: unanimous; motion carried.

4.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:35 PM.

RScty: MERiordan