Board of Finance - Monday, June 6, 2016 at 5:00 p.m. Conference Room 12, City Hall
6/6/2016

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 6, 2016

DRAFT

MEMBERS PRESENT: Mayor Miro Weinberger

Jane Knodell

Karen Paul

Sharon Bushor

Kurt Wright

OTHERS PRESENT: Bob Rusten, CAO

Rich Goodwin, ACAO

Eileen Blackwood, City Attorney

Richard Haesler, Assistant City Attorney

Brian Lowe, Mayor's Office

Susan Leonard, HR

Ben Pacy, HR

Chapin Spencer, DPW

Martha Keenan, DPW

Pat Cashman, DPW

Marie Friedman, Airport

Steve Locke, Fire Chief

Marcie Krumbine, CEDO

Kirsten Merriman Shapiro, CEDO

Beth Anderson, CIO

Jesse Bridges, Parks & Rec

Jeremy Patrie, Burlington Telecom

Sara Giannoni, City Councilor

Max Tracy, City Councilor

Ken Braverman, consultant

Jack Wallace, marina

Joel Banner, Burlington Free Press

[Note: Minutes are in the order of the published agenda.]

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 5:07 PM on June 6, 2016.

1.01 Agenda

MOTION Councilor Knodell, SECOND by Councilor Paul, to approve the agenda with the amendment to advance Item 4.03 (Dept. of Corrections Grant) to following Item 3.0 (Minutes). VOTING: unanimous; motion carried.

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 APPROVAL OF BOARD OF FINANCE MINUTES

3.01 May 9, 2016

3.02 May 23, 2106

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve the minutes of May 9, 2016 with correction to Item #4, paragraph beginning "Councilor Bushor…" to note that no changes will be made because the information was not available, and to approve the minutes of May 23, 2016 with the deletion of "and consultants"

in the invitees to Executive Session.

DISCUSSION: Councilor Paul asked that there be uniformity in the way people are identified in the minutes. There were no further comments.

VOTING: unanimous; motion carried.

4.0 APPROVE AND RECOMMEND TO CITY COUNCIL

4.01 Reclassify/Title Change Network Operations Technician Position

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval reclassification and a title change for the Network Operations Technician position. VOTING: unanimous; motion carried.

4.02 Set Common Area Fee for FY17

MOTION by Councilor Bushor, SECOND by Councilor Paul, to approve and recommend to City Council for approval the FY17 Common Area Fee. VOTING: unanimous; motion carried.

4.03 Amend Department of Corrections Grant

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval amendment of the grant between the City of Burlington and Department of Corrections. VOTING: unanimous; motion carried.

4.04 Increase FY16 Airfield Cost Center Capital Expenditures Budget and Decrease Terminal Cost Center Capital Expenditures Budget

MOTION by Councilor Paul, SECOND by Councilor Knodell, to approve and recommend to City Council for approval an increase in the FY16 Airfield Cost Center Capital Expenditures Budget and decrease the Terminal Cost Center Capital Expenditures Budget. VOTING: unanimous; motion carried.

4.05 Execute Contract for Bike Path Rehab Phase 1b Construction, Budget Adjustments, and Inter-fund Transfers

MOTION by Councilor Wright, SECOND by Councilor Paul, to approve and recommend to City Council for approval the contract for the bike path rehab phase 1b construction, budget adjustments, and inter-fund transfers.

DISCUSSION: Councilor Knodell commented positively on the bike path, noting the project is part of the 10-year Capital Plan. Mayor Weinberger said the section being built uses the remaining voter approved TIF dollars and some FY16 capital. Jesse Bridges added the funding is the last of the voter approved TIF vote for 2012 for bike path improvements. There were no further comments.

VOTING: unanimous; motion carried.

4.06 Discuss Councilor Knodell and Councilor Wright Budget Memo

Councilor Knodell explained the memo asks questions and potentially amends the Mayor's recommended budget. It was hoped there would be written responses to the questions for review. Mayor Weinberger pointed out on the question about the data person there is a written response. It was thought the memo was for discussion at the meeting.

MOTION by Councilor Wright, SECOND by Councilor Knodell, to postpone action until written responses have been received and reviewed, then discussion can be held.

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

- **Bob Rusten suggested one option would be to go through the questions and make a determination whether to postpone until written information is received.**
- **Councilor Paul stated not discussing the budget now could put the Board of Finance behind. City Council is discussing the budget on 6/13/16. There does not appear to be any harm in having some level of conversation.**
- **Councilor Wright said there has been some level of discussion of the Traffic Fund, tax policy, and a number of other items. The board would be better prepared and it is good policy to have information to digest before going forward.**
- **Councilor Bushor suggested having a Board of Finance meeting on 6/13/16. There were many verbal comments made during the budget presentation. There was comment on the direction the city is going to fund garage needs and the extended hours and cost of parking. How much money generated from 6 PM to 10 PM was to be looked at and the information presented, but the information is not present. According to Chapin Spencer this information has been collected and there would be an adjustment in the hours of operation. There was also a statement made that there would be some reduction in costs of some parking meters and an increase in other areas. It is not understood what is proposed and the budget is built on that revenue so the amount needs to be known. Fully understanding the issue is important before voting on the budget.**
- **Mayor Weinberger stated individual staff members have been assembled in an attempt to be responsive to the memo and have discussion. There could be initial discussion and perhaps narrow the list of what needs follow up. Discussion should be held because it is not easy to gather all the key individuals together.**
- **Councilor Wright said there is a frustration level because the board asked for information about the Traffic Fund and Sunday parking with nighttime parking, and now this is the last budget meeting and the information is not provided. It is important for the board to have written information to digest before having conversation. Going forward before voting on the budget there should be a narrative to the budget, a synopsis, which can be read and understood well ahead of time.**
- **Councilor Knodell suggested there could be productive discussion on the new positions because there is written material and expertise in the room. Questions about reserve funds and fund balance policy need written material, not verbally assimilating the numbers.**
- **Mayor Weinberger said the Administration did responses in writing to some items. Some of the questions asked are not in any way addressed by the budget, but are items for future decision by City Council. Discussion should continue with the expectation some items cannot be resolved at this time.**

AMENDMENT by Councilor Wright, SECOND by Councilor Knodell, to discuss new positions, the Traffic Fund, and

reserve funds now and discuss the remainder of the items at the Board of Finance meetng on 6/13/16.

VOTING ON AMENDED MOTION: unanimous; motion carried.

NEW POSITIONS

Bob Rusten discussed new positions in the budget, noting the following:

- The new positions are either covered by the General Fund and/or the 10-year Capital Plan.
- Burlington Telecom has some new positions that are unidentified and nonspecific.
- Parks & Rec has two maintenance positions. Estimated FY17 salary to be $50,000, but the positions will not start until January so the cost is $25,000 each paid out of the FY17 Capital Budget.
- The new Deputy Fire Chief for administration will have a yearly salary of $94,000. The position will not start until January because someone is being promoted to the position. Actual cost would be less than half of $94,000 borne by the General Fund.
- The new Police Trainer position will have an estimated salary of $50,000, but will not start until January so the cost is $25,000. Currently, a sworn officer is doing the training. Bringing in a non-sworn officer for the training will free up the sworn officer to do on-street work. The cost of the position is borne by the General Fund.
- Public Work Associate Planner position will help with all the work planned for FY17 related to engineering. Estimated salary is $57,000. The position would start in August so the cost paid by the General Fund would be $53,000.
- Administrative Assistant position for engineering will have a $47,000 annualized salary. The position would start in September so the salary would be $40,000 with 65% paid from non-General Fund sources. The purpose of the position is to free up engineering work. Engineers are currently doing administrative work (copying, filing, and such). The new position will have someone do the tasks at a much lower salary and free up engineering time to work on projects.
- The library has two positions in the computer assistance center starting in July, one full time with a salary of $39,000 and one part-time with a salary of $19,500. Both positions are paid by the General Fund.
- Information Technology Network Administrator position with a salary of $75,000 paid through the General Fund will start in September so the salary for FY17 will be $65,000.
- Data Analyst position to help support the city statistics program has a salary of $62,000. The position will work with the departments creating and providing data to be analyzed to see how the departments are meeting goals and to become more efficient and effective. The position will start in September so the salary will be $40,000 paid through the General Fund.
- Taxi Enforcement position is 24 hours/week starting in July/August with a salary of $30,000 paid by taxi fees.
- Citywide Risk Manager position has a salary of $84,000 paid through the General Fund. The position supports departmental efforts and creates a citywide project related to risk management. The position begins in September so the salary for FY17 is $70,000. The position will pay for itself over a period of time in terms of dealing with workers compensation costs and VOSHA.
- Architect position is in the 10-year Capital Plan for 20 hours/week at a salary of $41,000. The position will start in September so the salary is $35,000 paid by the Capital Plan. The position will assist projects to ensure the most efficiency and effectiveness.
- Most of the positions identified are limited service or part-time positions. The Deputy Fire Chief and Network Administrator positions are regular positions. The impact of the positions is in the context of reducing costs or increasing efficiency or service/quality to the public.

Councilor Bushor asked the number of positions currently supported in the city year to year, noting sometimes a position is created because another has been eliminated so there is not necessarily an addition to the total number in a department. Bob Rusten replied the number is slowly increasing. There are approximately 415 existing full time positions. Less than 10 positions per year have been added in the last couple of years. Staffing was cut a number of years ago. Also, there are new responsibilities. With most of the positions the outcome is the position will pay for itself or create more customer satisfaction. The outcome will be looked at with new positions. Councilor Bushor expressed concern about adding positions only to take them away from a department. The Risk Manager position resonates because the city should have a risk manager. There is rationale for all the positions proposed, but some resonate more than others. Councilor Bushor also expressed concern about the Taxi Enforcement position paid by new taxi fees when taxicab companies told City Council they were being priced out of existence. Further conversation should be held in the future. Mayor Weinberger said a vehicle-for-hire fee schedule will be discussed soon. A proposal will be brought forth on how to pay for enforcement.

Councilor Knodell asked about the fringe rate. Bob Rusten said the full fringe rate for non-limited service positions is 54%. Limited service non-retirement position fringe rate is 40%. In most cases the fringe is not included because the positions are not yet approved. In terms of health insurance there are limited fixed costs. The costs added into FY17 for some of the benefits were not specified. Those will be added into FY18 if the positions actually stay in. One of the big costs is retirement and in many cases this does not apply. With attrition when someone leaves and the city is no longer paying their social security this will easily cover the cost of someone coming in where social security is not budgeted. The figures given are for figures currently in the FY17 budget. Councilor Knodell confirmed some expense is anticipated in FY18. Bob Rusten said the projections provided are for three years (FY17, FY18, FY19) and included estimation of added costs for FY18 and FY19. Councilor Knodell observed staff informed the board of deficits projected for FY18 and FY19 and yet positions are knowingly being added with some significant compensation expense. Councilor Knodell asked the plan to address the future deficit. Mayor Weinberger said the data person will have a significant role in lean management techniques. The position will help with the deficit in FY18 and FY19 similar to the Central Purchasing position that is paying for itself. Staff sees the positions as an investment that should reduce future costs, similar to the investments in BED that brought down the head count and saw significant savings. The Risk Manager position is necessary because there is real exposure to the city not managing its risks properly. It is anticipated the position will help reduce claims.

Mayor Weinberger stated significant new investment and expense not covered by the General Fund is in the Police Department. The draft budget shows $1.6 million in spending that was not there before. Bob Rusten clarified from FY15 to FY17, police revenue to expenses is up $1.6 million. Mayor Weinberger stated FY18 & 19 budget assumes greater than inflation investments in the Police Department because of the opiate crisis and mental health challenges which are not going away. The investment will lead to cost savings in future years. The Administration is committed to meeting the residents' expectations with community based policing and that is why the investments are being made (body cameras, strategy to reallocate resources so more officers are on the street patrolling rather than in cars or behind desks, creation of a Community Service Officer and Domestic Violence Specialist position critical to the community policing directive). The bike patrol is part of community policing. Initial public response to the initiatives has been extremely positive. The impact the changes are having is exciting. Adjustments will be made based on input heard before submitting to City Council, but there will not be changes to the commitment to 21st Century policing and community policing. The trend of reducing the number of officers has already changed. The department is at 100 sworn officers and will budget to maintain there. Increase in officers is possible in future years after assessing the success of the initiative. Another change in policy is applying for federal grants for up to a 5% increase in the size of the department. The grants will pay up to 75% of the cost for three years so there is a way to enlarge the police force with help from the Federal Government for a period of time while the city builds a structural budget that keeps pace.

Bob Rusten stated the General Fund three year projection presented last year showed FY17 in a deficit. It takes many months to come back with the new year budget. Also, it was identified in the expense lines that 60% are either over budget or reduced. The board has to be aware of long term implications, but also has to see that the budget gets the city to where it wants to go and if the positions help achieve the goals. That is why departments were asked to identify new positions requested and the outcomes.

Councilor Wright commented it is important for the board to ask questions and be sure of the reasons for each of the new positions. When there was a General Fund increase and new positions added most of the positions paid for themselves. Bob Rusten said there were not many new positions in FY15. One was Central Purchaser. Information was provided on the position last year. Mayor Weinberger said information can be pulled together on the positions. The budget shows no property tax increase for the second consecutive year and some real savings have been realized. Councilor Wright said he is not unhappy with the additional spending for the police budget. The department is facing huge issues for the city and neighborhoods with opiate issues, old north end issues. It has been said Chief del Pozo needs 115 officers and how to arrive at that when growing the budget in other ways has to be determined. Mayor Weinberger said the Administration is working on many fronts to change and improve policing and that will continue. The budget memo will reiterate the commitment in writing.

TRAFFIC FUND

Chapin Spencer, DPW Director, and Pat Cashman, DPW Assistant Director, explained in FY17 the Traffic Fund has no dependencies for increased revenue or projected changes to rates for the on-street parking system or in the off street system. The projected FY17 budget is based on keeping the rates as they exist today. There are very real needs in the garages. The garages have operated in a program of two hours of free parking where 2/3 of the users have paid nothing and the garages have been in a net deficit operation, but now need over $9 million of care to stay open. The garages present a real risk to the public and to the city should they not have the capital infusion that engineering has been saying is needed. Mayor Weinberger said there will be more discussion in the future about Traffic Fund related items.

Councilor Wright said there is no rate increase in FY17 so there is no additional money for Sunday parking. Sunday parking was not part of the parking plan and will not be included without discussion and a vote by City Council. Chapin Spencer assured he is aware further conversation is required with City Council. City Council and the Administration can determine who has authority, but the DPW Commission ultimately authorizes rate increases. A rate increase is not being brought forward until there is more robust conversation with City Council. Mayor Weinberger said there are decisions that are reserved per the charter for the DPW Commission. Councilor Wright reiterated there was a vote and Sunday parking was intentionally left out and should not be brought in another way. This underscores the need for the Charter Change Committee to clear up jurisdiction. Councilor Knodell said Attorney Blackwood pointed out City Council has authority to appropriate from the Traffic Fund, not the DPW Commission. Mayor Weinberger said theoretically the way the charter works funds could be collected and not expended, but it is hoped to find a way to avoid that kind of disconnect between governing bodies.

Councilor Bushor said a shift in hours was proposed, but the budget does not reflect a change in collection of revenue from 9 PM to 10 PM. Chapin Spencer said the budget comes forward with existing regulations. With the data collected a recommendation will be brought to the city for changes in the future. The data appear to indicate at this point to move enforcement later in the morning and constrained in the evening. Councilor Bushor asked how much revenue is generated between 6 PM and 10 PM. Chapin Spencer said the research has been done and the information will be provided in writing. The simple answer is about one third of total revenue in the downtown core, not the total revenue for the Traffic Fund in general, comes in between 6 PM and 10 PM. Delayed enforcement is only in the 3x3 block of the core of downtown.

RESERVE FUND/CARRY OVER

Bob Rusten pointed out the document is on the FY17 budget resolution that identifies carry forward money, transfer from committed funds, and what the money will be used for. There will be written material at the 6/13/16 Board of Finance meeting in response to the Councilor Knodell and Councilor Wright budget memo. There will also be a budget narrative on the Mayor's budget.

4.07 Recommend Proposals for FY17 City Council Initiatives

MOTION by Councilor Knodell, SECOND by Councilor Wright, to approve and recommend to City Council the proposals for FY17 City Council initiatives.

<u>DISCUSSION</u>: Bob Rusten explained the request for a sole source bid for murals. Councilor Tracy said Burlington artists, Mary Lacy and Sloan Collins, were already doing a mural and seeking additional funding sources.

FRIENDLY AMENDMENT by Councilor Knodell to approve the sole source bid.

<u>DISCUSSION ON AMENDMENT</u>: Councilor Bushor asked if remaining funds for the current fiscal year are available for other City Council initiatives. Bob Rusten said there is $50,000 in the account for City Council initiatives. The money will stay unless used for an initiative or until the May 25th deadline and then there could be a budget amendment and the money moved elsewhere. Councilor Wright thanked the other city councilors for the proposals for the old north end and North Avenue Co-op. There were no further comments.

VOTING ON AMENDED MOTION: unanimous; motion carried.

4.08 Recommend FY17 Budget Resolutions

No action.

5.0 DISCUSSION

5.01 Development Agreement and Lease Terms for Northern Waterfront Marina

Mayor Weinberger advised the waterfront marina agreement should be discussed in Executive Session. Jack Wallace with Burlington Harbor Marine, Ken Braverman, consultant, Mayor's Office staff including legal counsel and the CAO should attend.

6.0 EXECUTIVE SESSION

6.01 Development Agreement and Lease Terms for Northern Waterfront Marina

MOTION by Councilor Knodell, SECOND by Counselor Bushor, to find that public discussion of contract negotiations would place the city at a disadvantage. VOTING: unanimous; motion carried.

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to find that information that is proprietary and confidential under the Public Records Law and public discussion of the information would place the city at a disadvantage. VOTING: unanimous; motion carried.

MOTION by Councilor Knodell, SECOND by Councilor Bushor, based on the findings relative to premature disclosure placing the city at a disadvantage to go into two sequential Executive Sessions to discuss contract negotiations, and for the first session to invite Jack Wallace, Ken Braverman, members of the Mayor's Administration, members of City Council in attendance, and for the second session to invite the same parties excluding Jack Wallace. VOTING: unanimous; motion carried.

Executive Session was convened at 6:15 PM.

MOTION by Councilor Knodell, SECOND by Councilor, to adjourn Executive Session. VOTING: unanimous; motion carried.

Executive Session was adjourned at 6:55 PM.

7.0 APPROVE/RECOMMEND TO CITY COUNCIL

7.01 Development Agreement and Lease Terms for Northern Waterfront Marina

8.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:55 PM.

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