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

BURLINGTON BOARD OF FINANCE

CITY HALL

BURLINGTON, VERMONT

MINUTES OF MEETING

June 5, 2017

MEMBERS PRESENT: Mayor Miro Weinberger [arrived 5:19 PM]

Jane Knodell

Sharon Bushor

Karen Paul [arrived 5:13 PM]

Kurt Wright

OTHERS PRESENT: Bob Rusten, CAO

Brian Lowe, Mayor's Office [arrived 5:09 PM]

Katie Vane, Mayor's Office

Eileen Blackwood, City Attorney

Beth Anderson, IT

Gene Richards, Airport

Nic Longo, Airport

Amanda Clayton, Airport

Laura Wheelock, DPW

Martha Keenan, DPW

Chapin Spencer, DPW

Megan Moir, DPW

Jesse Bridges, Parks & Rec

Noelle Mackay, CEDO

[Note: Minutes reflect the order of the published agenda.]

1.0 CALL TO ORDER and AGENDA

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

1.01 Agenda

MOTION by Councilor Knodell, SECOND by Councilor Wright, to approve the agenda as presented. VOTING: unanimous; motion carried.

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 MINUTES

3.01 May 1, 2017

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve the May 1, 2017 minutes as presented. VOTING: unanimous; motion carried.

Councilor Bushor mentioned the summary conclusion on the details of the interest rates and terms for the water system revenue bonds and what this mean to the city has not yet been received from staff.

3.02 May 8, 2017

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve the May 8, 2017 minutes with clarification the discussion of the master lease purchase agreement (Item 5.09) was that the change in financing was from five to seven years. VOTING: unanimous; motion carried.

3.03 May 15, 2017

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve the May 15, 2017 minutes as written. VOTING: unanimous; motion carried.

4.0 BOARD OF FINANCE APPROVAL

4.01 Contract with Sealcoating, Inc. for FY18 Street Reconstruction/Pavement Preservation - DPW

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to authorize the execution of the contract with Sealcoating, Inc. for the FY18 street reconstruction/pavement preservation project.

DISCUSSION:

- **There was explanation of the city having the choice to use a different material. The original bid was for material the state uses. The alternative allows the city to see which material is the most advantageous and completes the most miles.**
- **There was explanation of repairing cracks in areas most recently paved to preserve the paving. Cracks are the first type of deterioration.**

VOTING: unanimous; motion carried.

5.0 APPROVE AND RECOMMEND TO CITY COUNCIL

5.01 Award Contract to Staff Sterling Management, LLC for Sidewalk/Curb Reconstruction Program Inspection Services - DPW

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the contract with Staff Sterling Management, LLC for the sidewalk and curb reconstruction program inspection services. VOTING: unanimous; motion carried.

5.02 Award Construction Contract to S.D. Ireland Brothers Corp. for Sidewalk/Curbs Reconstruction Program – DPW

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the construction contract with S.D. Ireland Brothers Corp. for sidewalk and curb reconstruction program.

DISCUSSION: Councilor Bushor said Jared Wood contacted her to express disappointment Mansfield Avenue is not on the list.

VOTING: unanimous; motion carried.

5.03 Retroactively Execute Contract Amendment for the Pease Lot Porous Asphalt Project - DPW

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the retroactive approval of the contract amendment for the Pease Lot porous asphalt project. VOTING: unanimous; motion carried.

5.04 Award Contract to Palmieri Roofing for Water Plan and Wastewater Plants – DPW

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approve the contract with Palmieri Roofing for roof replacement at the Water Plan and the Wastewater Plants. VOTING: unanimous; motion carried.

5.05 Bike Path Rehabilitation Phase 2 Contract Approvals – Parks & Rec

MOTION by Councilor Wright, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the bike path rehabilitation phase 2 contract approvals.

DISCUSSION:

- **Councilor Wright asked where phase 2 work is located. Parks & Rec Director, Jesse Bridges, said space was left where the new bridge will go (100 yards north of the crossing). The bridge design is in this year's capital budget with construction slated for next year.**
- **Councilor Wright asked when the widening and paving of the bike path past North Beach will be done. Parks & Rec Director Bridges said the work starts immediately.**
- **Councilor Wright asked about the "pause places". Parks & Rec Director Bridges said the money has been raised and it is hoped construction can be done next construction season. The spaces are not fully designed yet.**
- **Councilor Knodell asked about the first borrowing on the capital bond approved in November. CAO Rusten said the capital bond was $8 million and $5 million was issued. The city will go out in the fall for the remainder.**
- **Councilor Bushor asked about the $250,000 from capital expenditures. Parks & Rec Director Bridges said money from this fiscal year needed to be used. July 1 starts a new fiscal year. The city could benefit by going to multi-year capital budgeting.**
- **Councilor Wright asked if there is enough money in the capital budget to do the bike path to the bridge and beyond. CAO Rusten said $27.5 million was approved in the capital budget. Parks & Rec Director Bridges said the 10-year capital plan contemplated the entire bike path.**

VOTING: unanimous; motion carried.

5.06 Execute ArcGIS Contract – IT

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the ArcGIS contract. VOTING: unanimous; motion carried.

5.07 Accept FAA Grant for Taxiway Golf, Accept Contract with Pike Industries, Amend Contact with Stantec Consulting Services, and Execute New Contract with Stantec Consulting Services - Airport

MOTION by Councilor Wright, SECOND by Councilor Paul, to approve and recommend to City Council to accept the FAA grant for Taxiway Golf, accept the contract with Pike Industries, amend the contract with Stantec Consulting Services, and execute a new contract with Stantec Consulting Services.

DISCUSSION:

- **Councilor Bushor asked if any of the work is covered by PFCs. Amanda Clayton, Director of Engineering and Environmental Compliance, said the intention is to use PFCs.**

VOTING: unanimous; motion carried.

5.08 FAA Grant for Rehab of Airport Rotating Beacon – Airport

MOTION by Councilor Paul, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the FAA grant for rehabilitation of the airport rotating beacon. VOTING: unanimous; motion carried.

5.09 Execute Contract with Stantec Consulting Services, Inc. for Storm Water Permit Management Services – Airport

MOTION by Councilor Knodell, SECOND by Councilor Wright, to approve and recommend to City Council for approval the contract with Stantec Consulting Services, Inc. for annual storm water permit management services at the airport.

<u>DISCUSSION</u>: Councilor Bushor confirmed the City Attorney looked at the resolution and noted that the word "tentative" needs to be removed from Line 13 in the resolution.

VOTING: unanimous; motion carried.

5.10 Execute Amendment to AmeriCorps Formula Grant – CEDO

MOTION by Councilor Knodell, SECOND by Councilor Wright, to approve and recommend to City Council for approval the amendment to the AmeriCorps formula grant. VOTING: unanimous; motion carried.

5.11 Monthly Financials as of April 2017

CAO Rusten reported the city is on track to exceed the General Fund budgeted surplus for FY17. There are no issues with the special revenue or enterprise funds.

Councilor Knodell asked about the current projected surplus. CAO Rusten said there is no projected surplus other than the budgeted surplus. At 83% of the budget revenues are above and expenses are below. The books are not closed until the end of August so there are two more months before final figures are known. One factor is the health insurance funds (health, liability, workers comp).

5.12 Sweep Account Report as of April 2017

CAO Rusten reported $5 million in capital revenue was received. Councilor Paul mentioned the cash-on-hand of 81 days versus 34 days last year at this time. CAO Rusten agreed the city is better financially over last year, but there is not yet a trend.

5.13 Discuss FY18 Budget

CAO Rusten highlighted the following:

- An updated General Fund budget, debt analysis, and draft budget resolution is posted on BoardDocs.
- The surplus is $106,000 due to additional revenue found in Public Works.
- CEDO drawn on the General Fund is the expenditure for Early Learning Initiative (ELI). The PILOT section and non-departmental revenue part of the budget have been reduced by 10.75% ($500,000) and $500,000 has been put into the CEDO budget as PILOT revenue.
- On the revenue and expenditure sides $6,000 has been added in the Fire Dept. related to the fire station assessment.
- Fire Suppression and Emergency Medical Services have been combined into one budget because the personnel are the same.
- Central Facilities may be moved from DPW to Parks & Rec because Parks & Rec oversees the budget.
- COLA for non-union employees is proposed at 2.75%, employee contribution for health insurance is proposed at 4.79%, and the retirement trigger is proposed at 1.2%. Class A would be 11% plus 1.2%. Class B would be 4.2% plus 1.2%.
- Adjustment to pay for the Fire Chief is in the next budget resolution.
- There will be a proposal for the Early Learning Initiative where City Council will approve the actual expenditures for the program.
- PILOT amount is $1.4 million.

Councilor Paul asked if the $40,000 for the summer nutrition program is taxpayer funds. CAO Rusten confirmed this is the amount in the budget. Councilor Paul asked for an explanation of the opiate manager time. Mayor Weinberger explained the time allows prevention services to be expanded to children.

Councilor Bushor asked how much money the schools were getting prior to the change in PILOT, and if some of the initiatives, such as the Parks & Rec nutrition program, are already in place. CAO Rusten said the school district received $1.4 million. Mayor Weinberger said the investment is new in the last couple of years for scholarships, expanded programs, new positions. A councilor calculated the school paid $343,175 under PILOT and now the city pays this money plus $500,000 and the cost for two school resource officers. Councilor Wright asked if there have been consultations with the school board or the school administration on their ideas. Mayor Weinberger said there has been communication and discussions will continue. The city must be respectful of the Agency of Education agreement that PILOT money does not go to the school district.

There was mention of the list of costs incurred by the city ($1.4 million) on behalf of helping the children in an indirect way. Councilor Bushor noted the language barrier needs to be addressed with all the initiatives so people can be integrated into the community. Mayor Weinberger assured the city looks to invest in high quality programs to see the number of high quality childcare slots expanded particularly in the low income population. The state funding formula recognizes there are additional costs incurred by school districts with a high level of poverty and a high level of second language speakers and attempts to give an additional multiplier for allocating resources. An empirical case can be made to the state legislature because the programs are not being fully funded by the adjusted formula. Councilor Knodell observed the money could be spent any way the city wants, but the Administration is choosing to allocate to services that benefit children. Mayor Weinberger added this is in keeping with the spirit of the original charter language to fund youth related programs, but there is nothing binding the city to do this.

Mayor Weinberger asked if there are other budget changes that are wanted. Councilor Bushor said the money for the housing trust fund goes to non-profits which is good. The issue of hunger has not adequately been addressed though. The senior centers use their funding to provide lunches for senior on limited or fixed incomes. The funding could be increased by $20,000 for each of the two senior centers with money from the City Council funds from FY17 that have not been spent, and next year's budget could include an increase in this line item. Mayor Weinberger pointed out there was an increase from the CDBG contribution for expansion of the food shelf. The city is also taking on an expanded role with the Old North End Community Center summer meals and has increased funding to the Heineburg Senior Center. Councilor Paul said there should be a better method of determining what organizations receive money in order to allow for a more inclusive process. Mayor Weinberger noted Burlington benefits from programs and should make some investment in them. Councilor Wright said the issue is how best, most efficiently to spend taxpayer dollars for the best services for seniors in Burlington.

Councilor Knodell asked if the contingency and reserve funds in the FY17 budget have been used. CAO Rusten said the reserve funds of $250,000 for DPW have not been spent. Of the $100,000 in FY16 for permit reform $64,000 was spent and a certain amount has been identified in the FY18 budget for permit reform. The $200,000 in the FY17 budget for consultants was not used, but will be used in FY18. The Browns Court proceeds of $100,000 were to be used to fund total compensation, but were not used so it is proposed to use a portion in FY18 for the part-time position in the City Attorney's Office.

CAO Rusten said in response to a question on taxes that are changing, CCTA tax is going down, county tax is going up, debt service is going up. The tax increase is approximately one and a half cents. Mayor Weinberger added the general city rate is not changed and is below the tax rate ceiling.

Councilor Bushor asked how much was not carried over of the unspent funds overall. CAO Rusten said the unassigned fund balance of FY16 was $6.5 million. It is suggested $500,000 be used. There is $300,000 remaining in the committed FY16 fund balance and it is suggested $275,000 be used. The budget resolution identifies the FY16 anticipated surplus and uses, the FY17 anticipated surplus and uses, and the addition of $6,000 for the fire station assessment.

6.0 BOARD OF FINANCE DISCUSSION

6.01 Board of Finance Schedule

The Board of Finance reviewed and agreed to the meeting schedule as presented. The schedule will be posted online.

7.0 COMMUNICATION

7.01 Master Lease Equipment Purchase - DPW

No action taken.

8.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:10 PM.

RScty: MERiordan