



Board of Finance - Monday, June 3, 2019 at 5:00 p.m. Conference Room 12, City Hall 6/3/2019

BURLINGTON BOARD OF FINANCE

CITY HALL

BURLINGTON, VERMONT

MINUTES OF SPECIAL MEETING

June 3, 2019

APPROVED – 6/17/19

MEMBERS PRESENT: Mayor Miro Weinberger [arrived 5:07 PM]

Councilor Paul

Councilor Bushor

Council President Wright

Councilor Pine

OTHERS PRESENT: Beth Anderson, CAO

Rich Goodwin, DFO

Eileen Blackwood, City Attorney

Jordan Redell, Mayor's Office

Chapin Spencer, DPW

Gene Richards, Airport

Nic Longo, Airport

Marie Friedman, Airport

Shelby Losier, Airport

David White, CEDO

Kirsten Merriman Shapiro, CEDO

Gillian Nanton, CEDO

Adam Roof, city councilor



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1.0 CALL TO ORDER and AGENDA

Until the arrival of Mayor Weinberger, CAO Anderson facilitated the meeting and called to order at 5:05 PM on June 3, 2019.

1.01 Agenda

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

2.0 PUBLIC FORUM

James Lockridge thanked the Board for the NPA support and spoke of transparency and equity in support of the arts. Mr. Lockridge requested support of \$10,000 in funding which is the same amount BCA received in the early days, and urged support of Burlington's musical arts and Big Heavy World funding.

Mayor Weinberger arrived and assumed facilitation of the meeting.

3.0 MINUTES

3.01 April 15, 2019

3.02 April 29, 2019

3.03 May 13, 2019

MOTION by Councilor Bushor, SECOND by Council President Wright, to approve the minutes of 4/15/19, 4/29/19, and 5/13/19 as presented. VOTING: unanimous; motion carried.

3.04 May 20, 2019

Removed from agenda.

4.0 APPROVE AND RECOMMEND TO CITY COUNCIL

4.01 Airport Budget Amendment FY19 for Terminal Consolidation - Airport

Deputy Aviation Director Longo explained the budget neutral amendment for funding to connect the north and south concourses within the terminal and build a ramp to connect the ground floor to the upper floor to allow TSA to process through more passengers per hour. Presently, TSA can process 300 passengers per hour, but the volume of passengers is closer to 500 passengers.



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Councilor Paul asked if the construction is permanent. Aviation Director Richards said the doors and interior will remain with the new walkway, but the walkway will likely not be part of the next phase of improvements (\$20 million project) that include a new elevator, escalator, and stairs. Councilor Paul asked if TSA could have a dedicated line for pre-check. Aviation Director Richards said there will be a designated line. TSA resources will be better utilized. Both TSA locations will be open to process passengers. The next phase is complete consolidation.

MOTION by Councilor Paul, SECOND by Councilor Pine, to approve and recommend to City Council for approval the budget amendment to the FY19 Burlington International Airport budget for the Terminal Consolidation Project by increasing/decreasing the accounts as set forth in the memo from the Airport Administration. VOTING: unanimous; motion carried.

5.0 COMMUNICATION

5.01 CEDO FY20 Draft Budget

Mayor Weinberger said there are three needs for CEDO in order of priority:

- New Assistant Director for Community Works
- Use of flexible funding to give more flexibility to the department
- Additional Planning position

The list of items would be paid for in the first year with a UDAG loan to CEDO with a term of 20 years and a commitment to repay. Other revenue streams include money to CEDO from the sale of city-owned property by Bove's and the revenue sources from the work of the Community Works Department. In future budget years some costs of Planning will be allocated. Fees generated by Inspections exceed expenses, but now that the functions are separate a new structure must be determined.

Interim CEDO Director White explained the requested Planning position will be dedicated to planning to help support long range planning and ordinance development work. With the new department and ability to focus more broadly on the list of tasks now is the time for the new technical, policy position.

Mayor Weinberger noted the new CEDO Director will focus on mature operating programs, completing the strategic plan, reorganization of the department, and better engagement with external partners.

Councilor Pine stated the notion of CEDO as a department that generates new businesses and new housing developments as a revenue stream is an idea that has been around. Councilor Pine suggested considering taking revenue from the marina to support CEDO or service the debt from the UDAG loan. Interim CEDO Director White said future initiatives with development agreements will include some kind of revenue stream or compensation going forward.



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Councilor Bushor requested information on the UDAG loan such as the original date, the amount of the loan and how it is being paid back. Also, a meeting should be called with the President of BCDC and the BCDC attorney to discuss assets and the mechanisms for lending, repaying, and lending again. Mayor Weinberger said the city has \$2 million available to redeploy from the repaid UDAG loan. The loan was originally to help finance the parking garage and Key Bank facility. For the CEDO needs an internal loan to CEDO would be made with a 20-year term for repayment. The loan would be a cashflow dependent loan. CEDO revenues will be built up to pay for the new staff capacity that will be generating more revenue streams through projects and through BCDC revenue and new CEDO revenue. The additional revenue generated by entrepreneurial activity will pay back the UDAG loan so re-investment can be considered again. BCDC is a wholly owned subsidiary of the city so the city can choose to have the assets paid back to the city. Councilor Bushor requested the BCDC attorney explain the process and payback, and an explanation of expanded CEDO staff flexibility. Mayor Weinberger explained funding is 30% TIF and General Fund and the balance from federal grants so only 30% of staff time can go to flexible activity for the city. With a little more funding for the requested position there could be more focus on productive activities for the city. Councilor Bushor suggested trying the new model for the department for a while before adding the Associate Planner position. Interim CEDO Director White said the need for the position is based on workflow and workload. Staff is now focused on the development review process, not planning. Their expertise and time should be used for planning projects, community engagement, visualizations.

Council President Wright expressed concern about the affordability of living in Burlington and adding positions to city staff. More information on BCDC should be provided. Mayor Weinberger assured further documentation will be provided. Council President Wright asked if growth in the city is expected. Interim CEDO Director White said growing the tax base is a fundamental element of both departments. The city needs to invest resources and planning and community economic development work in order to grow the tax base. Mayor Weinberger added there is no doubt the city revenue is higher with CEDO projects (data are available to support this). A half million dollars of annual revenue to the city would not exist without CEDO behind it. There is incentive for the function within CEDO to find more revenue sources. Council President Wright suggested language be added to discontinue the position if results are not produced. Interim CEDO Director White explained freeing up the workload will allow economic development work to be done and support of existing businesses or helping businesses wanting to locate in Burlington.

Councilor Bushor said she sees more CEDO need than Planning need in the layout of the duties described. Planning is now proposed to take on many CEDO tasks. Interim CEDO Director White said the work that Planning does is policy, planning, and program creation versus the work CEDO does which is implementation and delivery of programs, not creation of individual projects. The new CEDO does not have the capacity to take on necessary policy and planning to underwrite the direction to implement. With closer collaboration and a working relationship between the two departments there can be an entire lifecycle of planning, policy creation and ultimate delivery coordination. Now an economic development strategy does not exist because CEDO does not have the flexibility or capacity to do the work. By bringing together the skill sets of Planning and CEDO the work can be developed and programs CEDO is known for can be advanced.

Councilor Paul spoke against taking money out of an existing budget, but requiring new revenue, and not spending more money if the revenue does not increase after three years as a result of the point of the funding.



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CAO Anderson said the staff memo lays out the numbers for the proceeds from the BT sale. Councilor Paul said there should have been conversation prior to this point and the full City Council should have the opportunity to discuss use of the proceeds. Councilor Bushor added decision on how much to invest and how much to hold should have been made collectively.

Councilor Bushor asked about the \$500,000 working capital returned to the General Fund. CAO Anderson said this has not yet been done. There was an outstanding payment to BT and that debt was rectified. Councilor Bushor said the contribution to the FY20 budget to avoid using new taxing authority can be dealt with using the fund balance. Mayor Weinberger said the \$1.5 million in BT closing proceeds could be shifted and still have the target 10% fund balance remaining.

Councilor Bushor asked about the alternate funding source for the sidewalk tractor. Mayor Weinberger said there will be a greater drawdown on the unassigned fund balance to cover the tractor.

Mayor Weinberger said staff will do what is proposed in the budget and City Council can make changes as decided. The taxpayers have been waiting a long time to see some direct benefit from the work that has been done to recover some of the BT proceeds. Immediately allocating some of the funds to areas with direct impact on the lives of Burlington residents makes sense. Councilor Pine added the full City Council and the public need to be part of the discussion.

6.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:04 PM.

RScty: MERiordan

