Board of Finance - Monday, May 23, 2016 at 5:00 p.m. Conference Room 12, City Hall
5/23/2016

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

May 23, 2016

APPROVED

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 [arrived 5:20 PM]

Richard Haesler, Assistant City Attorney

Brian Lowe, Mayor's Office [arrived 6:03 PM]

Susan Leonard, HR

Stephanie Reed, HR

Nicole Losch, DPW

Marcie Krumbine, CEDO

Todd Rawlings, CEDO

Gene Richards, Airport

Nic Longo, Airport

Adam Roof, City Councilor

Ken Braverman, consultant

Chuck Delaurier, marina

Jack Wallace, marina

Jeff Hodgson, marina

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the Board of Finance meeting to order at 5:03 PM on May 23, 2016.

1.01 Agenda

MOTION Sharon Bushor, SECOND by Kurt Wright, to approve the agenda as presented. 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 April 11, 2016

3.02 April 18, 2016

3.03 April 25, 2016

Bob Rusten noted the minutes are more expansive per the request of the Board. Kurt Wright said he was not able to reconstruct the additions to the April 11, 2016 minutes he had mentioned and therefore did not submit any changes.

MOTION by Sharon Bushor, SECOND by Kurt Wright, to approve the minutes of April 11, 2016, April 18, 2016, and April 25, 2016 as written.

<u>DISCUSSION</u>: Sharon Bushor observed the April 18, 2016 minutes indicate the meeting was ended before Executive Session was convened, but technically the end of the meeting follows Executive Session. There were no further comments.

VOTING: unanimous; motion carried.

4.0 APPROVE AND RECOMMEND TO CITY COUNCIL

4.01 Authorize FY16 Budget Amendment for AIP Projects at Airport

4.02 Accept Grant for Airport Terminal Apron Glycol System and Award Contract to S.D. Ireland

4.03 Accept Grant for Carrier Apron and Award Contract to S.D. Ireland

MOTION by Karen Paul, SECOND by Sharon Bushor, to approve and recommend to City Council for approval Items 4.01, 4.02, and 4.03 as follows:

1. **Item 4.01 - budget amendment for FY16 for AIP storm water improvement upgrades, AIP Taxiway Gulf reconstruction, and AIP air carrier apron rehab Phase 3;**
2. **Item 4.02 - grant to upgrade the terminal apron glycol treatment system and award construction contract to S.D. Ireland Brothers Corp.;**
3. **Item 4.03 - grant for air carrier apron reconstruction Phase 3 and award construction contract to S.D. Ireland Brothers Corp.**

VOTING: unanimous; motion carried.

4.04 Accept Grant to Purchase Properties under AIP-Land-2016 and Execute Contracts with O.R. Colan and Associates and Property Owners

MOTION by Karen Paul, SECOND by Jane Knodell, to approve and recommend to City Council to accept the grant to purchase properties under the AIP-Land-2016 program and execute contracts with O.R. Colan and Associates and the property owners.

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

- **Mayor Weinberger asked for a list of the properties purchased, properties being purchased, and properties that will be purchased. Gene Richards explained when the airport agreed to participate in the FAA program the commitment was to purchase all properties up to the old 65 DNL line. The airport does not have discretion as to which properties will be purchased. The airport is not interested in purchasing any more properties, but must complete the commitment under the program and purchase the properties up to the former DNL line. The new noise mitigation program involves insulating houses rather than removing them. There are approximately 900 houses in the program. A map showing the houses under the former program (removal of house) will be provided to the Board.**
- **Gene Richards said the old 65 DNL line can be used as the definition. The line has not moved and was used and agreed to when the airport signed into the program for the grant.**
- **Kurt Wright asked about the process to remove a house. Gene Richards explained the tear down is contracted out and all the material is removed from the site which is then turned into parklike condition. There are less than 40 houses remaining in the removal program.**
- **Sharon Bushor asked for the number of houses remaining in each category so there is an idea of when the program will end. Gene Richards promised a complete accounting of the houses removed, houses purchased for removal, and remaining houses to be purchased for removal. A map will also be provided. With submissions to the Board in the future the mathematical equation will be shown.**

There were no further comments.

VOTING: unanimous; motion carried.

4.05 Award Contract with The Jones Payne Group for Sound Insulation Design Work with Airport Project

MOTION by Kurt Wright, SECOND by Sharon Bushor, to approve and recommend to City Council for approval the contract with The Jones Payne Group for sound insulation design work at the airport.

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

- **Sharon Bushor asked if there is enough money to cover all the houses in the program. Nic Longo said the FAA earmarked funds for the capital improvement program knowing this is the largest region for the sound insulation program in New England. Gene Richards added the South Burlington project was elevated to the #1 program in New England by the FAA. The airport did what was asked and wants to be successful so any discretionary money or other dollars that are available will be sought. Once assessment of what can be done to the houses is complete the airport will be very aggressive in seeking the money for the work and signing people up on a first come, first served basis. The cost could be $100 million.**

There were no further comments.

VOTING: unanimous; motion carried.

4.06 Execute Five Year Contract with Resource Management, Inc.

MOTION by Sharon Bushor, SECOND by Karen Paul, to approve and recommend to City Council for approval execution of the five year contract with Resource Management, Inc. VOTING: unanimous; motion carried.

4.07 Authorize 2016 Action Plan for Housing & Community Development Resolution

Jane Knodell asked about language in the plan for the grant that was cancelled. Marcie Krumbine pointed out the information is under "Cancelled Projects 2015" (Page 39 of the plan). The money has not been reallocated in the 2016 plan. The memo requests an amendment to the 2014 plan and the 2015 plan. The amendment to the 2015 plan is to say the project has been cancelled and the funds ($42,570) will be allocated to the Citizen Participation Fund. Mayor Weinberger noted an advisory group will identify priorities to fund so there will be a special process for the funds or the funds will be part of a larger allocation in the next fiscal budget.

Sharon Bushor asked if there is a window of time to allocate the funds. Marcie Krumbine said not necessarily with community development block grants.

MOTION by Jane Knodell, SECOND by Kurt Wright, to approve and recommend to City Council for approval the 2016 Action Plan and amendments. VOTING: unanimous; motion carried.

4.08 Accept VTrans Grant for Scoping Study of Howard St./St. Paul St./South Winooski Ave. Intersection

Kurt Wright asked if the city must repay costs if the project is not completed. Nicole Losch explained the scoping study is basically a planning effort to identify an alternative to redesign the intersection. If the planning is not finished the city is responsible to pay back the funds for the planning study. Following a question from Kurt Wright there was mention of the neighborhood hub in the area.

MOTION by Sharon Bushor, SECOND by Kurt Wright, to approve and recommend to City Council to accept the VTrans grant for a scoping study of the Howard St./St. Paul St./South Winooski Ave. intersection. VOTING: unanimous; motion carried.

4.09 Accept VTrans Grant for Construction of Two Crosswalks on Colchester Ave.

MOTION by Sharon Bushor, SECOND by Karen Paul, to approve and recommend to City Council to accept the VTrans grant for construction of two crosswalks on Colchester Ave. VOTING: unanimous; motion carried.

4.10 Clerk/Treasurer Office Reorganization Phase 2

Bob Rusten reported the second phase of the reorganization of the Clerk/Treasurer Office eliminates two positions (cost savings of about $10,000) and shifts responsibilities so people have time to be active in looking for ways to increase revenues and decrease costs, do training across departments, and look at processes to see how to do better and how to simplify. The outcome is more job satisfaction, fewer hours, more dynamic and simpler work process, and achieving what the auditor has been asking for in terms of reconciliation and internal audits. There are targets in terms of increased revenues done with reduction in overall costs.

Kurt Wright asked if there will be an impact on the Board of Registration. Bob Rusten said there will be no impact.

MOTION by Sharon Bushor, SECOND by Kurt Wright, to approve and recommend to City Council for approval phase 2 of the Clerk/Treasurer Office reorganization.

<u>DISCUSSION</u>: Sharon Bushor thanked Bob Rusten and HR for the memo that anticipated many questions. There was concern about redundancy and the CAO position having two ACAOs plus a CAO, but assurance was given that the Director of Financial Operations would still be able to step in for the CAO so the redundancy is there. The reorganization seems to strengthen the financial arm of the city and still keep the integrity of the other functions within the office. Bob Rusten pointed out the memo was a team effort within the department and HR. There were no further comments.

VOTING: unanimous; motion carried.

5.0 PRESENTATION

5.01 Development Agreement and Lease Terms for Northern Waterfront Marina

Mayor Weinberger gave a brief history of the project. The following was highlighted:

- The project was included in the 2013 Action Plan and the voters approved the slate of projects in 2014. In May 2015 the MOU was endorsed by City Council which was the path to the development agreement and lease.
- Part of the agreement was due diligence which was done. Additional due diligence has been done since. [Ken Braverman added part of the due diligence was to work with stakeholders on the waterfront including DPW and the Water Department, and to verify feasibility of the marina and how the marina will function within the context of the existing waterfront.]

Ken Braverman, Chuck Delaurier, Jack Wallace, Jeff Hodgson gave a presentation on the marina project. Mr. Braverman said the due diligence showed the marina is feasible on the waterfront. Some elements were modified in reaction to stakeholder comments, but the intent of the MOU is followed. Business terms will be negotiated in Executive Session.

Chuck Delaurier reviewed the design of the marina, noting the most significant change was from the Dufresne study relative to the parking and access to the marina. The following was noted:

- Land will be leased from the city and the marina will be built as part of the lease. Annual rent will be paid for the lease and additional rent paid based on revenues. Sources of funding to the city from the marina include the lease payments, sales tax, parking revenue, and the pilot payment for the leased property.
- The parking was moved so only four spaces behind the Water Department are occupied.
- The dimensions of the leased land was decreased, but not in a significant way.
- The MOU closely follows the development agreement.
- Parking on the site has been reconfigured. Of the 68 spaces 23 are used by the marina from May 1st through October 15th and there are 19 spaces the marina has paid to use on weekends and holiday. The balance of the spaces is available as public spaces.
- TIF funds ($500,000) will pay for the improvements (Exhibit 4) and the public park, but the amount is not sufficient to build the park as the city wanted so costs have been identified and the developer will construct the improvements and be reimbursed.
- The marina includes a wave attenuator on the outside perimeter which will be open to the public during the day. People can walk out into the harbor on the wave attenuator.
- Public restrooms will be constructed on a floating structure.
- There will be access to shops as part of the marina.
- The public plaza (hardscape) is part of the parking improvements. There will be a considerable amount of landscaping. The hardscape will be permeable (i.e. pavers).
- There will be 64 transient slips at the marina for local boats and others.
- The marina will be high quality with an experienced professional management team to operate the facility. There will be facilities to transport people to Church Street. The financial impact will be dramatic. The marina will put a good face on the city for people arriving by water.
- Data on the city's marinas show that 900 to 1300 boats are turned away because there are no slips. The boaters are going over to New York rather than Burlington and spending their money. The marina is an opportunity to recapture Burlington's share of the revenue.

Mayor Weinberger noted the parking lot was part of the permitted waterfront access north project, but was not built then. Also, the Community Sailing Center will be moving to their own building and the city can lease out their former space.

Sharon Bushor asked about handicap parking and access to the fishing pier. Mr. Delaurier said there are four handicap spaces, two allocated to the fishing pier and two allocated to the marina. Ms. Bushor asked if there will be a cost difference for use of the marina by residents. Mr. Delaurier said a 'per foot' price will be set regardless of residency. Jack Wallace noted any 'flow through' price from the city will not be done with the marina. Sharon Bushor asked who will maintain the parking lot. Mr. Delaurier said the marina's share of the parking lot will be maintained by the marina. The city is only giving up the minimum number of spaces needed by the marina to operate successfully. There will be a significant amount of parking available when the marina is not operating.

Jane Knodell asked about the taxi stand. Chuck Delaurier said there will be water taxi service. Access to the public park and marina was described by Mr. Delaurier.

6.0 EXECUTIVE SESSION

6.01 Development Agreement and Lease Terms for Northern Waterfront Marina

Karen Paul recused herself.

MOTION by Kurt Wright, SECOND by Sharon Bushor, to find that premature disclosure of the terms and conditions of the development agreement for the Northern Waterfront Marina would place the city at a disadvantage. VOTING: unanimous; motion carried.

MOTION by Sharon Bushor, SECOND by Kurt Wright, based on the finding that premature disclosure will place the city at a disadvantage to go into Executive Session to discuss the development agreement and lease terms for the Northern Waterfront Marina, and invite the Board of Finance, City Attorney, Assistant City Attorney, Mayor's Office staff (Brian Lowe), City CAO and ACAO, City Councilor Roof, and Ken Braverman and consultants to attend. VOTING: unanimous; motion carried.

Executive Session was convened at 6:08 PM.

MOTION by Jane Knodell, SECOND by Kurt Wright, to adjourn Executive Session and reconvene the regular meeting. VOTING: unanimous; motion carried.

Executive Session was adjourned and the regular meeting reconvened at 6:50 PM.

7.0 APPROVE/RECOMMEND TO CITY COUNCIL

7.01 Development Agreement and Lease Terms for Northern Waterfront Marina

There was discussion of following the two week standard with significant projects so the decision on the marina agreement will be postponed. The Board of Finance will meet on June 6, 2016 and include an Executive Session and a work session with City Council.

8.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 7:05 PM.

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