Board of Finance
5/19/2014

Board of Finance (Monday, May 19, 2014)

Generated by Amy Bovee on Tuesday, May 27, 2014

Members Present:
Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger, CAO Bob Rusten

Absent:

Jane Knodell

Also Present:

City Attorney Eileen Blackwood; ACAOs Rich Goodwin and Scott Schrader; Guillermo Gomez, DPW

Meeting called to order at 5:05 PM

1. Agenda

Action: 1.01 Adopt/Amend Agenda

Motion to adopt the agenda with an amendment to include a discussion of the Internal Control Checklist and Audit Advisory Committee as items 6.01 and 6.02 respectively.

Motion by Karen Paul, second by Sharon Bushor.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

2. Public Forum

No one came forward to speak.

3. Approval of the Board of Finance Minutes

Action, Minutes: 3.01 April 16, 2014

Councilor Bushor stated she wished there was a more detailed account of the discussion on items 4.04 and 4.07. and requested that more detail be provided in the future. Mr. Rusten recommended that providing a notation "to see attachment" and explore how to create a link to it from the minutes.

Approve the Minutes with appropriate links to the items.

Motion by Sharon Bushor, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

Action, Minutes: 3.02 April 28, 2014

Approve the Minutes.

Motion by Sharon Bushor, second by Joan Shannon.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

4. For Approval and Recommendation to City Council

Action, Resolution: 4.01 Authorization to Accept Grant and Award Contract for Cargo Apron Reconstruction- Phase 2 (AIP-99) - Airport

The Board addressed an item to allow the Burlington International Airport to accept a grant and award a construction contract for Phase 2 of the Cargo Apron Reconstruction project.

Approve and Recommend City Council Approval

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.02 Authorization to Accept Grant and Award Contract for Air Carrier Apron Reconstruction- Phase 1 (AIP-100) - Airport

The Board addressed an item to allow the Burlington International Airport to accept a grant and award a construction contract for Phase 1 of the Air Carrier Apron Reconstruction project.

Recommend City Council Approval

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.03 Authorization to Accept Grant and Award Contract for Update of Airport Security System (AIP-101) - Airport

The Board addressed an item to allow the Burlington International Airport to accept a grant and award a construction contract to update the airport security system.

Recommend City Council Approval

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.04 Authorization to Accept Grant for Design of Segment of Taxiway K (AIP-102) – Airport

The Board addressed an item to allow the Burlington International Airport to accept a grant to design a segment of Taxiway K.

Recommend City Council Approval

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

Action, Communication, Resolution: 4.05 Authorization to Accept TSCE (017) Grant for Construction and Wayfinding Project - DPW

Councilor Bushor noted a discrepancy between the resolution and the agreement and requested this be corrected. She inquired if the State is required to pay a livable wage. Guillermo Gomez, DPW, stated that language is not included in the agreement. Councilor Bushor stated she would like to include it somewhere. She stated this is about signage and there is a lot of process for approving signage. She did not see the Ordinance regarding zoning signage referenced and inquired if that will be a requirement. City Attorney Blackwood stated this project will be taking place in the City's right of way which is exempt from Zoning Ordinances. Mayor Weinberger stated there are other extensive requirements about signage in the public right of way. He also noted that this information relates to the grant, but information about the livable wage would be included in the resulting contract.

Approve and Recommend City Council Approval

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

Action, Communication, Resolution: 4.06 Authorization for Equipment Maintenance Budget Amendment - DPW

The Board addressed an item to allow the Equipment Maintenance division of DPW to transfer money from their interdepartment repairs revenue line to their Repair Parts and Tires expense lines.

Approve and Recommend City Council Approval

Motion by Joan Shannon, second by Sharon Bushor.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

Communication, Discussion: 4.07 Review Monthly Financials as of April 30, 2014 - C/T

CAO Rusten stated they believe that the general fund will end in a surplus. The only department that may come in at a deficit is CEDO. They have been meeting with the Schools to determine where they expect to end FY14.

Councilor Bushor inquired about the fact that revenue is down for Public Works Street Maintenance and for Memorial Auditorium. She inquired if things like this would be highlighted if there was something to be learned. CAO Rusten stated they have already reduced revenues for Parks and Recreation to address the deficit that they have seen as a trend. They expect the general fund overall will come out with a surplus, though some departments will do better or worse than expected. Councilor Bushor inquired if they can assume that items without a note are not worrisome. CAO Rusten stated that is correct.

Councilor Paul stated there were negative numbers in the Burlington City Arts budget. There was nothing budgeted but they have expensed money. ACAO Goodwin stated BCA plans to submit a budget amendment.

Communication, Discussion: 4.08 Review Sweep Account Report - C/T

ACAO Goodwin stated their cash balance for their main operating account is about $2 million. They have utilized all of the fiscal stability bond proceeds. This is not uncommon as they are about 30 days out from their next property tax deadline. On June 12 the full amount of the stability bond proceeds will be reimbursed. Councilor Paul inquired if there is a reason that they always leave $27,123 in the stability bond proceed account. ACAO Goodwin stated it is what they need to pay for operating expenses. They also cannot tap into that amount as a requirement of the borrowing. ACAO Schrader stated they borrow in increments of $100,000 and that is the remaining amount.

ACAO Goodwin noted that the property maintenance fund at the Airport has been replenished. They have established a separate account for the Cemetery Perpetual Care Fund. They can see that there is an amount owed to the general fund while they await the receipt of property taxes. $18 million due to the general fund is attractive with 45 days left in the year. The retirement fund is moving in the right direction and owes the lowest amount that it has this fiscal year.

Councilor Bushor inquired what the Airport Fund refers to. ACAO Goodwin stated it is the result of the money they are receiving from their billing which is deposited in a segregated account minus the expenses that have occurred. Councilor Bushor inquired why the Delta Airlines Escrow account went blank in March. CAO Rusten stated part of their agreement with Delta was that they had to put money in escrow. That requirement of the agreement has been satisfied and they will no longer have that account. ACAO Goodwin stated he will eliminate that line in the new fiscal year. Councilor Bushor inquired about the BCDC Depository. CAO Rusten stated that relates to their settlement with the Airport about splitting the lease. That is the money that was due to BCDC.

Councilor Paul inquired why the TIF line went down. ACAO Goodwin stated that fund is moving in the right direction. It went down because there were expenses related to TIF. It will be replenished significantly with the property taxes coming in on June 12.

City Council President Shannon inquired why school accounts do not appear on this sheet. ACAO Goodwin stated it is because the school has their money in their own accounts. CAO Rusten stated school funds are in a segregated bank account. In FY15 they will put money in the School's bank account so they can pay their own bills and payroll. City Council President Shannon inquired if that is isolated to the Due To/Due From. CAO Rusten stated it will be set up so that they cannot overspend and owe money to the general fund without approval. ACAO Goodwin stated there is an account for the schools but there is no money in it.

Action, Communication, Resolution: 4.09 Resolution Relating to Issuance of Bonds for Public Improvements within the Waterfront TIF District re March 2014 Ballot Item - C/T

Councilor Bushor inquired what the dollar amount of this will be. CAO Rusten stated there are two resolutions. One will allow them to borrow $1.8 million and the other will allow them to borrow $6 million. Councilor Bushor inquired what the interest rate is. ACAO Goodwin stated they do not know the interest rate at this time. They have applied for this financing with Muni Bank. They will bundle this borrowing with others and will determine the interest rate at that time. Councilor Bushor inquired if they have to accept the interest rate they give them and what the time frame with Muni Bank is. City Attorney Blackwood stated this resolution authorizes the CAO and Assistant CAO to issue the debt. ACAO Goodwin stated the Muni Bank will negotiate the deal and the timing is uncertain. They approve this with the understanding that the Muni Bank will negotiate the rate. The savings over the life of the loan will be approximately $1 million. He expects the rate will come in around 4%, but it would likely be 6-7% if they did the borrowing on their own.

Approve and Recommend City Council Approval

Motion by Sharon Bushor, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

Action, Resolution: 4.10 Resolution Relating to Issuance of Bonds for Public Improvements within the Waterfront TIF District re November 2012 Ballot Item - C/T

Recommend City Council Approval

Motion by Sharon Bushor, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

5. For Board Action

Action, Communication: 5.01 Authorization for 2013 Action Plan Amendments - CEDO

Approve the 2013 Action Plan Amendments

Motion by Sharon Bushor, second by Joan Shannon.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

Action: 5.02 Authorization for Parking Lease with Intervale Center – CEDO

The Board addressed an item to lease vacant land to the Intervale Center to allow them to create parking.

Approve Lease and Recommend Approval to the City Council.

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Karen Paul, Joan Shannon, Miro Weinberger

6. Discussion

Discussion: 6.01 Internal Control Checklist

Councilor Paul requested an update on the status of the completion of the internal control checklist for this fiscal year. The State Auditor has informed them that submitting this by June 30 is a requirement. Mr. Rusten stated last year he did not feel comfortable signing the report, as he had just begun employment. They will submit a signed checklist to the City Council by June 30. They have been working on internal control issues and they have taken a number of steps.

Discussion: 6.02 Audit Advisory Committee

Councilor Paul stated that the goal of this committee was to find a group of experts to review the audit. The Board of Finance has struggled with this in the past, as they are not auditors. The Mayor and the CAO are two of the people being audited and should not be reviewing an audit. She requested that the Committee be reinvigorated and the previous members be contacted to see if they would be willing to serve and begin meeting again.

Councilor Shannon stated she believed that this was a good idea because they needed help reviewing the audit. She inquired if this should be created by a Charter change as opposed to a Resolution to make it permanent. They could appoint members the same way that they do other Boards and Commissions. Councilor Bushor stated a Charter would make it permanent and it could still be advisory to the Board of Finance. When this was created, they were looking for more expertise from an outside group to help them review the audit. She believes there is value in this committee, although she does not know if they should make it permanent. The Mayor suggested that they discuss this in detail at a future Board of Finance meeting. Councilor Paul stated the members were appointed for specific terms. The idea was to put the committee in place for a year and then evaluate whether it should be created by Charter Change. There have been significant improvements, but they have a management letter with the same deficiencies from one year to the next. Having a layer of professional expertise over what the Board of Finance does is not a bad thing for their relationship with Moody's. They should not base their decision based on who the administration is. Mayor Weinberger stated he would like to evaluate this before recreating the committee.

Without objection, Mayor Weinberger adjourned the Board of Finance meeting.

7. Communications

Communication: 7.01 Communication re: Livable Wage

Information: 7.02 Vermont Department of Public Safety Grant - Fire - $32,606.40