



Board of Finance - Monday, May 8, 2017 at 5:30 p.m. Conference Room 12, City Hall 5/8/2017

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 8, 2017

MEMBERS PRESENT: Mayor Miro Weinberger

Jane Knodell

Sharon Bushor

Karen Paul

Kurt Wright

OTHERS PRESENT: Bob Rusten, CAO

Rich Goodwin, DFO

Eileen Blackwood, City Attorney

Lynn Reagan, HR

Derick Roach, DPW

Steve Roy, DPW

Gene Richards, Airport

Nic Longo, Airport

Amanda Clayton, Airport

Steven Locke, Fire Chief

Jesse Bridges, Parks & Rec

Noelle MacKay, CEDO

Neale Lunderville, BED



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Munir Kasti, BED

Adam Roof, City Council

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the meeting to order at 5:30 PM on May 8, 2017. CAO Rusten explained the addition of the staffing structure at BED to the agenda.

1.01 Agenda

MOTION by Councilor Paul, SECOND by Councilor Knodell, to approve the agenda with the amendment to move Item 5.09 (BED Staffing Structure) to precede Item 5.07 and note the addition of a document to Item 6.04 (CAO budget handout). VOTING: unanimous; motion carried.

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to amend the agenda to remove Item 5.07 (Monthly Financials 3/31/17) and Item 5.08 (Sweep Account Report) and renumber accordingly. VOTING: unanimous; motion carried.

2.0 PUBLIC FORUM

A statement was read by a gentleman about inclusiveness of the city's arts mission and a more transparent and public process for making decisions on the arts. The Board of Finance was urged to set an example of how city government can uplift all by acting on the values shared by all and make decisions that show the city is thoughtful in how the city serves the arts and welcomes participation and wisdom and resources of partners in the community. Funding choices can be symbolic of fairness and inclusion and inspire recognition that the city government works for everyone.

3.0 MINUTES

3.01 April 17, 2017

MOTION by Councilor Wright, SECOND by Councilor Bushor, to approve the 4/17/17 minutes with the following correction(s)/clarification(s):

- Clarify if Joe Spiedel was at the meeting as a resident or representing UVM.
- In Item 4.02, bullet reading: "Councilor Wright..." – replace "...what happens if the plan does not work" with "what happens if the plan is not approved by City Council".

VOTING: unanimous; motion carried.



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4.0 BOARD OF FINANCE APPROVAL

4.01 Contract Amendment with S.D. Ireland - Airport

MOTION by Councilor Wright, SECOND by Councilor Paul, to approve the contract amendment with S.D. Ireland Brothers Corp. for removal of a building at 1083 Airport Drive.

DISCUSSION:

- **Councilor Bushor asked if the approval was after the fact. Airport Planning and Development Director Longo explained the item was supposed to have been on the last meeting's agenda. Airport Director Richards stated the environmental work has been halted until the approval is secured.**

VOTING: unanimous; motion carried.

4.02 Contract with Stantec Consulting Services - Airport

MOTION by Councilor Paul, SECOND by Councilor Bushor, to approve the contract with Stantec Consulting Services for annual underground injection control permit management services at the airport. VOTING: unanimous; motion carried.

5.0 APPROVE AND RECOMMEND TO CITY COUNCIL

5.01 Lease Agreement with Vermont Air National Guard – Airport

Airport Planning and Development Director Longo explained Vermont Air National Guard (VANG) is doing a rehab of their taxiway system including the apron so an additional parking position is needed. The work that is being done eliminates the need for VANG to relocate out of state for up to two years. The parking position is already on the airfield used by various aircraft. With the lease VANG will use the space for a staging position. Airport Director Richards added the space in on the south side of the airfield away from the residences and in "the valley" surrounded by a rock pit going up 100'. There is a half mile between the area and Williston Road and Airport Road.

Councilor Paul observed without the parking position then VANG will temporarily for up to two years relocate. Airport Director Richards said leaving for two years would not be fair to the families. Staff worked for two years for an opportunity that would not have an adverse effect on the community and this represents that.

Councilor Wright asked if the work being done on the airfield is for the new fighter jets. Airport Director Richards said the runway is at its end of life and is now being redone. The new fighters will be accommodated.

Councilor Bushor asked if the airport has seen the information that was redacted in the report from VANG. Airport Planning and Development Director Longo said no. Councilor Bushor asked what happens if the apron area to be leased to VANG is not available as a run up area for jets. Airport Director Richards said the aircraft would request permission from the tower



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to be on the runway or taxiway which is not in the same vicinity. Councilor Bushor asked if it is noisy when the F-16 planes use the apron. Airport Planning and Development Director Longo said there is no difference from current operations except for the 200' under discussion. Councilor Bushor asked about runoff from the F-16 planes contaminating the river. Airport Director Richards said the airport monitors all catch basins which are inspected monthly. Councilor Bushor asked if the improvements involve noise for the neighborhood. Airport Director Richards said the neighborhood is a half mile away. VANG is installing blast deflectors that are actually storage containers also serving as blast deflectors. The situation is the same as it is today.

Councilor Knodell asked what space other aircraft will use now that the space is being leased to VANG. Airport Director Richards said with permission from the tower either the taxiway or the runway will be used.

MOTION by Councilor Paul, SECOND by Councilor Wright, to approve and recommend to City Council for approval the lease agreement with Vermont Air National Guard at the airport. VOTING: unanimous; motion carried.

5.02 Construction Contract for Gazo Outfall Repair - DPW

MOTION by Councilor Wright, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the construction contract with Courtland Construction Co. for the Gazo Outfall Repair. VOTING: unanimous; motion carried.

5.03 Contract for Water Main Relining - DPW

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the contract with Aquarehab for water main relining.

DISCUSSION:

- Councilor Bushor asked if the East Avenue water main will be relined. Water Resources engineer, Steve Roy, said the streets with undersized pipe, a break history, or pipes that are 100 years old were selected.

VOTING: unanimous; motion carried.

5.04 BRPW Corrections Contract - Parks & Rec

MOTION by Councilor Paul, SECOND by Councilor Bushor to approve and recommend to City Council for approval the BRPW Corrections contract.

DISCUSSION:

- Councilor Paul noted Memorial Auditorium was named as a service location, but the building is thought to be unsafe. Parks and Rec Director Bridges said the building still must be maintained. The public is not allowed access to the building. Councilor Paul said contractors may not have a choice to go into the building,





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but the people who work for the city do. Parks and Rec Director Bridges said "Memorial Auditorium" can be pulled from the language in the contract.

- Councilor Bushor said there should be discussion of not heating the structure and turning off the water if the facility is not being used. Parks and Rec Director Bridges said the budget for Memorial Auditorium is very limited to maintain basic utility costs. CAO Rusten said the building has a sprinkler system that requires some heat.
- Councilor Wright asked if the city hires the people to do the work with the Department of Corrections. Parks and Rec Director Bridges said the program allows flexibility to place additional resources. The workers are up to 10 individuals who report to Corrections to avoid going to jail. Councilor Wright observed the city would be spending more money without the program. Parks and Rec Director Bridges confirmed this, adding the workers come with a supervisor able to monitor and coordinate with the working foreman on the site.

VOTING: unanimous; motion carried.

5.05 BRPW Vermont Youth Conservation Corp Contract – Parks & Rec

MOTION by Councilor Bushor, SECOND by Councilor Paul, to approve and recommend to City Council for approval the BRPW Vermont Youth Conservation Corp contract.

DISCUSSION:

- Councilor Bushor said the group did the work at Salmon Hole Park and Riverwalk along the Winooski River. Winooski Valley Park District hired the workers and they did a great job. Parks and Rec Director Bridges said he is proud of the program and committed to hiring Burlington youth.

VOTING: unanimous; motion carried.

5.06 Standby Letter of Credit for Workers Compensation Program – C/T

MOTION by Councilor Knodell, SECOND by Councilor Wright, to approve and recommend to City Council for approval the standby letter of credit for the city's workers compensation program.

DISCUSSION:

- Councilor Knodell asked if the standby letter of credit is new or a requirement. CAO Rusten said the standby letter of credit is done every year.

VOTING: unanimous; motion carried.

5.07 Update to Burlington Electric Department Staffing Structure – BED

BED Director, Neale Lunderville, reviewed the proposed changes to staff positions at BED. Overall the changes will realize a savings at BED of \$108,000. The goal is to bring more skills in-house and cross-train employees which will improve the resiliency of the portfolio overall.





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Councilor Paul asked the plan for the vacant Director of Engineering and Grid Services position. Director Lunderville said recruitment to fill the position continues. Munir Kasti is continuing to manage the engineers. Councilor Paul commented on the "odd-ness" of the director and manager reporting. Director Lunderville agreed the reporting structure is odd, but works well for BED. The senior management team is excellent. Councilor Paul made positive comment on the modern and open environment at BED where everyone is approachable.

MOTION by Councilor Paul, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the BED staffing structure.

DISCUSSION:

- **Councilor Bushor expressed confidence in Director Lunderville and the management team at BED. There is no change in the number of employees and staff is aware of the changes. Most are in support. Director Lunderville has collectively moved BED.**
- **Councilor Knodell mentioned some positions have added skill levels. Director Lunderville said when skills are added to a position this reflects the skills of the employee already in the position who was not being compensated for their skills or skills the employee will be trained to gain.**
- **Mayor Weinberger said the renovation of the BED building is impressive and gives a very positive feeling. Director Lunderville said meeting space in the building has been used by various groups so the building is well used.**

VOTING: unanimous; motion carried.

6.0 BOARD OF FINANCE DISCUSSION

6.01 FY2018 General Fund Key Cost Drivers and Revenues to Address

Mayor Weinberger reviewed the budget review process, noting the goal is to have an approved budget by the June 12, 2017 City Council meeting. CAO Rusten gave an overview of the General Fund budget, issues, strategies, and challenges moving forward. Budget increases and decreases were highlighted. In sum, expenditures increased by \$2.2 million and revenues increased by \$1.2 million for a deficit of approximately \$950,000 to be addressed by reduction in line items where feasible.

Mayor Weinberger spoke of energy efficiency improvements that resulted in a savings for the city. The "green revolving loan fund" is to support green investments. It was noted funds in the budget for the municipal development plan are to meet the five year update requirement.

6.02 Recommended Uses of FY2016 Committed and Unassigned Fund Balance and Expected FY2017 Surplus

CAO Rusten reviewed suggested ways to use budget surplus funds and to address challenges. Mayor Weinberger explained the proposed warming shelter as a pilot program.





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Councilor Wright asked about whether the warming shelter will be used, noting that the police have said there are openings in existing shelters in the city, but people in the encampments do not want to go there. Mayor Weinberger explained the procedure the city follows to break up an encampment. There are some people who do not want to go to a shelter, but would use a low barrier shelter like what is proposed.

Councilor Wright asked about the expected tangible results from the permit reform budget item of \$600,000. CAO Rusten explained a portion of the line item is for software and hardware to assist people in getting permits. Mayor Weinberger added incremental changes in permit reform will be done in FY18 and the money will be spent in FY19.

Councilor Bushor requested more information on the consultant costs. Councilor Bushor also spoke in favor of the pilot trial of the low threshold shelter and asked if there are other unmet needs for citizens at risk where the unspent dollars could be directed. CAO Rusten said staff tried to be cognizant of a variety of needs.

Councilor Bushor asked if money will be set aside for insurance to cover unknown costs. CAO Rusten said the suggestion is to have a committee look at the issues so there is a plan in place to deal with known and unknown costs.

Councilor Knodell asked how items are decided for funds from the FY17 unaudited surplus. CAO Rusten said a list of expenditures was compiled and immediate needs to maintain commitments the city made plus safety and addressing the biggest challenges going forward were considered. Department heads provided input. Mayor Weinberger said staff looked for investments that would save dollars and reduce costs.

6.03 FY2018 CAO Reviewed General Fund Lined Budget

Councilor Paul asked where the early childhood initiative is located in the budget. CAO Rusten confirmed the item is funded. Mayor Weinberger said there are one time monies matched with one time investments. Councilor Paul commented on the \$600,000 cost for permit reform, noting the technology is \$600,000, but the cost of having one-stop-shop is not very expensive. CAO Rusten said the other cost is staffing.

Councilor Knodell asked if there are any studies, if the traffic system as a whole or the cumulative effect of moving people in/out of the city is being studied, for example. CAO Rusten urged having that discussion with Public Works Director Spencer. Mayor Weinberger pointed out the municipal development plan looks at the big picture and there are traffic studies. Councilor Knodell asked if there is impact to services with \$950,000 in cuts to existing spending. CAO Rusten explained staff identified where money was budgeted and not being spent effectively to cover the \$950,000 in cuts. Councilor Knodell asked why the underspending does not show as a surplus in FY17. CAO Rusten said costs such as workers comp, insurance, training, attrition, energy efficiencies are not known. The surplus will not be identified until an audit is done. The city has been able to address over the last couple of years the increase in wages and benefits without doing a property tax increase by looking at where expenditures are not being utilized or not being utilized wisely and shifting that cost. Less of a surplus is expected in FY17 than seen previously.



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Councilor Bushor asked if money is set aside for the reappraisal. CAO Rusten said \$90,000 each year is set aside. Councilor Bushor asked for a budget number for the assessor.

6.04 FY2018 General Fund Department Assessment Net Revenues against Expenditures

CAO Rusten reviewed various department revenues against expenses over the past two years to see where money is being spent. Each department will present how their budget is achieving the goals.

Councilor Paul said the CEDO numbers are concerning. CAO Rusten said a significant part of the increase is due to the early learning initiative. Mayor Weinberger said money from PILOT for the school will be leverage toward the program.

7.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 7:38 PM.

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