Board of Finance
4/20/2015

Board of Finance (Monday, April 20, 2015)

Generated by Amy Bovee on Tuesday, April 21, 2015

Members Present

Sharon Bushor, Jane Knodell, Karen Paul, Kurt Wright, Miro Weinberger

Also Present

Councilor Adam Roof; City Attorney Eileen Blackwood; CAO Bob Rusten; Mike Kanarick, Brian Lowe, Mayor’s Office; Chapin Spencer, Laura Wheelock, Rob Green, Nicole Losch, DPW; Neale Lunderville, Ken Nolan, Daryl Santerre, BED; Ben Pacy, HR; Paul Irish, Schools

Meeting called to order at 5:03 PM

1. Agenda

Action, Procedural: 1.01 Adopt/Amend Agenda

Motion to adopt agenda

Motion by Kurt Wright, second by Jane Knodell.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Kurt Wright, Miro Weinberger

2. Public Forum

Discussion, Information: 2.01 Public Forum

No one came forward to speak.

3. Approval Board of Finance Minutes

Action, Minutes: 3.01 April 13, 2015

Approve the Minutes

Motion by Kurt Wright, second by Jane Knodell.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Kurt Wright, Miro Weinberger

4. For Approval and Recommendation to City Council

Action, Resolution: 4.01 Authorization for Public Improvement Bonds for FY2016 - C/T

The Board addressed an item to approve the City's annual borrowing. The borrowing will total $7 million with $2 million to be used for working capital and capital improvement needs of the City, $3 million to be used by the Burlington Electric Department for capital improvements, and $2 million to be used by the Burlington School District for capital improvements.

Approve and Recommend City Council Approval

Motion by Sharon Bushor, second by Jane Knodell.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Kurt Wright, Miro Weinberger

Action, Resolution: 4.02 Authorization to Amend Previously Approved Sidewalk Cafe License Agreements - Marketplace

The Board addressed an item to amend a previously approved item to allow the Church Street Marketplace to enter into sidewalk café license agreements. This item will correct the food service rate to be 65% of the alcohol service rate rather than 85% of the rate that was previously approved. It will also correct the coffee service rate to be 50% of the alcohol service rate rather than the 65% that was previously approved.

Approve and Recommend City Council Approval

Motion by Jane Knodell, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Kurt Wright, Miro Weinberger

Action, Resolution: 4.03 Authorization for Creation of BED Senior Distribution Engineer Position and Reclassification of Communications Coordinator Position - HR

The Board addressed an item to allow the Burlington Electric Department to create a Senior Distribution Engineer Position. They will also reclassify and change the title of the Communications Coordinator Position. The Senior Distribution Engineer position will help to reduce consultant fees, increase operational efficiency and handle increased workload to support institutional growth in Burlington. This will allow them to complete twice the amount of work at the same cost. They are requesting a reclassification and title change from Communications Coordinator to Customer Engagement & Communications. The reclassification is necessary to improve the customer service across all areas of BED. This position will help create a culture of excellence and focus on improvement and exceptional service. Both positions will be funded through BED revenues.

Councilor Bushor noted a discrepancy between the information in the packet and the information in the resolution. She requested this be corrected.

Approve and Recommend City Council Approval

Motion by Karen Paul, second by Jane Knodell.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Kurt Wright, Miro Weinberger

Action, Resolution: 4.04 Authorization for Contract with Floyd & Associates and Authorization for Voluntary Buyout Plan-BED

Councilor Knodell requested an explanation of the contract with Floyd & Associates. Neale Lunderville, BED, stated they have been working with this company on a preliminary assessment of their organization. Their preliminary assessments show the potential for cost savings of $2 million annually. They will look at the organization in detail and meet with people doing the work to make recommendations to streamline processes and cut costs. They will see what recommendations make sense and work to implement them. They will assist in making improvements. They have a guaranteed savings equal to the contract fee in the first year. They expect that they can find $175,000 of savings, but if that amount is less they will reduce their fee. BED does not have the capacity to do this kind of work on their own.

Councilor Wright inquired if they will not have a rate increase if the voluntary buyout program goes into effect. Mr. Lunderville stated they do not know what the future holds. They currently rely on the Renewable Energy Credit market, and if there were a $10 million budget gap they would very likely need to raise rates. Based on the trajectory that they see, they believe the steps laid out for the voluntary buyout and the work with Floyd and Associates will be more effective than traditional budget cutting work. They would like to avoid rate increases in the next 3-4 years. Without this kind of work, there will almost certainly be rate increases. Keeping cash on hand will be important to increase their bond rating.

Councilor Wright inquired if they will still be able to run more efficiently and without impacting services if they lose a number of employees. Mr. Lunderville stated reliability and customer service will not be impacted and they are working to improve those areas. There are a number of areas where workflow is inefficient. By finding creative ways to reallocate resources and personnel they will be able to deliver better service. One key goal is to provide one on one customer support for BED customers. Councilor Wright inquired if that will mean a higher workload for the employees that will remain. Mr. Lunderville stated they are working hard to cut overtime from their budget. This will require employees to work hard, but will not result in overtime. Many employees do not take on other projects because their roles are so narrowly defined. They are working to create an organization that is aligned with their mission and objectives. A survey of employees showed that they most wanted to see opportunities for professional development and training.

Councilor Bushor stated there are 42 eligible employees for the buyout and they expect about half of those people will take the buyout. She inquired if they will replace those people with people at the lower end of the pay scale. Mr. Lunderville stated that is correct. Councilor Bushor inquired if their cost savings estimates account for the new salaries and training associated with hiring for new positions. Mr. Lunderville stated it does not take the required training into account, but it does take the salary savings into account. The training budget will be increased across the entire organization. This assumes that new employees would begin work on July 1, 2015 and that the incumbent employees will not leave service until January 1, 2016. This will ensure that they transfer as much knowledge as possible in the transition period. Councilor Bushor inquired if the findings about the structure will be presented to the City Council. Mr. Lunderville stated any changes will require Board of Finance and City Council approval. They will update them on the size of the Department. They are hoping to have an open and transparent process.

Councilor Knodell inquired if the contract went out to bid. Mr. Lunderville stated it did not. They have worked with Floyd and Associates before. They have done some market research and found that they are one of the better firms for this kind of work. They found that the cost of this is less than they would expect to pay.

Approve and Recommend City Council Approval

Motion by Karen Paul, second by Jane Knodell.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Kurt Wright, Miro Weinberger

Action, Resolution: 4.05 Authorization for Equipment Maintenance Budget Amendment - DPW

The Board addressed an item to allow the Department of Public Works to amend the equipment maintenance budget. This will transfer $75,000 from its contractual repairs, unleaded fuel, and diesel fuel lines to its repair parts. This is needed to cover the cost of parts needed to repair City vehicles.

Approve and Recommend City Council Approval

Motion by Sharon Bushor, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Kurt Wright, Miro Weinberger

Action, Resolution: 4.06 Authorization to Carry Forward Street Capital Funds for Bicycle and Pedestrian Plan and Execute Contract for Consulting Services - DPW

Councilor Knodell requested an explanation of the request. Nicole Losch, DPW, stated they are utilizing several financial sources for this contract. One source is the Streets Capital Program. A portion of those funds were identified as carryover funds from FY2014. The FY2015 funds were included in the budget. They are seeking authorization to use those funds to fully fund the project costs. They estimate the project will cost $120,500. The contract with the consultant is $120,000, and the remaining $500 covers staff time spent working with the Agency of Transportation on the grant. The contract is with DuBois & King. They issued an RFP and received five proposals. A review team scored and DuBois and King received the highest score. They had very strong references.

Councilor Bushor stated the request is for carry forward of funds. CAO Rusten stated they do not need Board of Finance approval to carry funds forward, but because this was a unique project they thought they would bring it forward. They are also asking for approval of the contract. Councilor Bushor noted that quality was only 15% of the work when they evaluated the proposals. She likes the fact that they used models that have been tested in pilot projects. There is a statement that pedestrian access is well established throughout the City, but biking pathways are less established. She is not sure that is accurate. There are walking pathways but many of them are not well maintained. There are concerns that this will only benefit cyclists. She hopes the two are on equal footing.

Approve and Recommend City Council Approval

Motion by Karen Paul, second by Jane Knodell.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Kurt Wright, Miro Weinberger

Action, Resolution: 4.07 Discussion of 10 Year Capital Plan Resolution

CAO Rusten stated when this was presented to the City Council there was discussion about the need to address the difference in needs versus revenues in FY2016. They also expressed a need to involve the relevant commissions and boards. They will involve the public in looking at the whole ten years. This resolution outlines how they will implement the plan. The goal will be to have a recommendation on what to do with FY2016 and a recommendation by December on the whole ten year capital plan. This will formalize the process.

Councilor Knodell stated she would like to see the Transportation, Energy and Utilities Committee specifically referenced in working on the long term plan.

Councilor Bushor inquired how they will prioritize the capital plan in FY2016. CAO Rusten stated they envision that the Board of Finance will make a recommendation about FY2016. They could approve some or all of plans and funding sources that have been identified. They need to look at the whole plan and take into account feedback from other Committees before making a recommendation to the Council. Mayor Weinberger stated the administration will have the FY2016 challenge on an upcoming Board of Finance agenda. They want to continue work on sidewalks and the next phase of the Bike Path rehabilitation. They can come up with a variety of options about how to address Fy2016. He hopes the Board of Finance can develop a plan as a result of those conversations. Councilor Bushor inquired if there are projects from previous years that are close to being complete. She would like to know that and hear what the budget gaps are. Mayor Weinberger stated they will have less carryover than they have in previous years and that will be less of a funding source than it has been in previous years.

Councilor Wright stated he would like to have a broader discussion about the capital plan for the bike path and what it means to fund it in this way. Mayor Weinberger stated part of the FY2016 plan is how they will pay for the work on the bike path. They hope to have additional process to develop a plan for FY2017 and beyond. He thinks that when that process is complete, the Bike Path rehab will be part of that plan. Councilor Wright stated he would like to understand if this means for the Bike Path timeline. He also would like to know what it means for taxpayers to fund it in this way and how strong of a commitment this will be.

Approve as Amended and Recommend City Council Approval

Motion by Jane Knodell, second by Kurt Wright.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Kurt Wright, Miro Weinberger

5. Communication

Communication, Information: 5.01 FY15 Sidewalk Update

Laura Wheelock, DPW, stated they have $421,000 for sidewalk improvements between Street Capital Funds and Remaining and Request for Service funds. They took into account the amount of work that the Streets Teams could accomplish and the amount that would have to go out for contract. The Street Department believes they can complete approximately $200,000 worth of work in the remaining budget. She outlined the streets that will be paved by the Street Department. They will also install ADA ramps. They plan to contract the work on the Cliff Street sidewalk replacement. Two blocks will be completed in FY2015 and the third block will be completed in the next year.

Councilor Bushor stated there was a process in place to prioritize sidewalk repairs. The process was abandoned and started over. There is one sidewalk that is a concern to her constituents on Mansfield Avenue. The sidewalk is paved and is not concrete. They are looking at repairs that are driven by residents, and she is not sure how to accomplish that when the sidewalk is paved. Ms. Wheelock stated in the fall they had a sidewalk inventory done. The previous inventory had become outdated and the work no longer accurately reflected the condition. They have scored how deficient the sidewalk is and will also take into account how frequently the sidewalk is used. Those with the highest score will be prioritized and will be repaired in order. They expect to have a final version of the inventory in May. The inventory does not differentiate between concrete and asphalt sidewalks. They consider the ADA deficiencies and safety concerns. An asphalt sidewalk may rank lower because the material is stronger. Mansfield came in about 2/3 of the way up the list. They are also attempting to avoid investing funds in installing new sidewalks until they have a better sense of the bicycle and pedestrian plan. Councilor Bushor stated there was a commitment made to her residents by a previous public works director. It sends a bad message when the commitment is made and then is taken away. There are children and senior housing that use that sidewalk. Ms. Wheelock stated it will be reflected in the score of the sidewalk. They will know by next spring if it will be replaced with asphalt or concrete.

City Council President Knodell inquired about the column on the table that refers to the request number. Ms. Wheelock stated that is the customer service number. They receive requests from citizens to report deficient sidewalks. They track those requests for replacement. The columns with multiple numbers mean that there are multiple active requests about those sections. Once the assessment is done they will have scores for each section of sidewalk. They will repair the worst areas first and try to distribute the work evenly throughout the City. Councilor Knodell stated she does not believe that all types of people are equally likely to call to request work. Mr. Spencer stated that is why they are moving to the new method for assessing sidewalk needs as they do with paving. That will help make the process more objective. There are long and short runs of repairs that they have to perform. It is easier to respond to a customer complaint on a short run.

Councilor Paul stated the Cliff Street sidewalk has been under discussion for about fifteen years. She inquired when construction will start on that project. Ms. Wheelock stated they will be coming forward for authorization for the budget amendment and construction contract. They will begin work on the portion between South Willard Street and Summit Street in early May.

6. Adjournment

Action, Procedural: 6.01 Adjournment

Adjourn the meeting at 5:56pm.

Motion by Kurt Wright, second by Karen Paul.

Final Resolution: Motion Passes

Aye: Sharon Bushor, Jane Knodell, Karen Paul, Kurt Wright, Miro Weinberger