Board of Finance
4/13/2015

Board of Finance (Monday, April 13, 2015)

Generated by Amy Bovee on Wednesday, April 15, 2015

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

Also Present

CAO Bob Rusten; ACAO Rich Goodwin; Asst. City Attorney Gene Bergman; Jesse Bridges, Parks; Martha Keenan, Laurie Adams, Chapin Spencer, DPW; Susan Leonard, Julie Hulburd, HR; Jeff Tanguay, CEDO

Meeting called to order at 5:05 PM

1. Agenda

Action, Procedural: 1.01 Adopt/Amend Agenda

Motion to adopt agenda.

Motion by Jane Knodell, second by Karen Paul.

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 March 9, 2015

Approve the Minutes

Motion by Sharon Bushor, second by Karen Paul.

Final Resolution: Motion Passes

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

Action, Minutes: 3.02 March 19, 2015

Approve the Minutes

Motion by Sharon Bushor, second by Karen Paul.

Final Resolution: Motion Passes

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

Action, Minutes: 3.03 March 23, 2015

Approve the Minutes

Motion by Sharon Bushor, second by Karen Paul.

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 Perkins Pier Sea Wall Repair - Parks

The Board addressed an item to allow the Parks Department to execute a contract with Engineers Construction for replacement of the Perkins Pier Sea Wall. The wall was damaged during 2011 flooding and has resulted in stormwater runoff from the parking lot flowing directly into the lake. The contract will be for $115,105 and was budgeted as part of the Capital Improvement budget.

Approve and Recommend City Council Approval

Motion by Sharon Bushor, second by Kurt Wright.

Final Resolution: Motion Passes

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

Action, Resolution: 4.02 Authorization for Purchase of Tree Bucket Truck - Parks

The Board addressed an item to allow the Parks Department to purchase a bucket truck from Clark's Truck Center at a cost of $176,577. This will replace the current truck which is a 1993 vehicle and will support the maintenance of 11,000 trees throughout the City. The purchase will be funded through the Greenbelt fund balance.

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 Contract for Water Reservoir Liner Replacement Project - DPW

Councilor Bushor suggested that the resolution include language that states they will install a liner that is safe for drinking water contract.

Approve and Recommend City Council Approval

Motion by Sharon Bushor, second by Kurt Wright.

Final Resolution: Motion Passes

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

Action: 4.04 Authorization for Elimination of Marketplace and Marketing Assistant Positions and Creation of Marketing and Administrative Coordinator - HR

The Board addressed an item to allow the Church Street Marketplace Office to eliminate two positions- the Marketplace Assistant and the Marketing Assistant- and create a Marketing and Administrative Coordinator position. The salary for the new position will be $47,869 and will result in an annual savings of $38,812. The responsibilities of both eliminated positions will be handled by the new position.

Motion to Recommend that the Council approve the Church Street Marketplace reorganization as outlined in the attached memos and consisting of the elimination of two vacant non-union Marketplace Assistant positions, grades 14 and 16, respectively, and the creation of a new, non-union Marketing and Administrative Coordinator, grade 17 position.

Motion by Jane Knodell, second by Sharon Bushor.

Final Resolution: Motion Passes

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

Action, Resolution: 4.05 Authorization for CEDO Lead Positions Reclassification - HR

The Board addressed an item to allow the CEDO Lead program to reclassify the Lead Program Assistant position and Lead Outreach Specialist position from Grade 15 to Grade 16. The job duties of the positions have increased in complexity. The Lead Program Assistant position reclassification will cost an additional $2,290 per year. The Lead Outreach Specialist position reclassification will cost an additional $2,804 per year. The increased costs will be funded through existing grants.

Approve 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

Action: 4.06 Review Monthly Financial as of February 2015 - C/T

CAO Rusten stated they are concerned with DPW Revenues. They will have more revenue coming in later in the year. The budget envisioned that they could bill out some projects to non-general fund departments that would generate revenue for DPW, but instead they have done more work for general fund departments which has therefore reduced projected revenue.. Their revenues will be under budget, but they also expect that their expenses will be under budget to help equalize that. The General Fund also began the year with an excess of $1 million in revenue because of BED’s overbilling and from selling land to the Onion River Co-op. They expect that the general fund will still come in with a surplus. They continue to monitor CEDO as a department that they have concerns about. They have been meeting regularly to work on their budgets. All other departments seem to be on track with their budgets.

Councilor Knodell inquired why they believe revenues are falling short. CAO Rusten stated they believe DPW revenues will be lower than budgeted because of projects that were originally going to be billed to non-general fund departments. Chapin Spencer, DPW, stated there are some non-billable projects that engineering has had to do which takes away from their ability to do billable work. They have also lost two engineers this year. They had to move money around for salt this winter. Inspection services has had a soft year to date, although they expect additional revenue during the spring construction season.

Councilor Wright inquired how this compares with years past. Mr. Spencer stated last year they met their budget challenges in the General Fund despite a challenging winter. Inspection services was very strong last Spring during the construction season. Councilor Wright inquired if part of this is due to the loss of two engineers. Mr. Spencer stated two engineers left, but that did give them an opportunity to plan and hire people with the needed skillsets for upcoming projects, such as the Downtown TIF improvements. CAO Rusten stated they are looking at ways to allocate revenues into the budget for FY16 and have contingency plans. He also noted that they expect that they will have unspent money that will offset the lost revenues. Mr. Spencer stated DPW previously had a lot of general fund transfers for equipment maintenance. They will no longer be doing general fund transfers which will result in a simple, more accountable budget.

Councilor Bushor noted that revenue is down in the Parking Enforcement budget. She inquired if people working evening shifts receive a pay differential. She inquired how they will evaluate the program. CAO Rusten stated he had a conversation with the Police about the revenue. They had a loss of revenue early in the year but are beginning to catch up. They will look to balance the revenue that they receive versus the cost of having people work the additional hours. Councilor Bushor inquired if the parking enforcement are Police employees. Mr. Spencer stated they are police employees. They have reviewed this with the Police Department and have noticed that since November 1 they have had a better than budget performance with revenues. They have the same number of parking enforcement officers but with a larger window of enforcement time. Councilor Bushor stated she appreciates that level of detail. Mr. Spencer stated that information will be included in their evaluation of parking pilot.

Councilor Wright inquired if they have actual numbers about how much revenue the additional hours has generated. Mr. Spencer stated they have reviewed the actual numbers. Councilor Wright stated he would be interested in hearing the actual numbers.

Councilors Paul and Knodell requested quarterly budget updates from BT which has now been scheduled

Councilor Knodell inquired what the deviations for CEDO are. CAO Rusten stated their biggest concern is having enough TIF revenue coming in. They had identified about a $180,000 deficit for FY15 and then identified ways to address that, such as a portion of gross receipts taxes helping to cover that. They believe those revenue sources will be available. They are looking at TIF revenues. They want to ensure that they are appropriately funding activities that are not through grants.

Action: 4.07 Review Sweep Account Report as of March 19, 2015 - C/T

ACAO Goodwin stated their cash balance is strong because property taxes were collected on March 12. Their unrestricted cash balance was $17.6 million as of March 19. This number will be lower next month because they must reimburse the School District within 20 days of the collection date. There were no surprises in the Due To and Due From accounts. Their cash balances are trending where they want them to and they are in a good position overall.

Councilor Bushor requested more information about the money due from the Airport Fund. CAO Rusten stated that will be repaid by the end of the fiscal year. ACAO Goodwin stated the Airport team has put together a cash flow projection for the remainder of the year and they are on track to pay the sweep account in full by the end of the year. CAO Rusten stated no Department may borrow money from the sweep account across fiscal years without the approval of the Council.

Councilor Knodell stated at the end of the February the general fund owed $8 million to the cash pool. ACAO Goodwin stated that is because of the cash flows of the different entities. The Airport, for example, had a bond due on January 1 which resulted in low cash balances in the first quarter. The Due To/Due From has to be reconciled at the end of the month. Councilor Knodell inquired why the Due To/Due From do not net out to zero. ACAO Goodwin stated the combination results in a balance that factors into the sweep account. It will never be zero because the Due To/Due From will always be an amount. The sweep account is a combination of main operating funds. The totals are changing constantly. CAO Rusten stated because of proper budgeting, people are not taking money out of the sweep account without the ability to put it back in the appropriate time frame. ACAO Goodwin stated there are separate distinct depository accounts for the Airport and others. As those dollars come in, they flow directly to those accounts. At the end of the month, they sweep money from the depository account into the main operating account minus any expenses that were paid on their behalf. It keeps money from being comingled.

Action: 4.08 Review Quarter 3 Budget Amendment Report - C/T

CAO Rusten stated it is fair to say that they have seen a drop off in the number of budget amendments in the last six months. Some of that is because they are preparing more accurate budgets.

Councilor Paul stated there were some places where they moved large dollar amounts. She inquired if the CAO can approve that without further approval. CAO Rusten stated he can approve budget amendments up to $25,000. And Budget Amendment up to $50,000 must be approved by the CAO and the Mayor. Anything above that amount must be approved by the City Council.

Councilor Knodell inquired how this works with accepting grants. CAO Rusten stated once the City Council approves acceptance of the grants they must amend the budget to recognize those funds and allow expenditure of the money.

Councilor Bushor stated she has questions about budget amendments and would like to find a way to make it easier to understand and more complete. It is unclear on some line items if it is one grant or if it is multiple grants. They could add a line saying who approved the budget amendment and on what date. CAO Rusten stated there are two large grants that were accepted by resolution and the resolutions had specific line items and dollar amounts included. They are trying to use New World to generate the reports as much as possible. He inquired what additional information would be helpful to them. Councilor Bushor stated she wants to know who approved the budget amendments.

5. For Board Action

Action: 5.01 Authorization for Contract for Fletcher Free Library HVAC Controls Upgrade - DPW

and

Action: 5.02 Authorization for Contract for Fletcher Free Library HVAC Renovation - DPW

Councilor Bushor stated the contract references a lead paint issue and inquired how that will be addressed. Martha Keenan, DPW, stated there was a previous renovation in 1979 but they are not sure they got all of the lead paint out at that time.

Approve the Contract

Motion by Karen Paul, second by Jane Knodell.

Final Resolution: Motion Passes

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

Action: 5.03 Authorization for Contract for Starr Farm Park Playground Replacement - Parks

The Board addressed an item to allow the Parks Department to execute a contract with Ultiplay, Inc. to replace the Starr Farm Playground. The current playground is 25 years old and has exceeded its life span. The amount of the contract will be $70,000 and funded with the Penny for Parks budget. Construction will be completed by May 15.

Approve the Contract

Motion by Jane Knodell, second by Kurt Wright.

Final Resolution: Motion Passes

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

Action: 5.04 Authorization for Contract for Oakledge Park Restroom Renovation - Parks

The Board addressed an item to allow the Parks Department to execute a contract with Professional Construction, Inc. to renovate the upper pavilion restrooms at Oakledge Park. The restrooms were built in 1978 and are not ADA compliant. The cost of the contract will be $69,806 and will be funded through the Penny for Parks budget.

Approve the Contract

Motion by Karen Paul, second by Jane Knodell.

Final Resolution: Motion Passes

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

Action: 5.05 Authorization for Contract for Burlington Lead Program Outreach Campaign - CEDO

The Board addressed an item to allow CEDO to execute a contract with Hen House Media for an advertising and outreach campaign designed to increase enrollment of high-priority units in the Burlington Lead Program. The contract will be in the amount of $70,000.

Approve the Contract

Motion by Sharon Bushor, second by Jane Knodell.

Final Resolution: Motion Passes

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

6. Communication

Communication, Information: 6.01 Regional Programs Support for Lecture - CEDO

And

Communication, Information: 6.02 Regional Programs Support for Early Childhood Educational Conference - Mayor's Office

Mayor Weinberger stated these projects will be supported by the regional programs budget but this is not the exclusive funding source.

Accept the Communications

Motion by Sharon Bushor, Second by Jane Knodell

Final Resolution: Motion Passes

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

7. Adjournment

Action, Procedural: 7.01 Adjournment

Without objection, Mayor Weinberger adjourned the Board of Finance meeting at 5:45pm.