Board of Finance - Monday, March 26, 2018 at 5:30 p.m.
Conference Room 12, City Hall
3/26/2018

BURLINGTON BOARD OF FINANCE

CITY HALL

BURLINGTON, VERMONT

MINUTES OF MEETING

March 26, 2018

Approved 4/16/18

MEMBERS PRESENT: Mayor Weinberger

Jane Knodell

Kurt Wright

Karen Paul [left at 6:25 PM]

MEMEBERS ABSENT: Sharon Bushor

OTHERS PRESENT: Beth Anderson, Interim CAO, C/T

Rich Goodwin, DFO

Eileen Blackwood, City Attorney

Brian Lowe, Mayor's Office

Jordan Redell, Mayor's Office

Stephanie Reid, HR

Chapin Spencer, DPW

Laura Wheelock, DPW

Megan Moir, DPW

Martha Keenan, DPW

Patrick Mulligan, DPW

Jessica Lavalette, DPW

Noelle MacKay, CEDO

Kirsten Merriman Shapiro, CEDO

Cindi Wight, Parks & Rec

Nina Safavi, Parks & Rec

Didi Harris, Early Learning Initiative

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the meeting to order at 5:35 PM on March 26, 2018.

1.01 Agenda

MOTION by Councilor Knodell, SECOND by Councilor Paul, to approve the agenda. VOTING: unanimous; motion carried.

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 BOARD OF FINANCE APPROVAL

3.01 Contract and Budget for 311 North Avenue Trail Design – Parks & Rec

Director Wight reported the trail from Cambrian Rise development to the bike path will be paved and paid for by an anonymous donor. The second phase is the gravel trail from the stone house that will come out behind the garden.

MOTION by Councilor Wright, SECOND by Councilor Knodell, to authorize the Director of Parks and Recreation to execute the contract and related documents with Civil Engineering Associates for construction ready design of a multiuse pathway at 311 North Avenue consistent with the bid in the amount of $53,956 subject to final contract approval by the City Attorney's Office, and to authorize the Director of Parks and Recreation to use the contingency amount of $5,400 as needed to complete the project, and further, to approve the budget adjustment as detailed. VOTING: unanimous; motion carried.

4.0 APPROVE AND RECOMMEND TO CITY COUNCIL

4.01 Contract and Budget for Schmanska Park Court Reconstruction – Parks & Rec

MOTION by Councilor Wright, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the following:

- **Approval of the contract with Vermont Recreational Surfacing, Inc. for reconstruction of basketball and**

tennis courts at Schmanska Park consistent with the bid in the amount of $147,396.

- **Authorizing the Director of Parks and Recreation to execute the contract and any related documents needed to carry out the project subject to final contract approval by the City Attorney's Office.**
- **Approval of the storm water and contingency amount of $10,000 and $15,700 respectively and authorizing the Director of Parks and Recreation to expend the funds if needed for successful completion of the project.**

DISCUSSION:

- **Councilor Wright asked why all the proposals were over budget. Director Wight explained often estimates and actual contract numbers differ. The scope of work included every possible item. The actual budget for the court improvements was on budget and then some landscaping was added.**

VOTING: unanimous; motion carried.

4.02 Contracts for 2018 Waterline Rehabilitation Work - DPW

MOTION by Councilor Paul, SECOND by Councilor Wright, to approve and recommend to City Councilor for approval the following:

- **Award the bid to Aquarehab and authorize the Public Works Director to execute the contract in the amount of $649,700 with additional authorization to amend the contract and expend contingency funds as needed up to $130,000 to complete the project with prior approval from the City Attorney and CAO.**
- **Award the bid to Don Weston Excavating and authorize the Public Works Director to execute the contract in the amount of $607,545 with additional authorization to amend the contract and expend contingency funds as needed up to $61,000 with prior approval from the City Attorney and CAO.**
- **Award the bid to Staff Sterling Management and authorize the Public Works Director to execute the contract in the amount of $125,787 with any amendments having prior approval from the City Attorney and CAO.**
- **Authorize the CAO to approve a budget amendment if necessary to carry over authorized, but unexpended FY18 Waterline Distribution Capital Funds to the FY19 G/L 460-19-400-411.9500 and G/L 461-19-700-708.9500_110 Water Distribution Capital Outlay Expenditures necessary for project completion.**

VOTING: unanimous; motion carried.

4.03 Contract for Upgrades to Traffic Signal and Sidewalk Replacement at Intersection of Battery/Maple Streets – DPW

Traffic Director Mulligan reported the wooden poles will be replaced with black metal poles, all four corners of the intersection will be made ADA compliant, the signals will be pedestrian actuated, and a "No Right Turn" signal will be activated with the pedestrian crossing. Impacts fees will pay for the work. The project is a line item in the FY18 budget. Director Spencer noted there is discussion of having an auto/pedestrian phase at certain intersections in the downtown.

MOTION by Councilor Knodell, SECOND by Councilor Paul, to approve and recommend to City Council for approval the authorization of the Public Works Director to execute a contract with All Season Excavation in the amount of $107,499 subject to prior approval by the City Attorney's Office, and to authorize use of an additional $10,744.90 in contingency funds to increase the authorized amount for the project if needed to $118,243.90 (traffic signal and sidewalk replacement at the intersection of Battery/Maple Street). VOTING: unanimous; motion carried.

4.04 CY18 Street Reconstruction Program Contract - DPW

MOTION by Councilor Knodell SECOND by Councilor Paul, to approve and recommend to City Council for approval the following:

- **Up to $1,455,185.80 in Street Capital carry forward funds for use in the FY18 Street Capital budget under G/L 709-19-150-700.8040 (Street Paving).**
- **Authorize the Public Works Director to execute a construction contract with Frank Whitcomb in the amount of $3,257,967.45 for the CY18 Street Reconstruction Project subject to prior approval by the City Attorney.**
- **Authorize use of an additional $325,796.75 in contingency funds to increase the authorized amount for the project if needed for a total of $3,583,764.20.**

DISCUSSION:

- **Councilor Knodell asked if the base bid and five elements are included. DPW Engineer Wheelock explained Alternatives 3 & 5 were added. Alternative 4 (Curtis Ave.) was added in 2019. Alternative 2 drops out because Alternative 3 was added. Alternative 1 is mill and fill Depot Street which will depend on whether there are any remaining contingency funds.**
- **Councilor Knodell asked if Whitcomb was the low bid. DPW Engineer Wheelock said there is the base bid and alternatives. Whitcomb was the lowest responsible bidder. Other companies (Pike, SD Ireland, ECI) are getting some work as well.**
- **Councilor Knodell asked if the streets to be paved are noted on the website. DPW Engineer Wheelock said the information is on the construction portal. There will be outreach done using Front Porch Forum and social media.**

VOTING: unanimous; motion carried.

4.05 Reclassify Traffic Foreman Position – HR, DPW

DPW Director Spencer explained the mid-level management position in the union is being transitioned to a non-union position so union staff is not managing union staff. There are no changes to the job description and only a nominal change in salary.

MOTION by Councilor Knodell, SECOND by Councilor Wright, to approve and recommend to City Council for approval the reclassification of the regular, full time, Grade 18, non-exempt AFSCME Traffic Foreman position to a regular, full time, Grade 18, exempt, non-union position. VOTING: unanimous; motion carried.

4.06 Street Franchise Agreement with Mobilitie – C/T

MOTION by Councilor Wright, SECOND by Councilor Paul, to approve and recommend to City Council for approval the use of the city's right-of-way by RNTVT (Mobilitie) under the terms of the agreement and to authorize Interim CAO Anderson to execute the agreement subject to prior review and approval by the City Attorney.

DISCUSSION:

- **Councilor Knodell asked about BT paying a franchise fee. Interim CAO Anderson said the charge is for use of the right-of-way.**

VOTING: unanimous; motion carried.

4.07 Approve Issuance of $2 Million Water Improvement Revenue Bonds – C/T

MOTION by Councilor Knodell, SECOND by Councilor Paul, to approve and recommend to City Council for approval the resolution related to revenue bonds for the Water Department not to exceed $2 million for capital improvements as stated in the resolution and the memo from Thomas Melloni, dated 3/26/18.

DISCUSSION:

- **Councilor Knodell asked if there could be a third borrowing under the authorization. Interim CAO Anderson said there could be a third and potentially a fourth borrowing depending on the paving program. The borrowing may stretch over two years. DFO Goodwin added the city will be doing multiple bondings in May which will help drive down the rates.**

VOTING: unanimous; motion carried.

4.08 Approve Issuance of $6.1 Million Capital Public Improvement Bonds – C/T

MOTION by Councilor Paul, SECOND by Councilor Wright, to approve and recommend to City Council for approval the resolution related to the general obligation bonds not to exceed $6.1 million for capital improvements stated in the resolution and memo from Thomas Melloni, dated 3/26/18.

DISCUSSION:

- **Mayor Weinberger confirmed the language on the ballot item caps the bonds at $6.1 million.**
- **Councilor Knodell said the borrowing is with UVM and Champlain College, but on the good faith of the Burlington taxpayers. DFO Goodwin said there is no impact on the dedicated tax for debt as a result of the bond.**

VOTING: unanimous; motion carried.

4.09 Approve Issuance of $9 Million Capital Public Improvement Bonds – C/T

MOTION by Councilor Paul, SECOND by Councilor Knodell, to approve and recommend to City Council for approval the resolution related to general obligation bonds not to exceed $9 million for capital improvements stated in the resolution and the memo from Thomas Melloni, dated 3/26/18. VOTING: unanimous; motion carried.

5.0 COMMUNICATION

5.01 Water Billing Briefing - DPW

DPW Director Spencer reported the error in the compound meter installation and billing has been corrected. Future errors can be prevented by improved internal controls and photo documentation. Staff recommends doing a systematic review of the water billing system to prevent future billing errors. DPW has new standard operating procedures and processes, but assessment is also warranted. The RFP for this work will be released by April 23, 2018. The resolution outlines repayment to UVM and other customers who were overbilled and to receive re-payments from customers who were under billed subject to approval by the CAO and City Attorney. Staff is committed to resolving the issue as soon as possible.

Councilor Wright asked about the amount overbilled UVM and the amount under billed. Public Works Director Spencer said UVM was overbilled $2,018,000 and additional issues were discovered for a net of $46,000. The accounts are detailed in the spreadsheet to show over and under billed accounts. The net under billing is $434,000.

Public Works Director Spencer said the standard operating procedures need to be improved to decrease the silos between billing, the field, and engineering services and to have a well-defined revenue assurance program for the division.

MOTION by Councilor Paul, SECOND by Councilor Wright, to authorize the Public Works Director to enter into agreements to repay UVM and other customers for the net amount over billed, and to enter into agreements to receive repayment from customers who were under billed with all agreements being subject to approval by the CAO and City Attorney. VOTING: unanimous; motion carried.

5.02 Early Learning Initiative (ELI) Program Update – CEDO

CEDO Director MacKay said $14,000 for ELI is in the CEDO budget as a new grant program to address the shortage of birth to five years childcare in the city. The funding will create four new slots. The slot that are created must be sustainable for the program.

Chief of Staff Lowe said feedback is being received on how the grant program is oriented. It is hoped to do a new round focused on planning grants and changing the timeline for capital investment.

Mayor Weinberger urged involving CDNR.

There was discussion of conflict of interest for Councilor Knodell who serves on the board of directors for an organization that may have submitted a grant application. City Attorney Blackwood advised there is no conflict if an application has not been filed.

Councilor Knodell asked for an explanation of "STAR". Didi Harris explained STAR stands for "Step Ahead Recognition

System" designed to recognize program quality based on a point system. STAR is affiliated with the CCFAP funding stream. CCFAP is Vermont's childcare financial assistance program (income based financial assistance for tuition to childcare programming). Councilor Knodell asked if the four new slots will be for income qualified children. Didi Harris said not necessarily, a diverse demographic will be served to help support the bottom line. Scholarships are being considered so the program is sustainable.

MOTION by Councilor Knodell, SECOND by Councilor Wright, to recommend that the CEDO Director be authorized to distribute grant funds in the amount of $14,000 for the ELI preschool program. VOTING: unanimous; motion carried.

5.03 Sweep Report February 2018 – C/T

DFO Goodwin reported the cash balance is strong with over $23 million in the bank (up $3 million from the prior month). Tax payments were received March 12, 2018. Airport Cash took a dip because of capital expenditures, but reimbursements have been submitted.

5.04 TIF Report – C/T

Interim CAO Anderson reported on the TIF districts cash flow and debt service including City Place Burlington as a sub-district of the Waterfront TIF projected projects. There are funds in the projection that take into account the original Moran vote. The $12.6 million approved by the voters covers Main Street, St. Paul Street, brownfield remediation for Browns Court, and Marketplace Garage improvements and repair projects.

Councilor Knodell said it appears all TIF districts are in good shape in that projected revenues are adequate to meet projected debt and the positive net balance could be used for other projects or go back into the General Fund. Mayor Weinberger said what to do with any additional Waterfront TIF capacity can be discussed as part of the budget presentation.

Councilor Knodell asked when bonding will be done for the Downtown TIF. Interim CAO Anderson said this is being examined. DFO Goodwin said when debt is incurred the debt must expire based on the life of the TIF.

5.05 Debt Policy – C/T

DFO Goodwin stated the debt policy includes debt ratio, leasing, short term bond mechanisms (grant anticipation notes, revenue anticipation notes). Moody's advised the city should have a debt policy in place. Moody's will do their review in April. Interim CAO Anderson stated the policy represents the city's financial prudence.

Councilor Knodell asked what the recommended ratios are based on. DFO Goodwin said feedback from Moody's, PFM, and what similar cities are doing. The memo shows current debt, future debt load, and borrowing in May and in the fall. Interim CAO Anderson said a future model can be done as well. Mayor Weinberger said the future model should include the PFM recommendations.

Councilor Knodell suggested there be an overview that highlights key elements of the policy.

6.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:55 PM.

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