Board of Finance
3/19/2015

Board of Finance (Thursday, March 19, 2015)

Generated by Amy Bovee on Friday, March 20, 2015

Members present
Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

Also Present

CAO Bob Rusten; ACAO Rich Goodwin; Nick Longo, Marie Friedman, Amanda Hanaway-Corrente, Airport; Jesse Bridges, Parks; Pat Buteau, Norm Baldwin, Martha Keenan, DPW; Assistant City Attorney Richard Haesler; Peter Owens, Kirsten Merriman-Shapiro, Diana Colangelo, CEDO; Gene Richards, Airport (Phone)

Meeting called to order at 5:33 PM

1. Agenda

Action, Procedural: 1.01 Adopt/Amend Agenda

Motion to adopt agenda

Motion by Joan Shannon, second by Jane Knodell.

Final Resolution: Motion Passes

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

2. Public Forum

Discussion, Information: 2.01 Public Forum

Jessica Hyman, Vermont Community Garden Network, spoke in favor of the acquisition of Archibald St. Park
Beverly Boget, Visiting Nurses Association, spoke in favor of the acquisition of Archibald St. Park.
Matt Moore, Conservation Board, spoke in favor of the acquisition of Archibald St. Park.
Eric, Burlington Resident, spoke in favor of the acquisition of Archibald St. Park.

3. For Approval and Recommendation to City Council

Action, Resolution: 3.01 Authorization for Memorandum of Understanding for Police Department Lighting Project -

BED/Police

Councilor Bushor inquired if this will save the Police Department $193/month over 48 months. Martha Keenan, DPW, stated this is correct.

Approve and Recommend City Council Approval

Motion by Joan Shannon, second by Sharon Bushor.

Final Resolution: Motion Passes

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

Action, Resolution: 3.02 Authorization for Contract for Engineering Contract for Housing Removal – Airport

AND

Action, Resolution: 3.03 Authorization for Construction Contract for Housing Removal - Airport

Councilor Bushor inquired what the response from South Burlington has been about this issue. Gene Richards, Airport, stated they have had a tremendous amount of communication with South Burlington. They have met with South Burlington, the construction team, and some concerned neighbors. South Burlington seemed favorable to the proposal and they have been communicating daily. The neighbor who appealed the project also seems to have been responding favorably.

Councilor Paul stated they have long advocated for this program to come to an end and for the homes to be removed. Nicolas Longo, Airport, stated they have acquired many properties throughout the years through various programs. They have come to the conclusion that the end to the program is a good way to finish the acquisitions and find a different plan for helping the neighborhood and addressing the noise issue.

Approve and Recommend City Council Approval of the Construction and Engineering Contracts

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

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

Action, Resolution: 3.04 Authorization for Engineering Contract for Glycol Treatment Systems Improvements - Airport

The Board addressed an item to allow the Airport to award an engineering contract to Stantec Consulting Inc. in the amount of $399,993 for improvements to the North Drainage Glycol Treatment System. This system treats glycol contaminated storm water resulting from aircraft deicing. The FAA will pay for 90% of the project, the State for 6% and the Airport for 4% through Passenger Facility Charges.

Approve and Recommend City Council Approval

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

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

Action, Resolution: 3.05 Authorization for Archibald Purchase and Sale Amendment and Remediation Plan - Parks

City Council President Shannon thanked them for their work on this project and believes it is an excellent use of city dollars to support the community. Mayor Weinberger spoke in favor of the purchase.

Approve and Recommend City Council Approval

Motion by Jane Knodell, second by Joan Shannon.

Final Resolution: Motion Passes

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

Action, Resolution: 3.06 Authorization for Approval of Waterfront Park Boardwalk Replacement - Parks

The Board addressed an item to allow the Parks Department to execute a contract with Kingsbury Companies LLC in the amount of $216,900 for replacement of the Boardwalk in Waterfront Park. The project is part of the approved slate of Waterfront PIAP projects.

Approve and Recommend City Council Approval

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

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

Action, Resolution: 3.07 Authorization for Contract for Integrated Library System software - Library

The Board addressed an item to allow the Library to execute a contract with Innovative Interfaces in the amount of $156,499 for an integrated library system. This will provide the library with software, hosting, training and technical support for software used for checkout, catalog, maintenance of the collection and patron databases. It will also allow patrons to access library services online.

Approve and Recommend City Council Approval

Motion by Karen Paul, second by Joan Shannon.

Final Resolution: Motion Passes

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

Action, Resolution: 3.08 Authorization for Intervale Center Lease - CEDO

Diana Colangelo, CEDO, stated the Board of Finance received a version of this lease last year, but this has changed to include Gardener's Supply as a partner. The major change is that this will allow them to bring composting back to the Intervale. This will also increase parking capacity for the Intervale Center.

City Council President Shannon inquired if they will be making compost there or if they will just be bringing it in to sell there. Travis Marcotte, Intervale Center, stated they will not be making compost. Gardener's Supply will be purchasing the compost in bulk and selling it to customers.

Councilor Bushor inquired where they will be buying their compost from. Mr. Marcotte stated they will be working with CSWD to buy the compost.

Approve and Recommend City Council Approval

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

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

Action, Resolution: 3.09 Authorization for Budget Amendment for Mall Contribution to City Technical Team - CEDO

Councilor Bushor inquired when they would be reimbursing the developer. Peter Owens, CEDO, stated it would not happen until the project is permitted, financed, and authorized under the development agreement. Councilor Bushor inquired if they would need to reimburse the developer if the project did not move forward. Mr. Owens stated they would not. Councilor Bushor inquired if they would reimburse the total amount if the project moves forward. Mr. Owens stated they would.

Councilor Knodell inquired if there will be more than one project as part of this redevelopment. Mr. Owens stated the project will happen in phases and reimbursement will happen after the first project. They will negotiate the agreement, but they will not sign until they have confidence that the entire project will be built. Assistant City Attorney Haesler stated the Development Agreement will lay out a timeline and articulate what a closing is for purposes of this.

Mayor Weinberger stated it is very likely the project will come forward in independent phases. Even if they sign off on only one phase, it will involve many millions of dollars.

City Council President Shannon inquired what is meant by closing. Mayor Weinberger stated there will be a construction closing when they are ready to build something and financing is in place.

Mayor Weinberger spoke in favor of this agreement. Councilor Bushor expressed disappointment that they will have to pay this money back, but will support the motion.

Approve and Recommend City Council Approval

Motion by Joan Shannon, second by Jane Knodell.

Final Resolution: Motion Passes

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

Action, Resolution: 3.10 Authorization for Design and Engineering Contract with Hoyle Tanner and Associates for Phase 1 Garage Assessment - DPW

Councilor Bushor inquired what garages will be included. Pat Buteau, DPW, stated it will include all of the City's garages. The bulk of this will be for the College and Lakeview Garages.

Approve and Recommend City Council Approval

Motion by Joan Shannon, second by Sharon Bushor.

Final Resolution: Motion Passes

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

Action, Resolution: 3.11 Amendment to Water Treatment Contract for Waterfront Access North - DPW

City Council President Shannon noted that they missed the window of time that they were looking for and they could be doing this at the higher water level of the season. She inquired if this could wait until later in the season. Norm Baldwin, DPW, stated waiting longer would devastate the schedule of the project. City Council President Shannon inquired what will happen if the water level rises while they are doing this work. Mr. Baldwin stated they hope to have this done before lake levels rise, otherwise they would have to pump more water. They are unsure what groundwater levels are, but it is better to do this before lake levels rise to avoid potential problems. They hope to get this done to keep the next steps on schedule. If they were to wait longer to do this, they would have to wait until fall. City Council President Shannon inquired if there is potential for the lake to flood the project and what the consequences would be. Mr. Baldwin stated there is ground that separates the excavation from the lake. City Council President Shannon inquired what the level of the excavation site is. Mr. Baldwin stated it is about 102 feet. City Council President Shannon stated the lake can rise that high. Kirsten Merriman-Shapiro, CEDO, stated when they experienced flooding in 2011 there was no flooding on this site. The area they are digging in is directly east of the Moran Building. Basements and foundations go down to 85 feet, so there is a significant amount of concrete between the building site and the lake. City Council President Shannon stated she wants to be sure they have considered the worst case scenario. Mr. Baldwin stated higher water levels would require more pumping, which could require an amendment to the contract. It needs to be done and they will figure out a way to do it. He does not expect that it will be problematic. This expense is being covered by the contingency for this project. Mayor Weinberger stated it is a challenging situation and the worst case scenario would be that if expenses were too great they would have to stop and wait until the fall.

Councilor Paul inquired if there is a way to start this work sooner than mid-April. Mr. Baldwin stated he would welcome that if it is possible. He expects that it will take about two weeks to mobilize on the project. The normal averages show that lake levels rise around May 1 and it has been a cold season. The contractor knows the schedule that they have and they are beginning to gather their equipment to begin work as soon as possible.

Approve and Recommend City Council Approval

Motion by Joan Shannon, second by Sharon Bushor.

Final Resolution: Motion Passes

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

Action, Resolution: 3.12 Authorization for Approval of Church Street Marketplace Sidewalk Cafe License Agreements - Marketplace

Councilor Bushor inquired how they reach out to businesses to find out how successful outside cafés. Ron Redmond, Church Street Marketplace, stated they had a lot of public process last year when they raised the rates. They reached a compromise to set the rate. They typically have a small percentage per year increase.

Approve and Recommend City Council Approval

Motion by Joan Shannon, second by Karen Paul.

Final Resolution: Motion Passes

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

Action, Resolution: 3.13 Authorization for Extension of Audit Services for One Year - C/T

Councilor Bushor inquired if the cost of the auditor includes their attendance at Board of Finance and City Council meetings. ACAO Goodwin stated it is included.

Approve and Recommend City Council Approval

Motion by Karen Paul, second by Joan Shannon.

Final Resolution: Motion Passes

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

4. Possible Executive Session

Action: 4.01 Collective Bargaining

Mayor Weinberger stated they have talked about having the Council formally endorsing the recommendations of the Retirement Committee. This will be a helpful tool for them in negotiations because they have numbers supporting their recommendations and what it would mean for employees. He suggested they have a work session with the full Council on Monday to discuss this further.

CAO Rusten stated the report from the Committee specified four goals. The first was to achieve an 85% funding level within seven years. The second was to level fund the City's contribution for the first three years and then have the contribution increase using some kind of index. The third was to have triggers in place that they would agree to with bargaining units that would share the cost of increases between employees and the City. The fourth was to make the full actuarially required contribution. There are a number of ideas as to how to achieve those goals. BERS was charged with looking at the structure of the current system and have already made two changes. They are also looking at continuing the use of a method which does not account for employee turnover or the fact that new employees will come in with a different benefit level. They have worked to use a conservative open group method which would take this into account as part of the valuation. Using the closed group method, they projected that the City's contribution would increase by $9.9 million in FY2016. That would include contributions from the Schools and BED. Using the open group method, the City's contribution would be $9.3 million. Using the open group method would achieve an 85% funded level within 7 years and would achieve a 100% funding level within a 30 year time frame. The open group method would require them to ensure that the past service amortization is done within a shorter period of time to achieve a 100% funding level within 30 years. The amount that the City would have to make under the open group method would be less than in the closed group method. The closed group method uses a formula where they increase the normal cost it by 3.5%. They believe that the open group method is more realistic of the actual long term costs. If there were a bad year in the market it would affect both methods. They are hoping for new numbers on the open group method to review. If they use the open group method, they would need a new valuation for FY2016. Achieving the goal of level funding the City's contribution for the next three years will be easier if they are looking at $9.3 million rather than $9.9 million.

Mayor Weinberger stated it is more fair and a more accurate projection of the future because it takes into account the concessions that the City has secured in recent bargaining rounds that do not get reflected in the current system until someone retires.

Councilor Paul stated she believes this is more realistic. She noted that the new GASB rules will be in effect for the next valuation and they believed that change would increase the unfunded liability. She inquired if the $600,000 difference will take that into account. CAO Rusten stated even if the unfunded liability were to increase, it would not affect the required contribution under the new GASB rules. The new rules could affect how long it will take them to get to the funding level that they have targeted. In the context of contract negotiations, it is common to look at wages, health insurance, and retirement all together.

City Council President Shannon inquired if they will be making a recommendation on this. Mayor Weinberger stated a recommendation may be helpful. CAO Rusten stated they should not make a final decision until they have all of the numbers.

Finding that premature disclosure would put the City at a disadvantage

Motion by Joan Shannon, Second by Karen Paul

Final Resolution: Motion Passes

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

Enter Executive Session

Motion by Joan Shannon, Second by Karen Paul

Final Resolution: Motion Passes

Ayes: Sharon Bushor, Jane Knodell, Karen Paul, Joan Shannon, Miro Weinberger

The Board left executive session at 7:12pm.

5. Adjournment

Action, Procedural: 5.01 Adjournment

Without objection, Mayor Weinberger adjourned the Board of Finance meeting at 7:12pm.