Board of Finance - Tuesday, February 19, 2019 at 5:00 p.m.
Contois Auditorium, City Hall
2/19/2019

BURLINGTON BOARD OF FINANCE

CITY HALL

BURLINGTON, VERMONT

MINUTES OF SPECIAL MEETING

February 19, 2019

APPROVED – 4/15/19

MEMBERS PRESENT: Mayor Weinberger

Council President Kurt Wright

Councilor Karen Paul

Councilor Sharon Bushor

MEMBERS ABSENT: Councilor Jane Knodell

OTHERS PRESENT: Beth Anderson, CAO

Rich Goodwin, DFO

Olivia Lavechin, Mayor's Office

Jordan Redell, Mayor's Office

Eileen Blackwood, City Attorney

Richard Haesler, Assistant City Attorney

Stephanie Reed, HR

Chapin Spencer, DPW

Laura Wheelock, DPW

Megan Moir, Water Resources

Gene Richards, BTV

Nic Longo, BTV

Shelby Lozier, BTV

Marie Friedman, BTV

Cindi Wight, Parks & Rec

Steven Lock, Fire Chief

David White, CEDO

Kirsten Merriman Shapiro, CEDO

Mary Peterson, BED

Scott McIntyre, Auditor

Elaina Gorsek, Auditor

Chris Flynn, citizen

1.0 CALL TO ORDER and AGENDA

Mayor Weinberger called the meeting to order at 5:15 PM on February 19, 2019.

1.01 Agenda

MOTION by Councilor Paul, SECOND by Councilor Bushor, to approve the agenda as presented. VOTING: unanimous [Council President Wright not present for vote]; motion carried.

2.0 PUBLIC FORUM

Chris Flynn, Ward 6 resident, requested postponing action on the resolution pertaining to the Moran FRAME concepts until the answers to outstanding financial questions are received.

Councilor Paul requested that City Council be copied on any emails received.

3.0 MINUTES

3.01 December 3, 2018

MOTION by Councilor Bushor, SECOND by Councilor Paul, to adopt the 12/3/18 minutes with the amendment to delete the statement by Councilor Knodell relative to the DID and the nonprofit with the city controlling the budget. VOTING: unanimous; motion carried.

4.0 APPROVE AND RECOMMEND TO CITY COUNCIL

4.01 Environmental Information System Multi-Year Software Maintenance Proposal - BED

MOTION by Councilor Bushor, SECOND by Councilor Paul, to approve and recommend to City Council to authorize the BED General Manager to execute a five year contract with Wunderlich-Malec for environmental information system software maintenance at a total cost of $93,960 subject to approval by the City Attorney.

<u>DISCUSSION</u>:

- **BED was thanked for saving the city money.**

VOTING: unanimous; motion carried.

4.02 Organization Chart Update - BED

MOTION by Councilor Paul, SECOND by Council President Wright, to approve and recommend to City Council to adopt the resolution on the BED organizational chart update.

<u>DISCUSSION</u>:

- **Councilor Bushor noted BED answered questions prior to the meeting. The changes make the department more effective. BED involves the employees in decisions. The position tiers are a good idea, but at some point how to best retain employees in positions needs to be explored.**

VOTING: unanimous; motion carried.

Mary Peterson, Assistant Director of IT at BED, was introduced and welcomed.

4.03 FY2018 Audit – C/T

Auditors, Scott McIntyre and Elaina Gorsek, reported the audit went well. Long term liabilities for the city include the citywide net pension liability of over $80 million. The amount is down $2 million because investment earnings exceeded expectations and the city decreased the investment rate of return. The unassigned fund balance is $9.7 million which is up $1.3 million from the previous year and represents a 16% increase in expenditures due to FY18 operations ($650,000) and a deficit in receipts received for capital funds ($650,000). Elaina Gorsek added there were no significant or material deficiencies found. The census data reconciliation to employees used by the actuary will continue.

Council President Wright asked if there is a material weakness yet to be identified. Scott McIntyre said the statement is simply to cover if something was missed in the audit. Council President Wright asked what the $80 million net liability includes. Scott McIntyre listed city departments, enterprise funds, and the school district. Mayor Weinberger noted the new recommendation on the rate of return is being worked on by a consultant.

Councilor Paul observed the net pension liability and the enterprise funds are doing well. Scott McIntyre said this is a result of “cleansing” the census data. Councilor Paul spoke positively on the audit the city received and the response by the CAO’s

Office.

Councilor Bushor requested as a future agenda item City Council discuss the city's responses to the management letter in the audit and when to expect implementation of the recommendations.

MOTION by Councilor Paul, SECOND by Council President Wright, to approve and recommend to City Council to adopt both resolutions on the FY2018 audit. VOTING: unanimous; motion carried.

4.04 Waterfront TIF District Funds and Moran FRAME Project – CEDO

4.05 TIF Bonds for Moran FRAME Project - CEDO

Kirsten Merriman summarized the project for $5.649 million. Demolition and stabilization of the site is phase one. The super-structure of the building will remain and an east-west walkway.

Councilor Paul said City Council should have the opportunity to see the answers to questions before making a decision. Mayor Weinberger briefly explained the short-term bonding instrument and servicing debt within the TIF district.

The Board of Finance discussed taking a short recess to review the answers to questions on the Moran FRAME.

Councilor Bushor said an explanation of the cost increase from $5.4 million to $5.649 million is needed. Assistant City Attorney Haesler said the $5.4 million figure was used as the budget projection for the cost of the project. Councilor Bushor said the resolution should clearly state the residual amount exceeds $5.4 million so the public knows.

Council President Wright said the detailed answers to questions on the Moran project should be heard by City Council.

MOTION by Council President Wright, SECOND by Councilor Bushor, to forward the use of Waterfront TIF funds to pay indebtedness and costs for the Moran FRAME project to City Council with the understanding more time will be spent on the matter when it is before City Council.

<u>DISCUSSION</u>:

- **Councilor Paul commented the questions are to ensure the answers are there for the residents of the city, not to delay the project.**

VOTING: unanimous; motion carried.

5.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 6:13 PM.

RScty: MERiordan