



**Board of Finance - Monday, January 23, 2017 at 5:00 p.m.
Conference Room 12, City Hall
1/23/2017**

MINUTES SUBJECT TO CORRECTION BY BURLINGTON BOARD OF FINANCE. CHANGES, IF ANY, WILL BE RECORDED IN THE MINUTES OF THE NEXT MEETING OF THE BOARD.

BURLINGTON BOARD OF FINANCE

Approved

CITY HALL

BURLINGTON, VERMONT

MINUTES OF MEETING

January 23, 2017

MEMBERS PRESENT: Mayor Miro Weinberger [arrived 5:05 PM]

Jane Knodell

Sharon Bushor

Karen Paul [via teleconference beginning at 5:30 PM]

Kurt Wright

OTHERS PRESENT: Bob Rusten, CAO

Rich Goodwin, DFO

Eileen Blackwood, City Attorney

Joe McNeil, City Attorney's Office

Gene Richards, Airport

Nicholas Longo, Airport

Susan Leonard, HR

Kirsten Shapiro, CEDO

Chapin Spencer, DPW

Laura Wheelock, DPW

Nathan Lavery, BSD

Munir Kasti, BED

Adam Roof, City Councilor



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Kelly Devine, BBA

Morgan True, VT Digger

Scott McIntire, auditor

Alina Korsak, auditor

1.0 CALL TO ORDER and AGENDA

Until the arrival of Mayor Weinberger, Bob Rusten facilitated the meeting and called the Board of Finance meeting to order at 5 PM on 1/23/17.

1.01 Agenda

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

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 MINUTES

3.01 January 9, 2017

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve the 1/9/17 minutes with amendment to Item 5.03 (Parking and Transportation Agreement with Burlington Business Association) regarding postponement of action on the agreement to January 23, 2017. VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

Mayor Weinberger arrived and assumed facilitation of the meeting.

4.0 APPROVE AND RECOMMEND TO CITY COUNCIL

4.01 Authorize General Obligation Bond for School Department Capital Improvements

Joe McNeil, attorney representing the School Department, explained the language for the bond was such because the capital project exceeded the state aid allowance formula, but it is expected the language will be determined unnecessary because of later legislation that created a moratorium on all state funding of school capital improvements. There is no



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possibility of state aid without an amendment by the legislature which is not anticipated. The recommendation is to delete the lead paragraph from the bond ballot question.

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the authorization of the general obligation bond for the School Department capital improvements. VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

4.02 Authorize approval of the Parking and Transportation Agreement with BBA

Chapin Spencer, DPW, confirmed language is embedded regarding City Council giving comment and recommendation for any rate change involving Sunday enforcement.

Councilor Bushor asked about the following:

- The link between the Downtown Parking & Transportation Council and City Council - Chapin Spencer explained the Downtown Parking & Transportation Council is advisory and cannot take action, but will make recommendations to the DPW Commission. Should the recommendations pertain to a rate change involving Sunday enforcement then City Council must first give recommendation or comment. Transportation & Utilities Committee needs to be updated on any proposed parking related policy or rate change prior to going to the DPW Commission.
- Activities of the committee defining a new district and how the activities are communicated - Chapin Spencer stressed the main focus of the advisory committee is parking and transportation. DID advisory committee will have a deep dive into DID. There will be a councilor on that committee.
- Sunday on-street enforcement or just Sunday enforcement – Chapin Spencer said the on-street reference can be deleted. There is no charge in the garages on Sunday.

MOTION by Councilor Bushor, SECOND by Councilor Wright, to amend the language in the Parking & Transportation Agreement (Page 7, work plan, Item #4) to say if the proposal includes consideration of Sunday enforcement then this must be presented to City Council (i.e. strike "on street"). VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the amended Parking and Transportation Agreement with BBA. VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

Paul Bohne was introduced as the interim Executive Director replacing Pat Cashman.

4.03 Execute Contract Amendment with Suisman Urban Design for the Great Streets Project





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MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the contract amendment with Suisman Urban Design for the Great Streets Project.

DISCUSSION: It was explained there is a design amendment and an amendment to the budget. There will be further approval of design contracts and construction contracts. Councilor Bushor mentioned the table of information was challenging and difficult to follow. There were no further comments.

VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

4.04 Award Turbine Generator Service Agreement to GE Alstom Power, Inc.

MOTION by Councilor Bushor, SECOND by Councilor Knodell, to approve and recommend to City Council to award the turbine generator service agreement to GE Alstom Power, Inc. VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

4.05 Reclassify Office Assistant II in Mayor's Office

Susan Leonard reported all the relevant documents have been corrected with regard to retroactivity. Also the first qualification for the position was reworded to read easier. The position is an additional position with a higher level of work. There will now be three political appointments in the Mayor's Office. Mayor Weinberger noted the position is downgraded from Executive Secretary to Office Assistant II and is structured as an entry level position to work closely with the Mayor. It makes sense for the Mayor to have authority to fill the position.

Councilor Bushor spoke in support of the reclassification noting the set of job requirements should give the most flexibility to the Mayor.

MOTION by Councilor Knodell, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the reclassification of the Office Assistant II position in the Mayor's Office. VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

4.06 Execute Property Lease with Advance Towing and Repair, LLC at Burlington Airport

MOTION by Councilor Bushor, SECOND by Councilor Wright, to approve and recommend to City Council for approval the property lease with Advance Towing and Repair, LLC at Burlington Airport. VOTING: unanimous [Councilor Paul not present for vote]; motion carried.

4.07 Execute Property Lease with ELRAC, LLC d/b/a Enterprise Rent-A-Car at Burlington Airport

MOTION by Councilor Wright, SECOND by Councilor Bushor, to approve and recommend to City Council for approval the property lease with ELRAC, LLC d/b/a/ Enterprise Rent-A-Car at Burlington Airport. VOTING: unanimous [Councilor Paul not present for vote]; motion carried.





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4.08 FY16 Audit and Management Letter

Scott McIntyre, auditor, reported:

- The consolidated report will be complete with receipt of the school information.
- FY2016 is the first year of the Comprehensive Annual Financial Report (CAFR). The report includes the introduction letter, management discussion and analysis, basic financial statements, and 10 years of trend information on the city's finances.
- Budget and Actual Comparative Schedule shows the variance with the final budget. Total revenue and other sources is \$489,000 less than anticipated. Actual revenues were greater than anticipated by \$1.1 million driven by licensing, permitting, and charges for services. Use of the fund balance was \$1.6 million (draws on existing reserves) due to the resolution in March 2016 appropriating money to capital. The combination of \$1.1 million less \$1.6 million has a negative impact on the budgetary results.
- Expenditures show a positive variance of total expenditure and others uses equaling \$2,928,174 due to unspent appropriations provided for by City Council to city departments.
- Collectively revenues to expenditures are a positive of \$2.4 million.
- FY16 operating balance is driving the General Fund unassigned fund balance of \$6,500,000 which is \$2.2 million greater than the prior year. The \$6.5 million balance represents 12% of the FY16 operating budget.
- June 30, 2015 to June 30, 2016 shows many of the same numbers (i.e. draw on the fund balance, revenues greater than expected, expenditures less than budgeted).

Alina Kursak, auditor, reported:

- The unrestricted net position of the city's enterprise funds is \$5.7 million of which \$3.1 million is BED and the airport (both departments have separate, standalone financial statements with detailed information).
- Non major funds (Storm Water, Water, Waste Water, Burlington Telecom) showed an increase in their unrestricted net position. Burlington Telecom had only a slight increase of \$1.5 million. Cash flow was used to reinvest in capital. Waste Water and Water were \$2.3 million of the \$5.7 million due to positive operating results in the funds.
- Recommendations include:
- Improvement to monthly reconciliations of capital projects, inter-fund activity, tax increment financing, tracking of refunding of bonds (premium gains/losses, discounts), and life-to-date capital project reports going forward for new funds for new projects.
- Increase in frequency of transmittal of data to the retirement system monthly.

Councilor Paul asked about the percent of total General Fund expenditure and what is considered a healthy range. Scott McIntyre said 12% is a nice percentage and is the percentage of the city's General Fund expenditure. Mayor Weinberger said the policy states a minimum of 5% fund balance with 10% by Year 2019.

Councilor Knodell requested the presentation from the auditors to City Council be shortened.



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Councilor Bushor requested the city's response be on the Board of Finance agenda for discussion at a future meeting.

Mayor Weinberger recalled the FY11 audit had 27 findings and 12 material weaknesses compared to the current audit (FY16) with only two findings so there has been improvement.

Bob Rusten confirmed TIF revenues are not comingled in the Sweep Account.

4.09 November Financials

No report.

4.10 November Sweep Report

No report.

5.0 ADJOURNMENT

With no further business and without objection the meeting was adjourned at 5:56 PM.

RScty: MERiordan