



# OFFICE OF THE CLERK/TREASURER

City of Burlington

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## BOARD OF FINANCE

DECEMBER 5, 2011

### MINUTES

**PRESENT:** Mayor Kiss; City Council President Keogh; Councilors Wright, Paul, and Mulvaney-Stanak; Interim CAO Schrader

**ALSO PRESENT:** Councilors Bushor, Decelles and Shannon; ACAO Goodwin; Tammy Gagne, Airport; Lise Veronneau, Walter Decker, Police; Assistant City Attorney Eugene Bergman; Ken Nolan, Burlington Electric; Burlington Free Press

#### 1. Agenda

There being no changes, the agenda was unanimously adopted as presented.

#### 2. MAYOR: Communication re: Public Forum Procedure for the Board of Finance

Mayor Kiss stated he would like to start meetings with a ten minute public forum for members of the community who would like to speak to agenda items. They may be limited in time if there are many people present.

Councilor Wright spoke in favor of the policy.

Mayor Kiss stated there were other mechanisms for members of the public, including letters to the Mayor, which are shared appropriately.

City Council President Keogh and Councilor Mulvaney-Stanak made a motion to accept the communication and adopt it as a policy.

#### 3. Public Forum (10 Minutes)

There being no one coming forward, Mayor Kiss closed the public forum.

#### 4. Approval of the Board of Finance Minutes

a. September 19, 2011

b. September 26, 2011

On a motion by Councilors Wright and Mulvaney-Stanak, the minutes were approved unanimously.

## **5. AIRPORT: Request for TSA Office Space Lease**

Tammy Gagne, Business Manager for the Burlington International Airport, stated the Airport currently leased office space to the TSA. The TSA would like additional space, as they will be increasing staff and moving them from off-site to the Airport. The space is available and the rate would be a little higher than most because janitorial services will be included.

City Council President Keogh inquired about the rate. Tammy Gagne stated that rates were established by air carriers and was \$49 per square foot but, again, this would be higher due to janitorial services.

City Council President Keogh and Councilor Wright made a motion to approve the lease. The motion passed unanimously.

## **6. POLICE: Tow Contract**

The Board reviewed a request from Lise Veronneau, Burlington Police, who requested authorization of a multi-year contract that basically renewed a previous contract. John King, Parking Manager, Burlington Police, stated this elaborated categories, something that was not included in previous contracts. There were five different reasons to take a car off the street and the contract clarifies those.

City Council President Keogh inquired about problems with towing vehicles and placing them in residential areas. At times cars were towed and then plowed in again, causing annoyance to the residents. John King stated that cars are not placed in areas that have not been plowed. However, at times, it may continue snowing and they may get plowed in on the second time around.

Councilor Wright inquired if cars were only towed from one place to another during snow events and if that was what Spillane's was told to do. John King stated that was correct; they were told to bring cars to adjacent streets. Spillane's placed vehicles at their discretion and logged it with the Police Department. When streets were full, they then take cars to the overflow lots. This takes longer and creates a larger burden on the owner of the vehicle because they have to travel to the overflow lot which is further away.

Councilor Wright inquired if it had always been done this way. John King stated that it had been done differently in the past, but the most effective way was to move it to an adjacent street, as it made things move faster and cut down on the travel distance for the owner. Depending on the snow storm, there could be 150-300 vehicles towed. Councilor Wright asked if there were cars that were moved and then unclaimed. John King stated towing officers revisit the places cars were towed to and ensured that cars were claimed. Councilor Wright inquired if this is the best way to handle it and inquired if cars should be towed to lots. John King stated doing it that way took 2-3 times longer because of the distance involved. Councilor Wright inquired about the fees. John King stated the cars were ticketed and the revenue was used to pay the towing company.

Councilor Mulvaney-Stanak inquired about the RFP process and if other people responded. Lise Veronneau stated only Spillane's and a company in California responded. John King stated that because of the number of vehicles required only Spillane's could keep up with the volume. Councilor Mulvaney-Stanak inquired if the fees that were charged were tied to Spillane's fees or

what had been defined in the towing ordinance. Lise Veronneau stated Spillane's charged a fee. It was either charged at the impound lot when the car was picked up or they were impounded if there were other outstanding fees. When a vehicle was moved from street to street, the fine was paid to the Police Department.

A member of the audience, Councilor Bushor, inquired about edits to the agreement from 2007 and stated that track changes in the document would make it clearer. Lise Veronneau stated that there was a word document version available. John King stated that there had been a car towed off of Church Street which took two hours to figure out where the car was. This would be difficult to navigate for a person visiting from out of town who did not know what number to call. Having an indication on signage with the Police and Spillane's phone numbers would be helpful. He stated that most calls about cars were towed from private lots that Spillane's also enforces. Public tows are tracked. Finding a car that was towed and the fees associated with it takes a few phone calls.

City Council President Keogh inquired if there were less people being towed each year. John King stated it depended but that there were more alerts through Nixil, UVM, emails and text messages. When a big storm was expected people plan better than when it is unexpected or it is on a weekend. The first storm of the year was usually the worst because vehicles that have been abandoned or left for a few days are noticed. Lise Veronneau stated that after people are towed they often are added to the email list.

Mayor Kiss inquired about the requirement of background checks. John King stated that had always been included and drivers should be screened because it was a service provided as a contracted agency.

City Council President Keogh and Councilor Mulvaney-Stanak made a motion to approve the contract. The motion passed unanimously.

## **7. BED: Purchase Power Agreement**

Ken Nolan, BED, spoke to the Committee, stating that BED had been working with Housing Vermont to put solar panels on three of their buildings. The agreement was similar to the one in place with the Burlington School Department. There was a tax incentive that expired at the end of December so they were moving forward quickly. The contract would generate about 300 kilowatts and the commission would like to see 1.5 megawatts in total. This was a step in the right direction for a relatively low cost.

A member of the audience, Councilor Bushor, inquired about limitations on the budget for projects like this. Ken Nolan stated the benefits would be shared and it would not be a financial problem.

Mayor Kiss inquired if this agreement had been approved by Planning and Zoning. Ken Nolan stated their energy efficiency division works with Planning and Zoning. Outside of Burlington a permit was not required but it was in Burlington and it took time to walk through the process. As problems arise, more information was being made available to consumers about how to move through the process. Barbara Grimes stated BED would be putting more information on the website.

Mayor Kiss inquired how long solar panels would last. Ken Nolan stated they were supposed to last about 25 years and become less productive over time.

City Council President Keogh and Councilor Mulvaney-Stanak made a motion to approve the agreement. The motion passed unanimously.

## **8. REPORT: Scope of Audit**

Interim CAO Schrader stated the draft report being presented had drawn from discussion at the previous meeting and the resolution establishing the Audit Advisory Committee. It was designed to create discussion on what the audit should focus on. Mayor Kiss stated the highlights of the report were that changing the scope of the audit now would jeopardize completion of the audit, the prior year's management letter had a lot of recommendations that can be implemented, and things that come up should be addressed in next year's audit.

City Council President Keogh stated that this allowed the audit to move forward as planned and additional degrees of risk could be reviewed in the future.

Councilor Paul stated the resolution had been written in September after meeting with Scott McIntire. Knowing that there would be more discussion next year was fine with her.

CAAO Goodwin stated the current audit was on track to be completed on time. Expanding the audit would make it difficult to complete on time. Councilor Paul inquired about the timeline of the audit. ACAO Goodwin stated the first stage was the procedural audit, which was complete. The second stage was the financial audit and presentation of draft financials by December 31. The single audit would be completed on March 31st. The draft could of the BT single audit could then be presented to potential investors. Councilor Paul inquired if it would be possible to get the audited financials. Interim CAO Schrader reiterated that would not be completed until March.

City Council President Keogh and Councilor Paul made a motion to approve the report and forward it to the City Council with a reminder that it be brought up again in May 2012. The motion passed unanimously.

## **9. Budget Preparation and Tentative Calendar**

Interim CAO Schrader stated this information had been sent to Department Heads on December 2<sup>nd</sup> giving each member a chance to review the instructions. The last page was the proposed schedule for approval. It was tentative based on historical budget processes. This would also allow time for proposing ballot items if necessary. He stated he requested more information than was required in the past to better learn the processes of the departments. Discussions about COLA and personnel would occur first. Departments would also need to address changes they would make to meet costs. New positions would have to be coordinated with Human Resources to understand what was being requested. This should prevent reclassifications from being considered during the year that were not requested in the budget procedures. There was currently no procedure for this and he believed this type of request should be considered during the budget process.

The same would be true for capital projects and information technology. Departments should be going through the IT Department or the capital improvement plan to help coordinate them, rather

than having them occur haphazardly. In the past, capital projects have happened without funding being in place. There needed to be a better understanding of projects and how they would be funded prior to them beginning. If departments were responsive this would result in a better product for all.

Mayor Kiss inquired about revenue. Interim CAO Schrader stated there was a general sense of revenues. The later in the fiscal year, the easier it was to estimate them. The first quarter revenues were in. Sales and Use receipts are currently below what was projected in this year's budget. Gross receipts had been trending well and would meet the budget. The other concern was Planning and Zoning fees, which were currently much lower than expected. Mayor Kiss stated the Assessor projected about \$33 million in construction projects that would provide new property tax revenue. Interim CAO Schrader stated that property taxes have not been a concern.

City Council President Keogh stated it was good that expectations be realistic, rather than vague. Re-categorizations are almost automatically approved and having the CT office involved would be helpful. He stated he was interested in going paperless for City Council and Board of Finance. He believed the budget next year would be a better product.

Councilor Wright stated he was glad the re-classification issue was being addressed. Interim CAO Schrader stated requests were evaluated by Human Resources, but that did not mean they should be done. In some cases, responsibilities may be given to a person in a certain position, causing the reclassification, but in some cases these duties should be examined and reassigned appropriately. Planning requested a reclassification, but they were told that just because the work volume had changed did not mean that the position should be reclassified. They were asked to determine if there were tasks that could be reassigned elsewhere. It needed to be reviewed in a budgetary context.

A member of the audience, Councilor Bushor, stated the HR Committee changed the scope of responsibility. That committee used to examine reclassifications, but departments complained that the process took too long. Human Resources would look at the whole chart and see who was doing what to determine where responsibilities should lie. This process did not serve the City well, as the Board of Finance did not have the time to review reclassifications. Having an organizational chart and a proposed organizational chart whenever personnel was increased or decreased was a good foundation for decision making. She also stated she liked the requirement that information on programs and grants within departments be explained in detail. That was not done well in the past.

Councilor Mulvaney-Stanak inquired how directives are typically sent about capping expenses and if this was done most years. The City Council had been looking at changing uses of City services. She inquired if this approach would consider areas that were growing in use and those that were declining. She stated she would like to know the whole need and then examine what the City could afford. Mayor Kiss stated that each year predicting revenue and making decisions about COLA and benefits was difficult. Interim CAO Schrader stated their decisions would be made based on input from constituents. The last budget showed that decisions about what enhancements should be made needed to be realistic and reductions could occur as needed. Departments needed to start thinking outside the box and consider short term costs that would cause long term savings. These ideas should be presented to review as cost benefit analyses.

City Council President Keogh and Councilor Wright made a motion to accept the communication

and place it on file. The motion passed unanimously.

City Council President Keogh and Councilor Wright made a motion to adjourn the meeting. The meeting was adjourned at 5:57 .m.