



OFFICE OF THE CLERK/TREASURER

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BOARD OF FINANCE MONDAY, MAY 14, 2012

MINUTES

PRESENT: Mayor Weinberger; City Council President Shannon, Councilors Bushor, Decelles and Paul; Interim CAO Sisson

ALSO PRESENT: ACAO Goodwin; ACAO Schrader; Assistant City Attorney Haesler; Susan Leonard, HR; Larry Kupferman, CEDO; Bob McEwing, Tammy Gagne, Airport; Mari Steinbach, Jen Francis, Parks and Recreation; Norm Baldwin, DPW; Ron Redmond, Marketplace

1. Agenda

Councilors Bushor and Decelles made a motion to adopt the agenda as presented. The motion passed unanimously.

2. Public Forum

No one came forward to speak on this item.

3. Approval of the Board of Finance Minutes

- a. April 16, 2012
- b. April 30, 2012

Mayor Weinberger stated he was not prepared to vote on this item.

City Council President Shannon and Councilor Decelles made a motion to postpone voting on the minutes. The motion passed unanimously.

4. Revised Budget Discussion Schedule

Interim CAO Sisson outlined the changes and noted an additional meeting on May 17.

Councilor Bushor inquired when materials would be available for meetings. Interim CAO Sisson stated his goal is to have items out by Tuesday.

Councilor Decelles requested hard copies be prepared in advance for him to pick up.

Mayor Weinberger inquired when the DPW discussion will be complete. Interim CAO Sisson stated it will be included in the general fund discussions.

Councilor Paul requested copies of the agenda.

5. Approval of Step Increase for Asst. Director of Community Development – HR

Susan Leonard, HR, stated the request is to approve the Assistant Director of Community Development at the level of Grade 19 Step 2. The position required 5 years of experience and a bachelor's degree. Ms. Krumbine has a Master's Degree making her eligible for step 2. The salary will be \$53,850.

Councilor Paul stated she would like to see a tally of increases kept for the entire year. If there are a lot being done, the process may need to be revisited. Mayor Weinberger stated this is an initial hire and the person who left the position was at a step 14. Councilor Paul stated they can track both new hires and existing employees separately. Mayor Weinberger stated there has been discussion about changing the process.

Councilor Bushor stated a previous recommendation was to revise the process for those being placed at steps 1-7. These step placements are based on the personnel policy and are formulaic. Board of Finance review is unnecessary. She stated she had made a previous request that the HR Committee review this issue and make a recommendation. Originally, it was presented to the Board of Finance because there would be a financial impact. It is also important for the City to calculate how many unfilled positions there are and how many are approved to be filled. Unfilled positions provide an opportunity to make changes. Interim CAO Sisson stated he can put that reporting together and present it monthly or quarterly. Councilor Bushor stated she would like to see how vacancies are handled. Interim CAO Sisson stated when requests come in, there are opportunities to shift work loads. He stated he will work to find a way to track this.

Councilor Decelles inquired what the former person in this position made. Larry Kupferman, CEDO, stated it was \$62,504.

City Council President Shannon and Councilor Bushor made a motion to approve the step placement. The motion passed unanimously.

6. Amendment to Action Plan for Heineberg Senior Center – CEDO

The Board addressed an amendment to the Heineberg Senior Center Action Plan which reallocated funds designated for bathroom accessibility improvements to kitchen fire safety improvements.

Councilors Decelles and Paul made a motion to approve the amendment. The motion passed unanimously.

7. Contract with Ricondo & Associates for Feasibility Study – Airport

Councilors Paul and Bushor made a motion to approve the contract.

Councilor Bushor stated there are missing dates that need to be filled in. Mayor Weinberger stated this is a recommendation to the City Council. Interim CAO Sisson stated it can be filled in. City Council President Shannon stated the unknown day is the City Council meeting.

Tammy Gagne, Airport, stated this can be redrafted before it goes to the Council. Bob McEwing,

Airport, stated to go forward with the re-bonding, rating agencies and investors will require a feasibility study. This is done for every bond. Ricondo and Associates is the firm that has been selected. Mayor Weinberger inquired if this is something standard that is done with Airport bonds. Mr. McEwing stated it is the first step that is required. Interim CAO Sisson stated other companies have competitive rates and there is a reason Ricondo was chosen. Mr. McEwing stated that changing consultants is difficult because they need to learn about the Airport. That makes it more expensive. It is similar to changing auditors. Ms. Gagne stated that they did not do a bidding process because there are typically complications. The scope of the project will not exceed \$150,000. Giving them that contract will take them less time because they have already done work at the Airport.

Councilor Decelles inquired if the Airport Commission approved this. Ms. Gagne stated they have. Mayor Weinberger stated it is outlined in the memo that they unanimously approved this. He inquired if consideration was given to Simat, Helliesen & Eichner (SH&E). Mr. McEwing stated they were not, though they have done work in the past. Ms. Gagne stated the part of that company that worked with the Airport in the past is now an independent company. Ricondo is able to do the necessary work more effectively than SH&E was able to.

The motion passed unanimously.

8. Authorization to Accept Grant for Porter Air Costs – Airport

Mr. McEwing stated they entered into an agreement with the State to reimburse some of the start-up costs for Porter Air including customs, and bussing people from customs to the Airport. The grant is for \$105,200. Some of this has already been spent in anticipation of the grant in order to get Porter Air.

Councilor Bushor stated the memo lists several items other than Porter Air. There are two proposed resolutions attached. One deals with Porter Air and the other deals with other portions of the communication. She inquired if Porter Air should be addressed first. Ms. Gagne stated the intention was for the items to be addressed separately. Councilor Bushor stated she has questions about other resolutions.

Councilor Bushor and City Council President Shannon made a motion to approve acceptance of the grant for Porter Air. The motion passed unanimously.

City Council President Shannon and Councilor Decelles made a motion to accept the grant for design services.

Councilor Bushor stated the resolution and the memo list different costs for the project. She inquired if that is the cost for the whole design. Mr. McEwing stated the cost for design only is \$303,300 and \$272,970 of that will be covered by a grant. Councilor Bushor stated that one item talks about accepting a federal grant for land acquisition. She inquired if the South Burlington City Council knows about the purchase of these houses and if they have discussed the loss of tax revenue. Mr. McEwing stated the specific properties have not been communicated to them. They are aware of the property acquisition project. This is the fifth year of a five year program. He stated he feels badly about the tax problem. The land is still taxed, but the houses are removed from their tax rolls. Ms. Gagne stated it usually takes a year to complete the project, which allows them to prepare for the loss of revenue. Councilor Bushor stated that the Council should

be well informed about what is happening and what is communicated with others. She inquired if these properties are about to be acquired. Mr. McEwing stated they have not been appraised nor have offer letters been sent out. Everyone on the list has approached the Airport saying they would like to sell their homes. They have been waiting until money is available to make the purchase.

Councilor Decelles stated people who have been here for a while understand the program, but newer Councilors are unfamiliar with it. He requested a brief description of the program next time the Airport comes to a Council meeting. Mr. McEwing stated he would be happy to do that. The FAA moved the due date for applications back, which made it difficult to get the documentation ready in time. In the past, this process has happened throughout the summer. There are three grants being accepted and an award of a contract.

Mayor Weinberger stated they voted on item 1. City Council President Shannon stated the motion was to recommend the resolution for Airport Design Services to the City Council. The motion passed unanimously.

Mr. McEwing stated there should be resolutions for all items. Councilor Paul stated there are missing pages. Mayor Weinberger stated it would be better to vote at the next meeting when the documents were in order. City Council President Shannon inquired if they could recommend accepting the grants without the resolutions. Councilor Bushor stated she does not feel that they need to attend the meeting, but the Board of Finance could raise concerns and communicate them before Monday's City Council meeting.

Mayor Weinberger stated no further action will be taken and it will be addressed on Thursday.

9. Update on Miller Center – Parks

Jennifer Francis, Parks and Recreation, stated they recently presented the work to be done on the Miller Community Center. Construction has begun in the space. This is a follow up, as there has been a change in funding. Originally, it was going to be funded by the Master Lease program. It will now be funded through Capital Bonding as authorized by voters in March. The second portion is to seek approval for the contract for work in the parking area. She stated they went through an RFP process and will award the contract to JH Hutchins, Inc. They were the most qualified contractor. 18% of the project was going to be funded through the Master Lease program. Funding it this way reduces the price from \$295,000 to \$265,000.

Councilors Paul and Decelles made a motion to approve the contract.

Councilor Paul inquired how many responses to the RFP were received. Ms. Francis stated that there were fifteen inquiries, three companies attended the site visit, and only one proposal was submitted. Councilor Paul inquired why there were so few responses. Ms. Francis stated the original project scope was for construction. The scope of the work expanded because of parking requirements. Mari Steinbach, Parks and Recreation, stated they did not receive any feedback from the contractors. Ms. Francis stated interest was steady. Councilor Paul stated it is disconcerting that there were so few.

Councilor Bushor inquired what the anticipated cost was. Ms. Francis stated it was \$65,000. Councilor Bushor inquired if portions of the project, such as blasting and ledge removal, were

anticipated and if the costs are included. Ms. Francis stated they are standard elements of a contract. Unexpected problems, such as contaminated soil, would cause a change in the contract terms. Councilor Bushor inquired if the undisclosed costs would be minimal. Ms. Francis stated all costs are included except for the chain link fence and the exterior lighting, which are part of the interior lease scope. Councilor Bushor inquired how many contractors are involved and if this qualifies for livable wage. Ms. Francis stated it will be partially funded by a HUD Grant, and the Davis-Bacon Act and Livable Wage compliance are part of that. Councilor Bushor inquired if this meets the criteria. Ms. Francis stated they are both listed in the contract terms. Councilor Bushor stated it is important to pay livable wage. She inquired about the change in funding and inquired how the bond will be paid back. Ms. Steinbach stated they were told they would not need to. When discussing using the master lease, each department's operating funds pay back the terms of that lease. Since this is apportioned over 20 years, it changes the formula for payback and it is minimal. It was deemed unnecessary for the department to assume the costs of the payback. The extra revenue from the lease will go back into Miller Center operating funds. Ms. Francis stated this is ready to go to the City Council. The scope is under \$100,000 so it could be approved by Board of Finance only. Ms. Steinbach inquired if they will need to draft a resolution if it is not going to City Council. Interim CAO Sisson stated if it does not require City Council approval that he did not believe a resolution was needed.

Interim CAO Sisson stated they reference 2007 livable wages and requested that be corrected.

Councilor Paul stated it is disheartening that there was so little interest in the bidding process. She stated she would be interested to ask those who attended the site visit why they did not submit a bid. She stated she would like to know their reason. It is unfortunate that there are no choices. Ms. Francis stated one problem may have been that a large contractor was planning to bid on this, but ultimately did not. Some of the smaller contractors may have felt they could not compete.

Councilor Bushor inquired if this update will be sent to the full Council. Ms. Steinbach stated they would like to do that and it is a large scale project.

The motion passed unanimously.

10. Penny for Parks Reapportionment to Appletree Tennis Courts - Parks

Ms. Francis stated there was an allocation in the FY12 budget to have \$100,000 for court improvements at Appletree Point Tennis Courts. This will reallocate it to three different proposals. Ms. Steinbach stated that the Parks and Recreation Commission unanimously supported this change.

Councilors Bushor and Decelles made a motion to approve the reapportionment.

Councilor Paul stated that because it is \$100,000, it seems it should be put before the City Council. Ms. Steinbach stated that is their intention. Councilor Paul inquired if they are seeking approval. City Council President Shannon stated they can move to recommend City Council approval.

Councilor Decelles stated this is a wise move. There are parks that are in bad condition that need more attention. This serves one neighborhood but others serve the whole City. He is happy with

this reallocation.

The motion passed unanimously.

11. Amendment to Cooperative Agreement with the State of VT for Champlain Parkway – DPW

Councilors Bushor and Decelles made a motion to approve the amendment and recommend City Council approval.

City Council President Shannon stated this will replace language in the original agreement and she inquired what the change is. Norm Baldwin, DPW, stated this increases the State's authorization to spend more money and increases the maximum allowable limit. These amendments identify how much the State will participate and the maximum authorization.

City Council President Shannon inquired if this changes the City's share. Mr. Baldwin stated it doesn't change the portion the City contributes, but it will allow for a higher dollar amount. It increases the amount of money put into the budget for this project. Interim CAO Sisson stated only the dollar amount has changed. City Council President Shannon inquired if the cost of the project has increased. Mr. Baldwin stated it does not increase the cost, but increases the authorization to spend. City Council President Shannon inquired what will happen if this is not approved. Mr. Baldwin stated additional money would have to come from a different funding source, but more likely the project would come to a stop. Assistant City Attorney Haesler stated this is the third amendment. As the project moves forward, VTRANS looks at the project and authorizes amendments. It is now in the design and permitting stage. Substantial costs have been incurred. People that the City has contracted with are awaiting payment. They have been waiting for VTRANS to approve the amendment. There will be more amendments before the end of the project. City Council President Shannon inquired if this will change budgeted funds. Mr. Baldwin stated it will not.

Councilor Bushor requested information about what has increased and by what amount. It would make it easier to understand. Before it goes to the full Council, it needs more clarity. Assistant City Attorney Haesler stated that would be helpful. Mr. Baldwin stated he can provide copies of the contracts and amendment to provide context, as well as a memo.

Councilor Decelles stated it would be helpful to know the total costs because it has been a long project. Mayor Weinberger stated this is not a new action and that should be made clear. City Council President Shannon inquired if this is the total project cost. Mr. Baldwin stated there are other agreements that show additional costs. This is only a portion. City Council President Shannon inquired about the time sensitivity of this. Mr. Baldwin stated there are consultants waiting to begin work and a backlog of bills waiting to be paid. Mayor Weinberger stated that there is no Council meeting before the next meeting and waiting would make it clearer.

Councilor Bushor made a motion to delay approval with the request that this be on the next agenda with the resolution and the information in the City Council packet.

City Council President Shannon stated she would like the former and new language and a brief memo.

12. License Agreement with Information Gallery for Kiosk - Marketplace

Councilor Bushor and City Council President Shannon made a motion to approve the license and recommend City Council approval.

Councilor Bushor inquired if there will be French used to make it more bilingual. Ron Redmond, Marketplace Office, stated there will be French and they will also expand the hours of their French tent.

The motion passed unanimously.

On a motion by Councilor Decelles and City Council President Shannon, the Board of Finance adjourned at 6:11pm.