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BOARD OF FINANCE MONDAY, JUNE 11, 2012

MINUTES

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

ALSO PRESENT: ACAO Goodwin; City Attorney Schatz; Assistant City Attorney Haesler; Mike Kanarick, Mayor's Office; Susan Leonard, HR; Steve Goodkind, Pat Buteau, Steve Roy, DPW; Seth Lasker, Lise Veronneau, Fire; Mike Schirling, Police; Heather Kendrew, Bob McEwing, Tammy Gagne, Airport; Gene Richards, Airport Commission

1. Agenda

On a motion by Councilors Paul and Bushor, the agenda was adopted unanimously as presented.

2. Public Forum

No one came forward to speak.

3. Capital Improvements to Fletcher Free Library - DPW

Steve Roy, DPW, stated they went out to bid for capital improvements to the library, specifically replacing the double doors to go into the library and all of the walkways from the entrance towards College Street. The brick will be removed and they will put structural material underneath before putting the brick back together. He stated it was publically advertised. There were two bidders at the walk-through meeting, and only one bid was received. It was quite high and well over estimates. The bidder was told their bid would be rejected unless they could cut some costs. Fortunately, they had received a lower bid from their subcontractor for the brickwork. They then submitted a letter outlining ways they could lower the cost. He stated they are requesting approval of this bid at the lower price.

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

Councilor Bushor stated that a \$35,000 reduction seems significant. She inquired how the contractor that is going to charge a lot less will do work at the same quality. Mr. Roy stated many times contractors do not need the work because they are busy, and will submit higher bids. This could be an indication of that. This company, Wright and Morrissey, has worked with the City many times and it is a "great company." They are confident that the low bidder will do the work well. Impact fees and the capital improvement fund will be combined to fund this project. Councilor Bushor stated she is pleased this will be done at a price the City can afford.

Interim CAO Sisson inquired if they had used the updated livable wage amounts. Mr. Roy stated

they were included.

Mayor Weinberger inquired if Wright and Morrissey will be responsible for the quality of the work of the subcontractor. Steve Goodkind, DPW, stated that they stand behind the work. Mr. Roy stated the final contract protects the City.

Councilor Decelles inquired if there are any contractors that pay less than the livable wage. He inquired if there have ever been times when a department has had to approach a contractor about this. Mr. Goodkind stated they know what the livable wage amount is when they bid. Pat Buteau, DPW, stated they have to report their wages periodically, showing that a livable wage is being paid. Councilor Bushor stated that many contractors used to use Davis-Bacon wages and many times, those were less than the livable wage.

City Council President Shannon arrived.

The motion passed by a vote of 4-0-1 with City Council President Shannon abstaining.

4. Amendment to South End Parc Shuttle Operations – DPW

Mr. Buteau stated they have been leasing 350 parking spaces from Gilbane to run the Parc Shuttle out of Lakeside Avenue in conjunction with CCTA. There have been changes to corporate policies, specifically People's United Bank moved their 120 people to a different location. The lease costs \$45,000 a year and only about 40 people have been using the lot. It made sense to eliminate the lease and move the 40 people to Pine Street to share space with the Howard Center. This improves the Pine Street Shuttle service because they no longer have to make a detour onto Lakeside Avenue. It also takes 40 cars away from Pine Street and keeps them out of the neighborhoods.

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

Councilor Bushor inquired if employees that will be parking downtown will be taking spaces away from the public. She inquired if this will have a negative impact on the downtown and if it will reduce the availability of downtown parking. Mr. Goodkind stated that it probably will have a slight impact because they will now be back in the downtown system, although where they will be parking is unknown. Councilor Bushor stated ultimately it may make the parking situation worse downtown. She suggested contacting the businesses that are involved to find out where they are now parking. Mr. Goodkind stated the lot was built to take cars out of downtown.

City Council President Shannon inquired if this has been coordinated with Dealer.com. Mr. Goodkind stated this only impacts downtown people. City Council President Shannon stated they are looking for satellite parking and inquired if they use any of those spaces. Mr. Buteau stated they do not use any of the 350 spaces the City has leased. Mr. Goodkind stated they park where VTrans used to be. Mr. Buteau stated they may be leasing spaces in the same lot directly from Gilbane. City Council President Shannon inquired if these spaces would be available to Dealer.com. Mr. Buteau stated potentially, but the City has no claim to those spaces. City Council President Shannon stated there is more need for parking in the South End and parking has been a big problem. Cars have been pushed down from intersections, but it is still a problem. People do not feel safe turning from side streets on to Pine Street. While this may put pressure on

Downtown parking, she stated there is a need. She stated she hopes Dealer.com will take advantage of these spaces because she thinks there will be fewer on street spaces. Mr. Goodkind stated those spaces are there now. City Council President Shannon inquired if the City was working with Dealer.com to find them some parking. She stated she would like contact Dealer.com about these available spaces. Mayor Weinberger stated he has spoken with the leadership at Dealer.com and they are looking at their options for parking. He inquired if she would like him to make them aware that these spaces are available. City Council President Shannon stated she would.

The motion passed unanimously.

5. Ambulance Rate Increase – FIRE

Lise Veronneau, Fire, stated they increase the rate for ambulance billing every three to five years. This will ensure that rates are comparable to other communities in the area. The allowable amount for Medicaid and Medicare is not changing. This will not net a significant amount for the City, but there may be some opportunities for insurance to cover more. In the disposable, there is no change because most insurance companies are phasing that out.

Councilors Bushor and Paul made a motion to approve the rate increase.

Councilor Bushor inquired if someone did not have insurance, or their insurance would not cover the entire rate, would the resident be held accountable. Ms. Veronneau stated if a person is unable to pay, it is written off and they are not aggressively pursued.

The motion passed unanimously.

6. Authorization to Construct Glycol Collection and Treatment System – Airport

Bob McEwing, Airport Director, stated they expect to get federal funds for this, and have submitted an application. They did the design process and went out to bid. This will authorize acceptance of the federal grant to install this system. It is a system that will collect Glycol runoff and direct it to the middle of the Airfield where it will be injected into fine sand. This will also award the contract to the company that will be overseeing the project.

Councilors Decelles and Paul made a motion to award the contract and accept the grant.

Councilor Bushor requested that all bids be submitted when approving contracts. It is important to see them all and understand why the bidder was chosen. She stated the memo and the resolution have different dollar amounts and noted some other discrepancies in costs. Mr. McEwing stated the resolution has the correct amount. There are also administrative and legal costs that are not included in the contract. Councilor Bushor stated it would be helpful to mention the additional costs in the resolution to make that more clear. She stated she will support this provided someone confirms the numbers and requested that a clause be added explaining that there are additional costs. Mr. McEwing stated they will do that.

Mayor Weinberger stated it is helpful to have the Commission's recommendation included in the memo. Mr. McEwing stated the Commission has addressed it and they will include that in the

future.

The motion passed unanimously provided that corrections be made prior to submission to the full Council.

7. Authorization for Award of Contract Car Rental Concession – Airport

Mr. McEwing stated they went out to bid for car rental services in the parking garage. There were five bids from four firms. They provide a minimum annual guarantee and a certain percentage of sales after that. This will award the contract with a minimum annual guarantee of \$1,642,373 in the first year.

Councilor Decelles and City Council President Shannon made a motion to award the contract.

Interim CAO Sisson inquired how these rates compared to prior rates. Mr. McEwing stated they had an additional bidder, Dollar Rent A Car, and the rates were about \$100,000 more than what was anticipated. Tammy Gagne, Airport, stated the bids reflect what the car rentals have done in the last three years of their contracts.

Councilor Bushor inquired if when there are composite recommendations, dollar amounts are left blank in the resolution because they are variable over multiple years. Ms. Gagne stated it is typically filled in to the degree it is applicable. Councilor Bushor requested that be filled in before it comes before the Council. Councilor Decelles inquired if that will only be a partial number because there will be additional revenue that could be gained. Ms. Gagne stated they would not include that in the approval of the contract, but an estimate is reflected in the budget.

Mayor Weinberger stated it looks like part of a positive trend for revenue at the Airport.

The motion passed unanimously.

8. Authorization for Award of Contract Food and Beverage Concession – Airport

Mr. McEwing stated they went out to bid for a contract for food services within the terminal building. There were four components, the North Terminal, the South Terminal, the Restaurant and Lounge, and the Snack Bar. There were bids from four different firms: Premier Catering, who has the current contract, Bruegger's Bakery, Hudson, who has the gift shop in the building, and Skinny Pancake. After going through the process, the recommendation was to accept the bid from Skinny Pancake for the North Kiosk and the South Kiosk. They will also run the snack bar as the Chubby Muffin. This will authorize the contract with them for those entities. The restaurant and the lounge operations are still being discussed with the current operator and another firm that has expressed interest.

Councilor Bushor stated this could be the best Airport to eat at in the U.S.

Mayor Weinberger inquired if there is additional information the Council should be aware of. Gene Richards, Airport Commission, stated they will be putting in \$750,000 worth of improvements. This will place the food vendors after TSA to allow the consumer to eat without having to worry about making it through the line. Skinny Pancake's proposal was very well done.

Mr. McEwing stated he intended to bring pictures of the layout.

City Council President Shannon stated it is great that there will be some local flavor at the Airport. She inquired if anyone had communicated with Majestic about car rentals. She stated she used to work for a company that sold Vermont products and the Airport was one of their best customers. The gift shop does not have the local flavor that it used to. She stated she looks forward to moving in that direction.

Mayor Weinberger stated there is a representative present from One Flight, who has been an important partner at the Airport for over 20 years. He stated he is happy they are considering continued involvement. Mr. McEwing stated they have contributed to the success of the Airport. Councilor Decelles inquired if they are based in New Hampshire. Mr. McEwing stated they are. He added that Majestic received a copy of the RFP but did not submit a proposal.

The motion passed unanimously.

9. Mayor's Office Reorganization

City Council President Shannon and Councilor Bushor made a motion to approve the re-organization.

Councilor Bushor inquired what the differences are from this memo and the one that was distributed in the packet. Mayor Weinberger stated there is an adjustment in the cost for FY13. The second change was in the organizational charts. The overall change is that this is now a stand-alone item as a re-organization.

Mayor Weinberger stated he believes this is important. It is a serious and exciting time for the City on a variety of fronts. There is a need to get the City moving and rebuild trust with the people of Burlington. Doing this will require better engagement with the public from the Mayor's Office, bringing technology into play to communicate with the public, and make good on the commitments to the people of Burlington. He stated he has been in office for a couple of months, and has had two assistants working throughout that time without permanent appointments. He stated they are working very hard on all of these fronts and are barely keeping up. It will not be possible to make good on the work he would like to do without the additional capacity in the Mayor's Office. This is being brought forward by downgrading a position in the Mayor's Office and shifting a currently vacant position in the CAO's Office. This is a budget neutral change within a budget that is holding the line on property taxes in FY13. He stated he is confident that the CAO's Office and the HR Department can carry out their responsibilities without filling the position that is being eliminated. The position that was being eliminated was a special projects position. It made interventions in different parts of the City and positive things have flowed from that position. The new position is similar in that it is a special projects position, but will be directed from the Mayor's Office.

Councilor Bushor inquired if the specific positions and compensation are separate. Mayor Weinberger stated this addresses the re-organization, which touches three different departments. There will be separate votes on the step placements for the assistants filling the positions. This proposal does take into account the budget impact if the step placements are approved. Councilor Bushor stated there were originally four step placement items on the agenda. Mayor Weinberger

stated they pulled one of the assistant positions because they did not want to seem presumptuous that the Council would approve the re-organization.

Councilor Paul inquired what the grade of the new positions would be and inquired if the amount in the memo includes benefits. Susan Leonard, HR, stated the amount in the memo reflects just the salary. Councilor Paul stated that would not be a budgeted line item. Ms. Leonard stated it is included in the salary line item of the budget. Councilor Decelles requested the salaries be explained. Ms. Leonard stated they are proposing a Grade 20 Step 10 for the Assistant to the Mayor for Communications. Should the step be approved, the salary would be \$65,611.39. The Assistant to the Mayor for Open Government and Mayoral Initiatives would also be a Grade 20 would be \$63,525. Councilor Paul inquired what the step placement would be. Ms. Leonard stated it would be at Grade 5. The vacant office position would be Grade 12 Step 1 and the salary would be \$35,029. Councilor Paul inquired if this just approves the reorganization, not just the salaries. Ms. Leonard stated that is correct. Mayor Weinberger stated they will vote on the existing position tonight, and the new position in the future.

The motion passed unanimously.

10. Other Personnel Matters

a. Step Placement for Senior Accountant – C/T

Councilors Bushor and Decelles made a motion to approve the step placement.

Councilor Paul inquired how many step placements have been done this year. Ms. Leonard stated she does not know. Councilor Paul stated she will vote on this tonight, but in the future would like to know how many have been done each year before voting.

Councilor Bushor stated there was a recommendation that was consistent with the Sadowski report that requested a resolution be passed for the HR Committee to consider eliminating the Board of Finance as a step in approving step placements at levels 1-7 based on qualifications and background experience. The CAO and HR should be involved, and the full Council should act on it. It would eliminate the Board of Finance. The HR policy is very clear about what constitutes a step placement. This would streamline the process. Anything above step 7 has to go through every hurdle. Ms. Leonard stated because it is late in the FY13 budget process, the policy manual says positions will be filled at step 1. If that resolution were put through now, all vacancies would have to be re-budgeted. She stated it would make more sense to wait until after July 1 to bring that resolution forward. Mayor Weinberger stated he would like to see that issue taken up as soon as it is reasonable.

Interim CAO Sisson inquired if the proposal is to eliminate Board of Finance approval for anything step 7 and below, and require both Board of Finance and City Council for anything above step 7. Councilor Bushor stated that is correct. If the formula is not adhered to, City Council could choose not to approve it. This is consistent with Sadowski's observations about redundancies.

The motion passed unanimously.

b. Elimination of CUSI position and Creation of Records Clerk – Police

Chief Schirling, Police, stated a prior resolution was passed eliminating the records position and making it limited service. It should have remained on the books, but the position was filled with a limited service Assistant to the Officer in Charge position. The memo brings clarity to the testing of positions that has been done in the last few years. This will fill what is a vacant records clerk position that is in the FY12 and FY13 budget. The Assistant to the Officer in charge position did not work. It has been reworked and rehired using a vacant office assistant position that was already in the budget. There are anticipated vacancies coming up in the future, and likely other positions will be tested when that time comes.

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

Councilor Bushor stated the memo does not read the same as what was just stated. She inquired if the position was not eliminated, but filled temporarily, and then the job was changed. She inquired what the position was originally, what the position became, and what it will be filled with. Chief Schirling stated in a prior iteration, the description was for the Uniform Division Office Assistant, which was filled with funding from a vacancy of Records Clerk 3. The CUSI position was held open pending the completion of that budget. That has been done and that position is being reincorporated within the regular operations budget. This will allow the hiring of the Office Assistant. It has also been determined that a third records clerk will be needed. Councilor Bushor inquired if what was adopted before had one fewer position because in the process a position was eliminated. Chief Schirling stated there was a position that was being held empty. Councilor Bushor stated there were three records clerks, one was unfilled and the money from that vacancy was used to fill the office assistant. Then, the CUSI money allowed filling of both the Office Assistant and the Records Clerk. Chief Schirling stated that is correct. The nature of the resolutions confused the matter, but this will essentially fill a vacancy.

The motion passed unanimously.

c. Step Placement for Assistant to the Mayor for Operations and Communications

Ms. Leonard stated that using the step placement formula which takes years of experience minus the requirements of the job description, Mike Kanarick is eligible for placement at Step 10 Grade 20.

City Council President Shannon and Mayor Weinberger made a motion to approve the step placement and recommend City Council approval.

Councilor Decelles inquired what Joe Reinert was paid before he left. Ms. Leonard stated \$64,000. Mayor Weinberger stated that was before FY13 COLA.

Councilor Bushor stated this is difficult because the individual is in the room. She stated she did not know his background. This position is different than the other positions that the individual has held. She stated she has difficulty getting to step 10, though clearly he is higher than a Step 1. The job seems different than others that he held. She stated the person leaving the position had been there for six years and had worked his way up to that pay level. She inquired how step 10

was determined. Ms. Leonard stated she looked at experience related to the operations piece. His job description relates to working with departments and his experience is with working in government or the legal aspects relating to that. She stated she saw that as a direct correlation. Councilor Bushor stated perhaps she does not understand the jobs thoroughly enough, but does not see how they would align with the job description for this position.

Councilor Paul stated she has known this individual for a long time and is familiar with his position at the synagogue. She stated the previous person in this position did a great job and was always available for Councilors. This person has political experience, but it was years ago and in a different area. It is difficult to see him coming into this position making more than the person who left that, especially because he had substantial political experience. She stated she cannot support that salary, even though she knows he will do a very good job.

Councilor Decelles stated he agrees with Councilor Paul. The changes in the reorganization are something that Councilors are not familiar with. With the addition of another assistant, and looking at his resume, he stated he cannot judge what any of these positions would have paid. His government work was some time ago. It will be hard to justify him getting nearly a \$10,000 raise when so many others cannot find job. Mayor Weinberger inquired if the \$10,000 raise is based on going from Step 1 to Step 7. Councilor Decelles stated it is.

City Council President Shannon stated it is difficult to call that a \$10,000 raise, as it is comparable to what the previous person earned. Additionally, the reorganization in the Mayor's office moved someone from the CAO's Office to the Mayor's Office, so it is more of a restructuring than adding a new person. She stated she has worked with this individual and is impressed with his communication skills. She stated she is comfortable with this because it is comparable with the pay rate of the previous person.

Mayor Weinberger requested an elaboration on the analysis of the resume. Ms. Leonard stated this would be done for any City position being filled. The difference between this position and the former position is that there is an expectation that this position will now have an operations component. These areas will include finance, work with the City Attorney's Office, and Human Resources. These components were not involved in the past. Experience in all of his previous positions will contribute to that knowledge. Mayor Weinberger stated in his experience, this role is not just about communications. He stated although it was some time ago, he served as a Press Secretary for a whole state and has substantial experience. He also has run organizations, which makes him well suited to be a liaison with department heads. He stated he supports the analysis of the resume. It would be a shame if the City lost him because a step placement that was recommended by the Human Resources director was not approved.

Councilor Bushor inquired what the difference in salary is between Step 7 and Step 10. Ms. Leonard stated she does not have that information available. Councilor Bushor stated that would be relevant to the discussion. She stated the discussion made her wonder how the CAO will differ from the Assistant to the Mayor if this individual will be dealing with department heads. She hopes there will be shared responsibilities and that this will come to a good end point. This individual is a very good communicator, and this is not about him, but about where he is placed in salary. There have been individuals who have been overqualified that have been placed at step 7 and not step 10. Going above step 7 can happen, but it is the exception, not the rule. She stated she needs time to consider this and understand the salary difference. She stated she does not want

to lose him, and he is the right person for the job.

Councilors Bushor and Paul made a motion to postpone action until more information is available.

City Council President Shannon inquired when the next Board of Finance meeting is. Interim CAO Sisson stated it is next Monday. City Council President Shannon inquired if this matter needs to be addressed before the budget is completed. Mayor Weinberger stated it is not critical, and the budget assumes he will be placed at step 10.

Councilor Paul stated she also is in favor of postponing. She stated she does not know what the procedure for the last Assistant to the Mayor was, but these people are the right and left hand people to the Mayor, and he should be able to choose whoever is qualified. This is not an easy thing to do.

Mayor Weinberger stated he would not object to waiting a week.

The motion to postpone passed unanimously.

On a motion by Councilors Paul and Decelles, the meeting was adjourned unanimously at 6:37 pm.