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**BOARD OF FINANCE
MONDAY, JANUARY 23, 2012
CONFERENCE ROOM 12, CITY HALL
5:00 P.M.**

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

ALSO PRESENT: Interim CAO Schrader; ACAO Goodwin; Councilor Bushor; Police Chief Michael Schirling; Deputy Police Chief Andi Higbee; Joel Fleming, Norm Baldwin, DPW; Darryl Santerre, BED; City Attorney Ken Schatz

1. Agenda

On a motion by City Council President Keogh and Councilor Mulvaney-Stanak, the agenda was adopted as presented.

2. Public Forum

n/a

3. Pearl Street Contract Amendment - DPW

The Board reviewed a request from DPW to amend a contract for work being done on Pearl Street. Joel Fleming, DPW, stated this request was for \$22,000 for engineering work on Pearl Street. The street was split into two projects last spring and the extra work required would be to set up the documents and plans for the second phase of work at the intersections of Pearl and Church streets.

City Council President Keogh inquired if the work had started. Mr. Fleming stated last summer the north side of Pearl Street was completed and this summer the other side would be completed. City Council President Keogh inquired if the numbers for the extension were based on the original bid. Mr. Fleming stated they were.

Mayor Kiss inquired if there were funds being matched by the State to pay for the project. Mr. Fleming stated the work currently being done was the match.

The amendment was approved unanimously.

4. Creation of Limited Service Position (Assistant to Officer in Charge) - Police

The Board considered a request from the Police Department to create a limited service position within their department. Andi Higbee, Deputy Chief of Police Operations, stated this was previously a temporary position. Creating this position would remove administrative functions

from the Officer in Charge and allow the Officer in Charge the freedom to perform more direct operations in the field. Human Resources set the classification for this position.

Mayor Kiss inquired if this position was in charge of administration. Deputy Chief Higbee stated it would be and the individual would work primarily during the daytime to answer phone calls and deal with scheduling. These duties currently rest on the Officer in Charge. In the past, the positions that would have handled these functions were eliminated, but they should not be handled by a sworn officer.

Councilor Wright inquired if this was a new limited service position. Deputy Chief Higbee stated it would be. Councilor Wright inquired if limited service positions get health benefits but not retirement benefits. Deputy Chief Higbee stated that was correct. This would be a trial period. Councilor Wright inquired if this position would last no longer than three years before being revisited. Deputy Chief Higbee stated that was correct.

A member of the audience, Councilor Bushor, inquired if there was paperwork from HR and what their role had been in the decision. Deputy Chief Higbee stated this was a clarifying communication and there should be a full set of documents. Councilor Bushor inquired if the creation of a limited service position would change the responsibilities of a records clerk to the assistant to the officer in charge. Interim CAO Schrader stated that was correct and this would be a Grade 11.

City Council President Keogh inquired what duties this person would take away from the Officer in Charge. Deputy Chief Higbee stated scheduling responsibilities were currently handled by the Officer in Charge. The position would also assist with phone calls and requests. City Council President Keogh inquired what happened when a person called the Police Department. Police Chief Schirling stated there were few administrative positions left. From the emergency communication center, there was no place for the call to go. Questions about payroll, court cases, or other non-emergency items were now answered by the Officer in Charge, something that used to be the work of four or five people.

City Council President Keogh inquired how this would affect public access. Police Chief Schirling stated it would enhance accessibility and increase the likelihood of a call being answered rather than going to voicemail. Many times, the public would leave several voicemails which would create confusion and prompt several people to try to follow up. He stated they were also exploring the option of having additional positions created: a call taker, a dispatch supervisor, training coordinator, and special projects coordinator. Those positions were not coming forward at this point because of budget constraints.

Councilors Paul and City Council President Keogh made a motion to approve the position. The motion passed unanimously.

Mayor Kiss and Councilor Paul made a motion to amend the agenda by addressing item six before item five. The motion passed unanimously.

5. Authorization of Transfer of Cherry Street Parking Garage

Attorney Schatz explained that approximately twenty years ago there had been a transaction where the City agreed to sell the land under the Cherry Street Garage and lease it back with the

option to purchase it by the Burlington Square Mall. The City obtained money up front for improvements, received a stream of revenue, and after making payments for 20 years, the mall owners would then own the land. It had been nearly 20 years and this had gone through several assignments and several different entities have owned the mall. The newest owners wanted to pay the remainder of their lease to obtain ownership of the land under the garage. This would be the last piece of the transaction. They would pay \$76,000, the remaining amount under the agreement, to obtain title of the land under the garage. They have the right to do this under the terms of the agreement. The Board would need to authorize the conveyance of land.

City Council President Keogh and Councilor Mulvaney-Stanak made a motion to approve the transfer and recommend City Council approval.

Councilor Mulavney-Stanak inquired if there was any guarantee that they will keep the property as a parking garage. Attorney Schatz stated there was no guarantee, but they have an economic interest in operating the garage.

Councilor Wright inquired what would happen if this resolution were not passed. Attorney Schatz stated they would sue the City for failing to uphold the terms of the lease agreement.

The motion passed unanimously.

6. Authorization for Letter of Credit - BED

ACAO Goodwin stated in July, TD Bank issued a revenue anticipation note for \$5 million at 4.5% for BED to utilize for day to day expenses. This proposal being presented would replace that note with a revolving line of credit from Key Bank. These funds would be utilized to pay off the Revenue Anticipation Note with TD Bank early. The new rate would be 2.5%. This would save BED roughly \$100,000 a year in interest and would provide greater flexibility for expenses. Additionally, paying the TD Bank loan off early would improve the cash balance by about \$4 million. Therefore, this was a good deal for BED and the City.

City Council President Keogh inquired about the flexibility of the interest rate. ACAO Goodwin stated the rate fluctuated but he would have the opportunity to lock in if the rate were to increase. A similar proposal agreed to earlier in the year had a variable rate that was holding steady. Previously, the City had been acquiring lump sum notes, resulting in interest being paid on money that was not needed. This proposed agreement would allow unneeded funds to be returned to the bank so that interest would only be paid on money that was needed. This agreement was structured to coincide with the cash flow of BED. In the past the City has paid for this, but moving forward BED will pay for them themselves. This will help the cash flow for the City.

City Council President Keogh inquired what would happen if the rate went up significantly. ACAO Goodwin stated if the rate were to increase he would lock in at the fixed rate. City Council President Keogh inquired how long that rate would be good for. ACAO Goodwin stated it was negotiable.

City Council President Keogh and Councilor Wright made a motion to approve the line of credit and recommend approval by the City Council.

Councilor Paul inquired if this would meet cash flow needs and if there were limits to how large

the increase could be at any one time. ACAO Goodwin stated it would meet cash flows and there were no limits. Councilor Paul stated a 2.5% rate was excellent and she supported the request.

Councilor Wright inquired if there were any downside to this. ACAO Goodwin stated the only downside was that Burlington Electric would be responsible for paying this in full when it matured. He stated that in the past notes utilized by Burlington Electric were repaid by the City. This new arrangement would allow Burlington Electric to repay, as the deal had been structured to correspond with their cash flow. If they were not able, the City would pay it off. The cash flows were strong enough that the City could do that.

A member of the audience, Councilor Bushor, inquired if this would mature in one year or two years. ACAO Goodwin stated this would be due 364 days from the date of closing. Typically, banks will not extend beyond a year with lines of credit. Next November, they will begin looking for a new agreement. Councilor Bushor inquired if the resolution needed to be modified to reflect this. Interim CAO Schrader stated this resolution allowed the flexibility to negotiate a similar arrangement next fall without having to go through the City Council. At that point in time, the Board of Finance would approve the new agreement. Councilor Bushor inquired if the terms would be attached to the resolution. ACAO Goodwin stated it would.

The motion passed unanimously.

City Council President Keogh and Councilor Mulvaney-Stanak made a motion to adjourn. The meeting adjourned at 5:30 p.m.