



# OFFICE OF THE CLERK/TREASURER

City of Burlington

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## BOARD OF FINANCE

JULY 12, 2010

### MINUTES

Mayor Kiss convened the meeting of the Board of Finance at 5:10 p.m. with all members present except Councilors Wright and Keogh.

#### 1. Agenda

There were no changes to the agenda.

#### 2. Human Resources:

##### A. CEDO: Change of Community Development Specialist for Vista Position from Regular Full Time to Limited Part Time

The Board reviewed a recommendation from HR Director Leonard to change the position of Community Development Specialist for VISTA from a regular, full-time, position to a limited service, part-time position to reflect the current uncertainty of the degree of funding for the program. CAO Leopold made a motion, seconded by Councilor Paul, to approve the recommended change in status and to support an appropriation request by the Mayor to amend the personnel schedule of the budget to change the position to a limited, part-time, position. The motion passed unanimously.

##### B. Parks and Recreation: Limited Service Position of Waterfront Coordinator

The Board reviewed a request from the Parks Department and a supporting recommendation from HR Director Leonard to create a limited service position of Waterfront Coordinator at an effective salary of a Grade 19. CAO Leopold made a motion, seconded by Councilor Paul, to approve the requested change and to recommend to the City Council approval of a budget amendment to reflect the same. The motion passed unanimously.

#### 3. Clerk/Treasurer's Office:

##### A. Authorization for Deposits/Withdrawals of City Funds

The Board reviewed a proposed resolution to authorize the new Assistant Chief Administrative Officers in the Clerk/Treasurer's Office to be signatories on the City's banking accounts and to further authorize either Assistant CAO to authorize and execute such other documents for which the Chief Administrative Officer of the City is the responsible executing authority. CAO Leopold made a motion, seconded by Councilor Paul, to approve the proposed resolution and to recommend approval of the same to the City Council. The motion passed unanimously.

**B. Communication FY11 School and Total Tax Rates**

The Board reviewed a communication from Chief Accountant Shepard detailing the municipal and school tax rates for FY 2011. CAO Leopold made a motion, seconded by Councilor Keough to accept the communication.

**4. Department of Planning and Zoning: FY11 Budget Amendment; Grant Approval for Downtown/Waterfront Plan**

The Board reviewed a request by the Department of Planning and Zoning to accept and appropriate a grant of \$15,000 for the municipal planning project of the Department. The grant is from the Vermont Department of Housing and Community Affairs and will complement the current funding for the project. CAO Leopold made a motion, seconded by Councilor Paul, to accept the grant and approve the appropriation request and to recommend to the City Council approval of the same. The motion passed unanimously.

**6. Burlington Police Department: Special Project Funds; Brochure Translation Project**

The Board reviewed a request by the Police Department for an appropriation of \$3,000 to \$4,200 for the funding of a project to translate certain police information documents into six different languages reflecting the diverse language mix in the Burlington community. CAO Leopold made a motion, seconded by Councilor Paul, to support the proposed project and to request that the Police Chief and CAO report back to the Board on recommended funding for the program. The motion passed unanimously.

Councilor Keough joined the meeting at this point in the agenda at 5:47 p.m.

**7. Wastewater: Replacement Sludge Tanker**

The Board reviewed a request from the Wastewater Division of the Department of Public Works for approval to purchase a new tanker truck for a cost of \$149,573 to be financed through the City's Master Lease program. CAO Leopold made a motion, seconded by Councilor Paul, to approve the proposed acquisition and to recommend to the City Council approval of the same to be financed through the City's annual lease/purchase financing program. The motion passed unanimously.

**8. School Bond Bid Awards**

The Board reviewed the bid results and a proposed resolution for a qualified school construction bond (QSCB) for \$9.7 million. Councilor Keough made a motion, seconded by CAO Leopold, to approve the sale of the bonds to Morgan, Keegan and Company as the lead underwriter for a syndicate, at an interest rate of 6.5% and further to adopt the "Resolution for the City of Burlington Board of Finance Approving the Sale of Taxable General Obligation Qualified School Construction Bonds (QSCB). CAO Leopold noted that the bonds were issued pursuant to the federal program for QSCB Bonds whereby the City would receive a subsidy from the Federal Treasury of 5.37%, thereby reducing the net interest costs to the School Department to 1.13%. The motion passed unanimously. The resolution adopted by the Board is attached hereto.

The Board also reviewed bids for the sale of taxable Qualified Zone Academy Bonds (QZAB) for \$2 million for capital improvements for the Lawrence Barnes School. The low bid was submitted by a syndicate with Morgan, Keegan and Company as the lead underwriter at 6.5%. CAO Leopold reported to the Board that these bonds would also be eligible for a federal subsidy of 5.37%, thereby reducing the net interest costs of the bonds to 1.13%. Councilor Keogh made a motion, seconded by Councilor Paul, to award the sale of the bonds to Morgan, Keegan and Co. as the lead underwriter of the syndicate submitting the low bid of 6.5% and to adopt the resolution of the City of Burlington Board of Finance approving the sale of the taxable General Obligation qualified zone academy school construction bonds for \$2,000,000. The motion passed unanimously. The resolution approved by the Board is attached hereto.

**5. Burlington Electric Department: Bond/Capital Projects**

Burlington Electric Department General Manager Barbara Grimes reported to the Board of Finance on the proposed capital budget for Fiscal Year 2011 and the Department's need for funding to match the \$7.17 million grant of the ARRA funding for SMART Grid. In addition, the Department anticipates requiring funding of \$6.5 million for another round of investments in VELCO. Finally, the Department anticipates requiring an additional \$3 million of funding for on-going general capital improvements. CAO Leopold advised the Board that he anticipated the Department would be developing proposed bonding authority requests for the November ballot and would be exploring other options for funding the proposed capital improvements program. CAO Leopold made a motion, seconded by Councilor Keogh, to accept the report and place it on file.

**9. Burlington Telecom: Status of the Audit Management Letter**

The Board reviewed and discussed a report by General Manager Chris Burns of Burlington Telecom regarding the status of the issues identified in the Fiscal Year 2009 Management Letter. Telecom was pleased to report to the Board that all issues have been satisfactorily addressed except for one personnel matter that the Council had directly determined. CAO Leopold made a motion, seconded by Councilor Keogh, to accept the report submitted by Burlington Telecom with appreciation for the fine work to address the issues in the FY 2009 Management Letter. The motion passed unanimously.

**10. Supplemental Budget Resolution Re: Councilor Bushor as Ambassador of Council to Sister City Yaroslavl's 1000<sup>th</sup> Anniversary**

The Board reviewed the proposed budget resolution 2011-01 to appropriate \$1,500 as carryover from Fiscal Year 2010 from the accounts of certain City councilors for the purpose of funding certain travel expenses for Councilor Bushor to attend the 1,000<sup>th</sup> anniversary commemoration and celebration of Yaroslavl, Russia, Burlington's Sister City,. CAO Leopold made a motion, seconded by Councilor Keogh, to approve the proposed resolution with an amendment to strike the section at the end of the resolution in parenthesis which referenced budget codes. The motion passed by a vote of 3 in favor and 1 opposed, with Councilor Paul voting against the resolution.

The meeting of the Board of Finance was then adjourned at 6:17 p.m.

**RESOLUTION OF THE CITY OF BURLINGTON BOARD OF FINANCE APPROVING THE SALE OF TAXABLE GENERAL OBLIGATION QUALIFIED ZONE ACADEMY BONDS**

‘In the Year Two Thousand and Ten .....  
Resolved by the Board of Finance of the City of Burlington as follows:

That the \$2,000,000 Taxable General Obligation Public Improvement Bonds, Series 2010B (Qualified Zone Academy Bonds – Direct Payment) to be dated the date of original issuance (the “Bonds”), and maturing on November 1, 2026, and at the following interest rate, are hereby approved:

(November 1) <u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2026	\$2,000,000	6.500%

BE IT FURTHER RESOLVED THAT said Bonds are designated as Qualified Zone Academy Bonds for purposes of Section 54E of the Internal Revenue Code of 1986, as amended;

BE IT FURTHER RESOLVED THAT the Bonds are designated as Direct Pay Tax Credit Bonds and the City hereby makes the irrevocable election required by Section 6431(f) of the Internal Revenue Code of 1986, as amended;

BE IT FURTHER RESOLVED THAT the Bonds should be issued by means of a book-entry system and in an event the book-entry system is discontinued, the City will authenticate and deliver fully registered bonds as replacement bonds;

BE IT FURTHER RESOLVED THAT the Bonds be sold to Morgan Keegan & Co., Inc. (as lead underwriter for an underwriting syndicate) for the purchase price of \$1,994,100.00, plus accrued interest (if any) from the date of issue to the date of delivery, which amount has been determined to include not more than a *de minimis* amount of bond premium;

BE IT FURTHER RESOLVED THAT the Mayor and the Chief Administrative Officer are, and each one of them is, hereby authorized to execute and deliver the Bonds, tax certificates, and all other documents and instruments necessary or convenient in connection with the issuance of the Bonds; and

BE IT FURTHER RESOLVED THAT the Bonds, when issued and delivered, shall be valid and binding general obligations of the City payable according to the terms and tenor thereof from unlimited *ad valorem* taxes duly assessed on the grand list of all taxable property in the City.

**RESOLUTION OF THE CITY OF BURLINGTON BOARD OF FINANCE APPROVING THE SALE OF TAXABLE GENERAL OBLIGATION QUALIFIED SCHOOL CONSTRUCTION BONDS**

In the Year Two Thousand and Ten .....  
Resolved by the Board of Finance of the City of Burlington as follows:

That the \$9,700,000 Taxable General Obligation Public Improvement Bonds, Series 2010A (Qualified School Construction Bonds – Direct Payment) to be dated the date of original issuance (the “Bonds”), and maturing on November 1, 2026, and at the following interest rate, are hereby approved:

(November 1) <u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2026	\$9,700,000	6.500%

BE IT FURTHER RESOLVED THAT said Bonds are designated as Qualified School Construction Bonds for purposes of Section 54F of the Internal Revenue Code of 1986, as amended;

BE IT FURTHER RESOLVED THAT the Bonds are designated as Direct Pay Tax Credit Bonds and the City hereby makes the irrevocable election required by Section 6431(f) of the Internal Revenue Code of 1986, as amended;

BE IT FURTHER RESOLVED THAT the Bonds should be issued by means of a book-entry system and in an event the book-entry system is discontinued, the City will authenticate and deliver fully registered bonds as replacement bonds;

BE IT FURTHER RESOLVED THAT the Bonds be sold to Morgan Keegan & Co., Inc. (as lead underwriter for an underwriting syndicate) for the purchase price of \$9,671,385.00, plus accrued interest (if any) from the date of issue to the date of delivery, which amount has been determined to include not more than a *de minimis* amount of bond premium;

BE IT FURTHER RESOLVED THAT the Mayor and the Chief Administrative Officer are, and each one of them is, hereby authorized to execute and deliver the Bonds, tax certificates, and all other documents and instruments necessary or convenient in connection with the issuance of the Bonds; and

BE IT FURTHER RESOLVED THAT the Bonds, when issued and delivered, shall be valid and binding general obligations of the City payable according to the terms and tenor thereof from unlimited *ad valorem* taxes duly assessed on the grand list of all taxable property in the City.