



# OFFICE OF THE CLERK/TREASURER

City of Burlington

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## BOARD OF FINANCE MONDAY, FEBRUARY 24, 2014

### MINUTES

**PRESENT:** Mayor Weinberger; City Council President Shannon; Councilors Bushor and Knodell; CAO Rusten

**ABSENT:** Councilor Aubin

**ALSO PRESENT:** Councilors Tracy and Brennan; ACAOs Goodwin and Schrader; City Attorney Blackwood; Barb Grimes, Dave McDonnell, BED; Jesse Bridges, Parks; Chapin Spencer, DPW

#### 1. Agenda

Councilor Bushor and City Council President Shannon made a motion to adopt the agenda. The motion passed unanimously.

#### 2. Public Forum

Martha Lang, Ward 1 Resident, spoke about the Burlington School District's proposed real estate transaction.

#### 3. Discussion of Section 2 of the 2001 Reorganization of the Governance of the City Resolution

CAO Rusten stated they began a conversation about this at the last Board of Finance meeting. There is a section that allows the Board of Electric Commissioners to authorize the General Manager to execute contracts embodying a dollar amount of less than \$100,000 or a duration of one year or less. The next section states that contracts that are more than \$100,000 in value or last more than a year shall be approved by Board of Finance. They are unsure if it has to meet both requirements to require Board of Finance approval or if it just needed to meet one of those requirements. They recently had a contract that was less than one year in duration but was more than \$100,000.

Barb Grimes, BED, stated they are looking to change the first sentence to increase the amount to \$200,000. They do a calendar budget for McNeil to appease the other joint owners who run on a calendar year. They also put together a budget that comes before the City. In 2001 when this was passed, they increased the dollar amount from \$50,000 to \$100,000. Since that time, their costs have increased so that the \$100,000 becomes an impediment for something that has already gone through the approval process. It reads that the Commission could authorize the general manager to make a purchase, but the City Council would have thirty days to override their decision. They cannot make a purchase under those terms. The McNeil plant is now 30 years old and they derive a lot of income from the renewable energy credits that they sell. They have a piece of equipment called a precipitator. Dave McDonnell, BED, stated the precipitator removes the ash before it

goes up the stack. It is in constant need of repair. Ms. Grimes stated they would like to change the dollar amount for McNeil purchases only. To maintain the plant properly, they will have expenditures over \$100,000.

City Council President Shannon stated she finds it startling that this is in resolution form and not in the Ordinances. This resolution is thorough, but there are times when they accept policy by resolution but then lose track of it. Most of the things in here should be put in the Ordinance.

Councilor Bushor stated she would recommend someone looking at the entire resolution because she saw lots of items that raised questions for her. City Council President Shannon inquired if there is a timeline to this. Mr. McDonnell stated it would help them streamline their process. Ms. Grimes stated they are asking for an increase to \$200,000 for McNeil only. The second sentence does not need to be included. CAO Rusten stated he had not heard about the request to expand the dollar amount. There are discussions on a number of levels that need to happen. Councilor Bushor stated the 30 day waiting period in the second sentence seemed onerous. It was determined that the City Attorney and CAO should review the Resolution and bring back a recommendation as to changes as well as whether Resolution language should be included in appropriate Ordinance.

#### **4. Authorization for Lease of Roosevelt Park Building to Boy's and Girl's Club – Parks**

Jesse Bridges, Parks, stated they are working with the Boy's and Girl's Club in the space that exists in Roosevelt Park. The building has been used for a number of different purposes over the years. It is currently a storage facility and sign shop for the Parks Department. The Boy's and Girl's Club is interested in leasing that space and renovating it to use as a teen academic center. It is a big opportunity in a high need area. Currently, the Boy's and Girl's Club is turning teens away in the afternoon because they do not have enough space and their licensing does not allow them to mix teens with younger kids. They are getting turned away in the key afternoon hours of 3:00-6:00pm. There is limited opportunity and space for event and enhanced programming for teens and middle school kids. The space exists in close proximity to their main building. It offers an opportunity to partner with them and turn an underutilized facility into a gem. The Parks Department is undertaking improvements to the Park this spring with resurfacing the basketball and tennis courts. This project will offer them a chance to improve that site. They use the space for storage, a sign shop, and storage for Center City Little League. Center City Little League does not have storage of their own and has been using that space because it was available. They have not been able to get a new storage facility because of a lot coverage issue with Planning and Zoning, which they have remedied, and funding issues. They are partnering with Center City Little League and ReSource to provide storage now and in the future. There have been multiple partners involved in this project.

Mary Alice McKenzie, Boy's and Girl's Club, stated they have been interested in the facility for some time, but this is the first time that they got an enthusiastic response when they inquired. They have focused on trying to provide more academic support for kids in the Old North End over the past seven years. Over those years, the number of people coming to them for help has grown. They started letting teen members into the club when they were working with an academic tutor. They had to be isolated from the younger kids. The kids coming in have exceeded their capacity. The kids that they have worked with are succeeding, but they have not had the capacity to help them.

Councilor Bushor inquired if there will be direct supervision of the teens. Ms. McKenzie stated there will be. Councilor Bushor inquired what the terms of the lease state in the event that this arrangement does not work out for either party. Mr. Bridges stated they have not yet drafted the lease. They wanted to make sure that this was tenable before they got too deep into the details. Councilor Bushor stated it is hard to engage teens and they need more programs like this. She inquired where the sign shop will be relocated to. Mr. Bridges stated the Parks Department does not have enough space for storage as it is. Storage and a sign shop were not the best uses for this space. They do not make a lot of signs and do not make them all year, so they will have to figure out where to relocate that and other storage. They want to look at what they are doing across the City comprehensively.

Councilor Knodell inquired what they will be doing about the Center City Little League storage. Mr. Bridges stated they have met and are committed to working to find a solution. They may need a temporary solution for this season. They do believe they can solve a number of their problems. Their dugouts are against the street, and walking to the stands requires someone to walk in front of the dugout. They will be redoing the dugouts and combining this remodel with storage needs so that equipment will be stored next to the dugout. Councilor Knodell inquired if they will be paying for this remodel. Mr. Bridges stated the City is obligating to put forward some money to improve that project. Center City Little League has some private support that they can leverage. Penny for Parks is based on a ranking system, so that private support will help that project.

City Council President Shannon stated she thinks it is a great idea to use this as a teen center.

A member of the audience, Councilor Brennan, spoke in favor of the project. He hopes that the Boy's and Girls' Club will cooperate with the Center City Little League. Mr. Bridges stated Center City Little League pays no fees to Parks and they assist them with field maintenance. They have also provided field maintenance trainings for Little League volunteers.

Councilors Knodell and Bushor made a motion to approve the lease. The motion passed unanimously.

#### **5. Authorization for Budget Amendment for FY14 Street & Sidewalk Capital Program – DPW**

The Board addressed an item to allow the Department of Public Works to transfer unexpended funds from the Street & Sidewalk Capital budget to the Street Paving budget.

City Council President Shannon and Councilor Bushor made a motion to recommend approval of the budget amendment. The motion passed unanimously.

#### **6. Review Monthly Financials as of January 31, 2014 – C/T**

- a. Cover Letter/Narrative**
- b. Monthly Financial Report**

CAO Rusten stated they have added a narrative section to the report. His sense is that people

were not sure what was asked of them and they hope to get more responses in the future. Their hope is that a narrative summary will help people understand what is going on with the budget.

Councilor Bushor inquired why PILOT payments are listed as over 100% collected. CAO Rusten stated the PILOT payments were listed at the same amount as FY13, but they are actually collecting more money in FY14. Councilor Bushor inquired why Burlington Housing Authority is listed as 215% collected. ACAO Schrader stated they have an additional property that they did not have last year. Councilor Bushor inquired why the local option sales tax was listed as having collected 25%. CAO Rusten stated they receive that money on a quarterly basis. The second quarter payment came in February and is not reflected in this report. That tax will not bring in what they had budgeted for. Councilor Bushor inquired if the gross receipts taxes come in on a monthly basis. CAO Rusten stated that it does.

City Council President Shannon inquired why UVM's fee for services is listed as only 3% collected. CAO Rusten stated those come in at the end of the year. Councilor Knodell inquired if they are billed for this. CAO Rusten stated they have to create a report which lists the services that were provided.

Councilor Knodell inquired about the status of Parks and Recreation. CAO Rusten stated they will be looking at where they are at as they begin the budget process. Councilor Bushor stated she feels that the shortfall in the recreation budget is an important piece of the conversation. The ice from the skating rink does not bring in the revenue that they expect it will.

Councilor Bushor stated the CEDO administrative revenue is behind schedule. She inquired if that is revenue that they receive as a result of grants that they administer. ACAO Schrader stated many of their expenses are reimbursed, and there is always a delay in receiving reimbursement. They also overspent their general fund revenue when developing their FY14 budget. Councilor Bushor inquired if they received administrative costs from their grants. ACAO Schrader stated there was a misunderstanding about how much the City was going to be paying.

#### **7. Review Sweep Account Analysis as of February 20, 2014 – C/T**

ACAO Goodwin stated the balance in their accounts is directly related to their property tax collection dates. The next tax collection date is March 12, so as a result the cash balances are at their lowest. They have used all of the stability bond proceeds for operating expenses to date. This is the first time in seven years that they have used no short term borrowing mechanisms. With March 12 three weeks away, they will be able to go a whole year without using short term borrowing mechanisms. This was something that Moody's asked them to do and they have been very successful.

CAO Rusten stated the auditor will be attending the last Council meeting in March. Councilor Bushor requested that the newly elected Councilors be invited to that meeting.

Without objection, Mayor Weinberger adjourned the Board of Finance meeting at 6:45pm.

#### **FOR INFORMATION PURPOSES ONLY**

- **Communication: Scott Schrader re: BoardDocs**

- **Communication: Martha Lang re: Wasteful and Unnecessary Spending by the Burlington School Department (referred from City Council on 2/18/2014)**
- **Communication: Martha Lang re: 118 North Champlain Street and Taft School Lease (referred from City Council on 2/18/2014)**