

Board of Aldermen Committee Minutes

Date: 6/4/15 Chair: Siliski Convened: 5:35 Adjourned: 6:40

Committee	☐	Charter & Ordinance	☐	Inter-municipal
	☐	Community & Economic Development	☐	Public Safety
	X	Finance	☐	Public Works
	☐	General	☐	Recreation
	☐	Human Resources	☐	Special Liquor

Committee	X	Dave Allaire	☐	Ed Larson
Members	☐	Matt Bloomer	☐	William Notte
Present	X	Sharon Davis	X	Melinda Humphrey
	☐	Tom DePoy	X	Christopher Siliski
	☐	Gary Donahue	X	Jon Skates
	☐	Christopher Etori		

Others	☐	Dave Allaire	☐	Ed Larson	X	Treasurer Wilton
Present	X	Matt Bloomer	X	William Notte	☐	Assessor Keefe
	☐	Sharon Davis	☐	Melinda Humphrey	X	City Attorney Romeo
	☐	Tom DePoy	☐	Christopher Siliski	X	Other – Mike Coppinger
	X	Gary Donahue	☐	Jon Skates	X	Other – Rutland Herald
	X	Christopher Etori	X	Mayor Louras	X	Other – See below

Others present

- State of Vermont, Property Services Unit – Bill Laferriere and Allen Palmer
- Laz Parking – Stathis Manousos Regional VP, John Santaniello State Rep, Ray Lamoria Local Rep

Motions/Discussion:

Reviewed and discussed status of parking garage:

Agenda

1. Summary of contractual obligations
2. Estimate financial status of City, State and LAZ
3. Reconciliations required
4. Improvement needs-recommendations

After doing a quick review of contractual obligations, Treasurer Wilton presented an estimated profit/loss statement for CY 14 and FY 15. The original numbers estimated an operating loss to the City of \$72,032.10 for CY 14 prior to the application of the State's 50% share of the loss. The original FY 15 estimate calculated an operating loss of \$119,569 before the application of the State's 50% share. However, LAZ indicated the management fee paid by the State is not part of the operating revenues; thus, the Treasurer's numbers needed to be revamped. Based on the Treasurer's re-calculation, the new estimated operating loss for CY 14 is \$122,032.10, but the application of the State's 50% share of the loss and management fee reduces the net City loss to \$11,016.05. Given the same formula

for FY 15, the estimated operating loss for the City is \$169,569.14. After adjustments for the State's 50% share and management fee, the estimated net loss for FY 15 is \$44,569.14. The FY 15 estimate includes actual numbers through May 31, 2015, expected invoices from LAZ for April, May and June, plus other anticipate expenses through June 30. The Treasurer did not include a transfer in from Zamias and DRP for \$85,000 because it is not operating revenue.

A number of issues arose via the discussion that require follow-up by the Executive Office. Below is a summary:

1. Based on LAZ's records, the Treasurer believes the State owes the City \$109,808 and \$1,267.10, respectively, for pre-paid parking fees and a City payment for propane on the State's behalf. The State had no objections but needs to verify the numbers as the City plans to invoice the State.
2. The State believes the City owes the State \$50,500 in labor and overhead and maintenance. The City Attorney said he would research this to ensure it is a City contractual obligation and act accordingly.
3. The State has a direct lease with MVRTD; however, certain direct costs such as water, electricity, etc. are incurred by the City, which are attributable to the State. Any relevant costs-amounts need to be agreed to.
4. The Transit Center Fund is a proprietary fund in the City's general ledger. Any loss or cash deficits in a proprietary fund impact the City's cash position and the general fund directly. The City could prepare a budget but will have limited ability to change revenues unlike the water and sewer fund. The Treasurer confirmed LAZ submits its budget and monthly reports/invoices in correlation with the City's FY. The question is if the City anticipates a loss, how will it support the loss. One option is via the FY budget cycle where the City plans for a "transfer out" similar to Water/Sewer, the equipment fund, etc. Alternatively, the City could reduce its unassigned fund balance at the end of the FY during the setting of the tax rate.
5. The Treasurer's office needs confirmation from the State that the determination of the City's operating profit or loss is based on a CY and not the City's FY.
6. The State claimed it uses approximately 224 of the 225 spaces it has committed to. In addition to paying the fixed cost for 225 spaces, per contract, the State pays the City a variable cost of \$35 per space, per day above and beyond the 225. The current number of spaces utilized by the State should be verified with LAZ now and on an ongoing basis.

Going forward, other operational considerations were briefly presented that require additional follow-up by the Executive Office.

1. LAZ stressed the urgent need to get rid of the manual fence and install overhead doors. The current system deters people from parking in the garage at night given the possibility of being locked in. LAZ believes such a system would "cost \$40-\$45k but eventually pay for itself". The DRP stated that at least 6 new apartments exist on the upper floors of downtown buildings, and they've had inquires for overnight parking in the garage from building owners and residents. Additionally, many people call for overnight parking options during snowstorms. The issue is currently in the BoA Com, Ec. Committee. The mayor said that he has

met with the Director of the State's Buildings and Grounds Department who has asked for schematics and will follow-up.

2. GMP has expressed interest to submit a proposal for a solar project on top of the Transit Center that may not impede parking. The State had no objections and said it was open to such a proposal.

3. The City and State should look into LED lighting. Solar and LED lighting could greatly help the City as it pays more than \$50k in electricity costs.

Given the need for follow-up, the issue will stay in committee.