

On Wednesday evening, February 25, 2009, the City Council Members met in the Council Chamber.

Present: Mayor Hooper; Council Members Sherman, Weiss, Golonka, Sheridan, Hooper and Jarvis; also City Manager Fraser.

Call to Order by the Mayor:

Mayor Hooper called the meeting to order at 7:00 P.M.

09-039. General Business and Appearances:

Vicki Lane, a resident of Berlin Street, spoke to the council about the speed limit on Berlin Street and asked why the speed limit couldn't be 25 mph. They were still a neighborhood and had kids and pets just like College Street, Barre, Street, Northfield Street and Terrace Street.

City Manager Fraser explained that not all neighborhoods do have 25 mph speed limits. It is based on criteria with the road and average speed. A full engineering study needs to be done to determine speeds and you can't artificially set road speeds low. If you have an artificially low speed limit basically the enforcement won't hold up in court. Town and cities can't just arbitrarily set speed limits for whatever they want. There is a full analysis that needs to be done and it involves speed studies.

Ms. Lane said there are two actual crosswalks now, one below her and one above.

City Manager Fraser said those are actually good in terms of helping with the speed limit.

Mayor Hooper asked if this was something they could ask the Technical Advisory Committee to look at.

City Manager Fraser said they are going to be doing a speed study on Northfield Street this spring. There is a prescribed process under the statute and it needs to be backed up. If someone challenges a ticket in court you have to show you did all this work and why you reached your conclusion.

09-040. Consideration of the Consent Agenda: V.A.

Consideration of the minutes from the February 11th, 2009 City Council Meeting.

Consideration of accepting Fothergill Segale & Valley's proposal for Accounting and Financial Consulting Services and authorizing the City Manager to sign the engagement letter for the time period beginning November 1, 2008 through October 31, 2010.

Consideration of becoming the Liquor Control Commission for the purpose of reviewing the following:

Ratification of the issuance of a Catering Permit to Yebba, Inc., d/b/a The Abbey Pub and Restaurant, for a Cocktail Reception held on Thursday, February 19th, from 4:00 to 7:00 P.M. in the Cedar Creek Room of the State House.

Application from Langdon Street Pub, d/b/a McGillicuddy's Irish Pub, for a legislative function for the firm of MacLean, Meehan & Rice on Thursday, March 19th, from 4:00 P.M. to midnight at 14 Court Street.

Approval of payroll:

Payroll Warrant dated February 19, 2009, in the amount of \$135,056.04.

General Fund Warrant dated February 25, 2009, in the amount of \$1,497,730.01 and Community Development Agency Funds in the amount of \$70.00, \$35,521.00, \$30,000.00, and \$11,642.00.

Council Member Weiss requested that the Fothergill Segale & Valley proposal be removed from the consent agenda.

Motion was made by Council Member Sheridan, seconded by Council Member Jarvis to approve the consent agenda after the removal of the Fothergill Segale & Valley proposal. The vote was 6-0, motion carried unanimously.

09-040A.

Consideration of accepting Fothergill Segale & Valley's proposal for Accounting and Financial Consulting Services and authorizing the City Manager to sign the engagement letter for the time period beginning November 1, 2008 through October 31, 2010.

Council Member Weiss referred to page 3 regarding the city's responsibilities, item #3 where the end of it reads see also #17. There is no #16 or #17. If the Council is supposed to approve something, then #17 should be included. The second item was the paragraph that starts, "We expect to be paid and charge interest at 8% on all overdue payments." He thinks in fairness there should be another sentence included and they will pay the city 8% on everything for which they are overdue. His request is that the Council gets information as to what we are missing in items #16 and #17. Will the Council consider another sentence in there that they will pay the same penalty when they are late?

Sandy Gallup, Finance Director, said Council Member Weiss is right that #16 and #17 are not shown. It does refer to an earlier contract where there were less responsibilities and this one doesn't have that list. It isn't pertinent any longer. They don't do our financial statements like they used to so it is a less complicated contract.

Council Member Weiss said if #16 and #17 don't apply, let's take them out.

Finance Director Gallup said the second issue is they don't do our audit. This is for the city's accounting services. She can't remember the last time they were late.

Council Member Weiss said there is a whole series of items they are responsible for by dates or times certain, i.e. quarterly reports.

Finance Director Gallup said there are specific dates, but it is up to the city to provide them the information. It's not something they provide to us.

Council Member Weiss said he was just interested in equity.

Mayor Hooper said they could ask them to remove the 8% penalty. She asked Council Members if they were comfortable asking them to negotiate and allow staff to take care of it.

Council Member Weiss said that was the intent of his motion. Council Member Sheridan seconded the motion. The vote was 6-0, motion carried unanimously.

09-041.

Appointment to Development Review Board.

V.A.

Staff advertised in January to fill an Alternate position on the City's Development Review Board.

The only letter of interest was received after the deadline so staff opted to wait until this evening to make the appointment ... giving extra time to anyone else who might be interested in applying.

As of the date this agenda was finalized, the only letter of interest was received from:

Win Turner
4 Emmons Street

Mr. Turner is out of town and unable to introduce himself to Council this evening; he was recruited and recommended by current member Dan Richardson.

Recommendation: Discussion; appointment to the Development Review Board as Alternate for a one-year term.

Motion was made by Council Members Sheridan, seconded by Council Member Golonka to appoint Win Turner to fill the Alternate position on the Montpelier Development Review Board. The vote was 6-0, motion carried unanimously.

City Manager Fraser said while the Council was on the topic of boards there are two members of the Planning Commission who are no longer city residents. One has already offered her resignation and the other has suggested that. Prior City Councils have emphasized their desire that people on these key policy boards be Montpelier residents. The law says that only a majority have to be local residents. He wants to know if that is still the policy of the Council.

Council Member Golonka suggested that the Council have a conversation as an agenda item on this issue at a later date.

09-042.

Conduct the second public hearing for an amendment to the City's Code of Ordinances, Chapter 10, MOTOR VEHICLES AND TRAFFIC, Article VII, PARKING AND PARKING METER ZONES, as it pertains to Cedar Street. V.A.

It has recently come to staff's attention that a municipal ordinance regulating parking on Cedar Street, in support of existing signs, does not exist.

The easterly side of this one-way street has been posted with municipally installed and maintained signs for many years; however, a search of the ordinances revealed that Cedar Street is not referenced to within either 10-716 (PARKING PROHIBITED) or 10-717 (LIMITED PARKING). Furthermore, there is no record of how long the signs have been in place. Compliance has been consistently high, indicative of general consent to a reasonable restriction.

The first public hearing was held on January 22nd; at that time, Councilor Sheridan asked staff to check into possibly restricting parking on the opposite side of the street instead; with one less driveway access, this might provide more parking spaces which, because of the location, he felt was worth looking into.

Council Members have received a copy of a memo from Tom McArdle describing the review he conducted to compare the parking capacity of the two sides of the street and how he reached this conclusion. He will also present a slide show, with photos taken by Mike Doyle, to aid in the discussion.

As a result of his findings, Assistant Public Works Director Tom McArdle proposes the following, with a minor change to the originally proposed ordinance.

ARTICLE VII. PARKING PROHIBITED.

(qqq) Cedar Street - Parking is prohibited on the easterly side of Cedar Street for its entire length; parking is also prohibited on the westerly side from the intersection with East State Street as measured at the curb line northerly for a distance of ninety eight thirty seven feet (98') (37') to the driveway serving #2-4 Cedar Street; and from the marked crosswalk at the intersection of School Street southerly for a distance of twenty feet (20').

Recommendation: Conduct the second public hearing, with or without further amendments.

Mayor Hooper said Council Member received a memorandum from Assistant Public Works Director Mc Ardle and she opened the Public Hearing at 7:15 P.M.

Todd Law, Director of Public Works, said Tom talked with four of the six residents on that section of street and the practice of public notification worked well with this application. He also did a poll of the Traffic Committee and followed their recommendation which was to continue with the parking on the left side of the street, which is currently where it is. When you plow the street to the right you plow it to the vehicles instead of away from them. The biggest concern was for public safety for people to be able to exit out onto the sidewalk instead of out into the middle of the street. That was the major reason for keeping it on the left side. They want to make sure they have pedestrian safety.

Mike Doyle submitted some great pictures, and it was pretty much unanimous that everyone wanted to keep the parking on the left side of the street.

Council Member Sheridan said he is fine with the recommendation. He had talked with Mike Doyle. At the time he thought it would give the city more parking, but sometimes you don't foresee all of the consequences.

Mike Doyle said he wanted to thank the Board for listening. His principal complaint is that he has six parking spaces that would have to back out in to the broad side of cars parked on the easterly side, and in conditions where they have snow it would have been difficulty for a lot of people. The second thing that concerned him was snow storage. The snow has to go some place and the plow presently puts it on the easterly side of the street. This recommendation is something he supports.

Mayor Hooper said they were just looking to find more parking spaces. She closed the public hearing at 8:20 P.M.

Motion was made by Council Member Sheridan, seconded by Council Member Weiss to approve the amendment to the City's Codd or Ordinances, Chapter 10, Motor Vehicles and Traffic, Article VII, Parking and Parking Meter Zones, as it pertains to Cedar Street. The vote was 6-0, motion carried unanimously.

09-049A. Council Reports:

Council Member Sheridan said he received a letter from Ramona about snow removal she had talked with Todd Law about. It's blocking her drive and making it hard for her to get out.

City Manager Fraser told Council Member Sheridan to pass the letter on to him and he would be happy to respond. He said they visited with her and talked about what she would allow the city to do. She wanted the city to plow snow that was on her property and clear her driveway for her, which they don't normally do for people. In years past she had allowed city vehicles to turn around in her drive because there is no turnaround on that street. In accommodation for letting the city turn around in her drive the city would clear open the driveway. She told them they could no longer turn in her driveway because she felt it was damaging the drive, so they didn't clear her driveway this winter. After some discussion she agreed to allow

the trucks to turn and they said they would push the snow in her drive as before and in fact they would fix her driveway once spring came.

Council Member Sheridan said in the letter it says that since it occurred she was told she would receive a written letter promising to fix the damage in the drive.

Council Member Sheridan said he is happy to be present. It is the achievement of a nine year goal he set years ago. He hoped to achieve ten years of perfect attendance.

- 09-49. Selection of three members from the Montpelier Republican Party to act as Justices of the Peace for election purposes only. V.A.

Because there were no Republican Justices of the Peace elected last year, the City Clerk checked with the Secretary of State's Office and found that three members can be recruited from the party, for Council review and approval, for the City's Annual Meeting.

No names had been submitted prior to the distribution of this agenda; staff hopes to have them for consideration this evening.

Recommendation: Discussion; possible selection; or further direction to staff.

Mayor Hooper said in an effort to have a fair and balanced representation in managing the elections Charlotte Hoyt, City Clerk, spoke with the Republican Party and received three names - Dorothy Hayden, Mike Doyle and Lois Hadd - to help with that work.

Motion was made by Council Member Golonka, seconded by Council Member Sherman to appoint Dorothy Hayden, Mike Doyle and Lois Hadd representing the republican party to assist with the election process. The vote was 6-0, motion carried unanimously.

- 09-052. Status Reports by the City Manager:

City Manager Fraser said since they have had some discussion about regional services the city did receive a request for a proposal from the Town of Berlin to provide ambulance service. They are taking that seriously and taking a look to see if they can set up a way that they can serve the Town of Berlin that would be financially beneficial, but would not compromise the city service wise. They felt that since they had been talking a lot about regional services that they should at least consider it seriously and see what they come up with. He isn't sure they can compete with Barre Town with the type of quality of service.

Council Member Golonka inquired if there was going to be a presentation to the Council.

Council Member Weiss asked if there would be any discussion about when Northfield has an ambulance service that they have a portion of Berlin and Montpelier have a portion.

City Manager Fraser said it would be up to the town and how Berlin chose to be served.

- 09-043. Presentation of the City's Audit Report for FY July 1, 2007 – June 30, 2008. V.A.

Fred Duplessis of Sullivan, Powers & Company will present the audit report to the Council.

Recommendation: Receive report; opportunity for discussion; acceptance of the City's FY '08 Audit Report.

Fred Duplessis of Sullivan, Powers & Company appeared before the Council and said their role was to give the city an opinion on the financial statement, which appears on pages 1 and 2. What that says is that the financial statements of the City of Montpelier are in full conformance with generally accepted accounting principles. That is an unqualified clean opinion. There have been no changes in principles from last year

to this year. The only change on the horizon for some communities is the requirement to record post employment benefits that would kick in within a couple of years of what has been evaluated here but can have an impact on the financial statements. That would be retirees being able to access primarily health insurance through the city either on a paid basis or on a compensated basis. That is a couple of years away, so right now this is consistent.

As in the past, the next section of the audit report starting on page 3-9 is the Management's discussion and analysis. That is Management's opportunity to present their story. Their role is to make sure that the information in those pages is consistent with what they see in the financial statements, and it is. That is probably the most valuable tool in the audit because it provides a narrative overview of where they ended up. It talks about some of the reasons why the city ended up where they are. It discusses what is going on in the current budget, and there is an opportunity to provide an economic outlook. In about 9 pages you get a good sense of what happened during that year, what the expectation is going forward, and some reasons why, which you don't see in just the numbers. If anyone is going to look at any part of the audit and understand it that is probably what they could look at and get a good sense of where the city ended up. Page 12 and 13 is the combined condensed statement of net assets and activities. This is a broad overview of the city as a whole. It combines all of the governmental activities, general fund, special revenue fund, and various capital projects into one column. It takes all of the business type activities such as water, sewer and parking fund and combines them. This is what the evaluators and bond rating services would look at, but it is such a large overview and includes the entire infrastructure, land, buildings and equipment of the city. It includes all of the debt. Probably the most significant number in there is the general fund and the business type activities in unrestricted net assets. At the end of 2008 the governmental activities had a surplus of \$1,112,000. That is up about \$105,000 from a year ago, but that is with everything combined. A lot of that is designated and a lot of it is set aside for various capital projects, but that is the total unrestricted net assets. On the business side it is a deficit. That was a \$383,000 deficit at the end of FY'07. It has gone up to \$439,000 at the end of FY'08, which is a \$56,000 increase. The city is evaluating that and ways on how to eliminate that, but it did go in the wrong direction in 2008. Some of that is a choice to take liquid assets and buy capital assets, because the total net assets didn't change all that much. What that might indicate is some problem with liquidity in going forward if that doesn't change.

On Exhibit C on page 14, this is the general fund which is the most critical fund because that is what affects the tax rate most. That is where all of the property taxes for the most part go except for set aside funds. At the end of 2008, at the bottom of the first column you can see there was a total fund balance of \$1,346,043. Some of that was tied up in inventories and prepaid expenses. Some of that was restricted by outside sources. What that left the city is \$853,458 in unreserved fund balance. Again, some of that is designated. You would see \$184,000 is designated. That leaves the city \$669,000 of undesignated fund balance. That's about 7.5 percent of the '08 budget, which means they are about in the middle of the recommended fund balance of between 5 and 15 percent. It does leave the city some ability to manage the tax rate when there are unanticipated emergencies or unanticipated increases in expenses. It certainly is prudent to have some level of fund balance, and right now they are in the range that is recommended.

On page 17 is the Budget Actual Statement. This is the budget proposed and passed by the City Council and the voters. About a third of the way down the city budgeted to take in \$8,840,227 actually took in a little over \$9.5 million. If you look in the management's discussion and analysis on page 9 there are the explanations. Some of it was interest income. There were some other areas that were over.

However, on the expense side you will see that same \$8,840,227 we were going to spend. The city actually spent \$9,555,209, so they spent \$714,982 more than was budgeted. However, because of the offset of revenue instead of breaking even for the year we actually did \$43,000 better. The increased revenue more than offset the increase in spending, and there was still an increase in the surplus for the year.

Exhibits G, H & I are the enterprise funds - water, sewer and parking fund. Each fund on its own does have a deficit. The deficit in the water fund went up about \$25,000. The deficit in the sewer fund went up about \$42,000. They did reduce the parking fund deficit by about \$10,000. They still are not at the point where they are covering all of their costs and that is really going to indicate some need to borrow from other funds or there could be problems throughout the year.

Starting on page 22 there are about 32 pages of footnotes with a lot of detail and a lot of explanation of the accounting policy of the city. There are explanations of various other assets and liabilities. It talks about how you cover risks, what commitments and contingencies, debts and when the debt is going to be paid. Finally, on Schedule 1 and 2 are more details about some of the other funds of the city. There are special revenue funds, capital project funds and some of the permanent funds that support the cemetery, parks and other trust funds.

The way the audit works is that you get a lot of detail going back and it gets more condensed and combined until you get the very broad overview in the front preceded by the discussion and analysis.

Council Member Golonka told Mr. Duplessis he talked about internal control issues for the City of Montpelier. He said he thought they had addressed that last year with the implementation of their new internal control policy. He asked if he could explain that.

Mr. Duplessis said part of what they do in the audit is to review the controls, and there are various levels. There were no material weaknesses in internal controls. For the most part the city has an excellent accounting system and control system. The one area they saw this year was in a capital project fund there were some accounts payable that were not accrued, so they are simply letting the city know they need to look at that as well. All of the other larger funds were fine. The other items in the letter are less than significant but things they want the city to think about. The parking meter revenue is simply an issue they all know is there. The city has talked about what is a cost benefit and how do we do that. It is something everybody struggles with. It's not new to Montpelier. The Fire District was one that was there last year, and that is being worked on. It's just an issue of getting it finalized. What this is saying is that there has been recognition that there are a lot of attributes that go into a control system. This is just saying we need to simply identify and document them a little better. This is now the next step of saying within those processes and procedures which ones are the key controls that make sure that the assets are protected throughout the year and the financial reports they receive as a Council are accurate. They are in place but just need to be documented. This is simply a documentation issue. This is a new requirement and new for everybody.

They have talked about the pooled interest, but this is only an issue related primarily between enterprise funds and governmental funds because they are different user groups. You want to make sure that there is equity among the funds so if one fund is subsidizing another because of loaning, which is fine, you at least make the originating fund whole through the allocation interest. They are simply recommending that in order to make the general fund whole that the interest be allocated or charged among funds.

The last item is a review of reports. There is also a single audit that was released today on compliance. There was some grant reporting that just didn't have a second set of eyes looking at them. They are recommending that whenever any reports go in that somebody else look them over to make sure they are accurate.

The last document is a report to the Council that simply indicates that the audit went well and that staff were ready.

Mayor Hooper said the city received the audit very late. Is this an anomaly?

Mr. Duplessis said it was an anomaly, and it shouldn't happen again. This was an issue of their scheduling. Because of the fact that the city does have good internal controls the report they are getting from here are accurate. He doesn't think the numbers change from what they are provided from the city.

Motion was made by Council Member Weiss, seconded by Council Member Sheridan that the council received the report of the audit for FY July 1, 2007 to June 30, 2008. The vote was 6-0, motion carried unanimously.

Council Member Hooper said he wondered if they could publish the audit report electronically and have it available for the general public.

Finance Director Gallup reported it was on the city's web site.

Council Member Weiss asked City Manager Fraser what was the contractual status between the city and Sullivan and Powers.

Mr. Duplessis said he thought there was one more year on the contract.

City Manager Fraser reported there are usually 2 or 3-year contracts and renewed or put out to bid.

09-444.

City Debt Level Discussion - Review of debt levels and debt payments over the past 10 years and discuss future borrowing plans.

City Manager Fraser said Sandy Gallup pulled together some information about our history and provided it to the Council.

Sandy Gallup, Finance Director, said she provided information she thought was accurate. There are a lot of loans in the debt that all add up, but she had the sense it was an overwhelming amount because there are so many loans. When she added it up and looked at the 10-year history she didn't see this huge, looming debt. What did go up was in the sewer fund there was substantial increases in debt when the CSO went through. It was sort of a mandated improvement the city had to do. Water did go up when they built the water treatment plant which was another mandated project.

The general fund is very flat. When she looked at debt payments they have gone up, but it isn't as much as they would think. She was told at a seminar that debt payments should be between 3% and 15% of the operating budgets. Right now in FY'08 from the audit she could see our debt payments were 7% of the general fund. They were 37% of the water fund and the sewer fund was 22%. When she looked at what they were proposing in the FY'10 budget that will be voted on in March she took those numbers and asked what it would look like. The general fund goes up from 7% to 8%, and that includes the pension debt which made that go up so high. The water fund has gone from 37% to 36%; the sewer fund is still at 22%. If you add it all together, all of the operating budgets and all of the debt payments the city is at 15%. That is a little high, but that is mostly because of the enterprise funds.

Council Member Golonka asked if there was a plan to get it down to 10%.

Finance Director Gallup replied that in the next 10 years if they don't add on more debt we will pay down 61% of the water and sewer and 79% of the general fund. Sixty-five percent or more is really good. That just means we are really struggling with the water and sewer to tackle the big projects.

City Manager Fraser said because of the mandated projects of water and sewer we need to restrain from taking on additional debt in those funds unless it is truly an emergency or an opportunity to expand raising revenue significantly. They were surprised to see that the general fund was really in good shape.

Council Member Golonka said the reason for his request is that every year they seem to discuss more and more their million dollar investment in the community as debt payment and it seems to be limited more as to what they can do. What should they do in the next 5 to 10 years to try to reduce the burden we are placing on our future generations?

Mr. Duplessis said from their perspective that it is really important they are matching the debt with the utility of having assets to go with it. It's not that the city is borrowing for anything short term. They aren't borrowing for operating costs. They are borrowing for fixed assets and capital assets. When you talk about burdening the future, yes, however they will also have the benefit of the assets as well. That means you are probably paying down the debt quicker than the lives of the assets. That doesn't mean there aren't going to be new things to do, but as long as you are matching that's the best they are going to do.

Council Member Hooper said one of the things they discussed in the Revenue/Expense Committee was whether we roll over our debt if the rates change and look for new ways of leveraging our rates.

Finance Director Gallup said the bond bank does that and much of what we do is with the bond bank. The whole pension was with the bond bank.

City Manager Fraser said they also refinanced a number of the bonds when Jana was here. Most Vermont communities and municipalities are so small that our bonds on the market aren't very attractive, but if they take them all together and issue a series of municipal bonds they usually get very good rates through the bond bank. The down side is because we are municipalities we can't always refund our own bond unless the bond bank is doing it for their whole issue.

Council Member Weiss asked why Sandy had projected out to FY 2010?

Ms. Gallup said she did that because that was clear to her through their proposed budget.

Council Member Weiss asked if she included the two articles totaling over \$1 million to be included in the 2010 indebtedness.

Ms. Gallup replied yes. What she did not include was some unissued debt that has been authorized, the Carr Lot project.

Mayor Hooper asked Fred Duplessis if he had any reason to be concerned about the city's general fund obligations and debt.

Mr. Duplessis said as long as the debt is matching the assets and not being used for operations, and there is a fund balance that is within the recommended range, no.

Mayor Hooper said she understood the issues with the enterprise funds. Would the city be safe in authorizing additional general fund debt as long as it is matched with the assets and not for operating expenses? Would he be alarmed if the city increased their percentage?

Mr. Duplessis replied he would be surprised if they didn't. There is always going to be debt. If there are stimulus payments that will let us do the things we need to do without debt that would be great. There are so many infrastructure projects that are more than just wish list items, and he is a taxpayer too. Simply, all municipalities are dealing with this. Montpelier is not in bad shape compared to other municipalities in terms of where we stand in terms of debt per capita or debt in the general fund.

Mayor Hooper said relative to other Vermont municipalities is Montpelier in good shape?

Mr. Duplessis said we are in fair shape. He visited a City Council last night that has no debt, but they have a large industry in town that provides lots of tax dollars. There is no typical Vermont municipality. That is really hard to benchmark here because every community is so different in terms of the mix of industries, how much state land, how much nonprofit. It is really hard to get good benchmarks here in Vermont.

Council Member Weiss said this is a very valuable document.

Motion was made by Council Member Weiss, seconded by Council Member Hooper that the Council receive the Debt Information Report. The vote was 6-0, motion carried unanimously.

09-045. Consideration of a Draft Events Policy.

V.A.

In May of 2008, the City Manager and Diane Scolaro of the Vermont Arts Council looked at other communities and found that there is no real consistency of approach among Vermont towns and cities when it comes to this type of policy; the Manager prepared a memo to Council, at that time, outlining their findings.

After much discussion, a motion was made "to direct staff to continue developing the events permit."

The City Manager has updated his original memo for Council review this evening which still outlines the need for a single events permit (maybe divided into major and minor events), and possibly a separate policy for use of City property.

Recommendation: Review and discuss the updated memorandum; possibly approve certain segments, with or without amendments; further direction to staff.

City Manager Fraser said he looked at some of the discussion and issues that the Council had previously and tried to crystallize what the key issues were. The organizer of the Fashion Show brought in a 3-page list of things that should be addressed which was almost identical to the issues they had discussed before. He wanted to see if they have some general agreement on what might be included in a final version. In splitting the events policy and the use of public property into two different concepts, they are similar but not the same. We need to have some sort of administrative determination to decide whether it is a major or minor event. There is a big difference between a fashion show and the Meadow Block Party in the summer. They are both events, but there are giant differences in the crowd attending and the impact of the downtown.

He went on to say that when they see a full permit is required, they need to go through the entire checklist. There still may be many things that are not applicable to the event. For example, if it is fashion, they may not have to deal with an evening noise ordinance. For a minor event they would look at the key ones, such as the noise and cleanup provisions. The biggest difference would be the notification. If it was a major event they would want a 60-day advanced application coming into the city. The city could think about strengthening this if they wanted to. Currently, we do ask people to notify interested parties. There is no real verification about who and how they did it. Suzanne Hechmer or someone who we have good faith in say they talked to all of the merchants on State Street and they all agree. When we think about a zoning permit or subdivision, there are specific means which the abutters are identified and a set practice that they are sure notice is given and how it was communicated. Perhaps when they made the administrative determination they could work with them to identify the interested parties and come up with a plan for how they are going to be notified and how the city will be noticed that happened.

It's not just notice that the event is being proposed but notices that it will be discussed at the Council meeting on a certain date. The notice would say they are proposing to close the street in 45 days and in 30 days it will be on the Council's agenda, and that is their chance to talk about it. For a major event the Council would hold the initial hearing on that permit 30 days prior to the event. That would give a couple of Council meetings in case there needed to be changes. It gives them an opportunity to come back in and present a revision to the plan.

If it is a minor event they would look at the key issues. Probably less notice would be required. This would apply to a block party event. We could think about returning events and people know how they are done versus a new event.

This is not suggesting at all they would change any of our regulations with regard to noise or cleanup. He isn't sure if the city needs a separate ordinance or if the Council should adopt it as a matter of administrative policy.

For the use of public property we have to make a determination whether it is a public or private event. Presumably an applicant could appeal that determination if they didn't like the administrative determination. He is suggesting that public events are those open to the public and generally have no age or fee restriction, and the primary activity is public in nature such as entertainment with participation in that activity, whether it is a road race, bike race, that it is open to all. The primary activity is simply not to conduct commerce. There may be a small side part of that. A good example of that is the Langdon Street Festival last year where generally it was all open to the public, but there was a small restricted area where they were selling through license. It was clearly a public event but with a private section. You could attend without spending a dime. Again, public events may have restricted areas within them as long as they aren't the primary activity.

Private events are not open to all unless either admission is paid or there is an age requirement, or a restricted guest list. If someone asks for permission to use a street to hold a wedding and it is only open to guests of the wedding. The public has lost the use of that street at that point.

A question was raised about the café tables on the sidewalks. Again, that does not prevent you from walking down the sidewalk.

The key philosophy is if in fact it is a private event that is transferring the use of a public asset into a private asset, it's not unlike when the city rents the auditorium or reserve public space at Hubbard Park. You have taken a public space and turned it into a private space temporarily. There should be some consideration or some sort of fee for that use.

He spoke about direct city service costs and felt that should be assessed for private events. This is for a private and not a public event. If we need to take public works trucks and bring concrete barriers up to block a street we need to charge for that. If it is a public event, no, because it is the city's contribution to the event.

Conversely, if a police officer is required or assigned to that event, there is already a provision for how they bill for that time for police or ambulance personnel. If, on the other hand, there are a couple of events going on the city makes its own decision to say we might want to put on a couple of extra police officers on tonight because a lot is happening in town, then that is an indirect city cost. That's a management choice we are making because those people may be called away on some other call or not even on that street when something happens because they are handling a domestic abuse in another part of town. They are not specifically assigned to this event.

Fees and expenses can be reduced or waived by the Council if they find the event has some public benefit. For example, on Langdon Street, Onion River Sports or Buch Spieler could request closure of the street to have a bike sale in the street or music sale in the street but they are also going to provide some sort of entertainment free and open to the public, the Council might want to consider how that fits or have that as a public event with them paying a vendor's license in the street, which is what fashion week does.

Another item they have talked about is frequency of closures. One of the concerns specifically on Langdon Street was they didn't mind them being closed but how often were they going to do it. If you think about the neighborhood block party and you don't mind it happening once during the summer, and then someone suggests they do two events in a summer, at what point do we say how much is enough.

Mayor Hooper said the City Manager is looking for guidance from the Council.

City Manager Fraser said he is interested in what they would like to see in a final policy.

Council Member Weiss said he would like to see a policy with absolutely no liquor consumed, used, sold or bought on any city owned property. Are there any other groups in the city that technically rent property? For example, the Recreation Department will authorize the use of the shelter for barbeques. Is that a rental?

City Manager Fraser replied he believed it was. The Recreation Department doesn't fall under the city, but he believes groups rent.

Council Member Weiss asked if there could be any benefit if they could have standardization because that is a city property.

Mayor Hooper said the issue is buys, sell, or use liquor on public property is something we should have a public conversation about. Remember that upstairs is occasionally rented and a liquor license is obtained and liquor is sold. If we prohibited it, then that would no longer apply there. Similarly, folks who rent or use Hubbard Park wouldn't be able to carry in beer to drink at their baseball games. She said that Council Member Weiss has just asked that be included in the events policy.

Council Member Hooper said he would rather not have that in an events policy.

Council Members Jarvis and Sheridan agreed with Council Member Hooper that they would prefer not to have that in an events policy.

Mayor Hooper said she could imagine not allowing the use of liquor under certain circumstances in certain places like the recreational field where there are going to be kids and you don't want to mix that up.

Council Member Golonka said the Council already has to approve the liquor licenses.

Mayor Hooper said she has heard a few people express the opinion that they do not care to prohibit the use of alcohol on public properties. Is that the general sentiment of the Council with the exception of Alan? Consensus of the council was to leave that out of the events policy.

City Manager Fraser said in an events policy they should talk about what property and public streets we are addressing.

Council Member Golonka asked where you draw the line in major or minor events. He felt there should be some clear criteria.

City Manager Fraser said it depends on not only size and the number of people but the length of time. If you have an event with only 40 or 50 people but it goes on for a long time and gets loud, what criteria do you use? There are events that happen all of the time, but if it is an annual event and all volunteer effort and they don't get the permit in on time, then they miss out. When it is a routine event, why do they really need 60 days application period? If they are planning a big festival all day long and it is going to have different entertainment acts, they are planning 60 days in advance. They really ought to be talking to the Council about what they need.

Mayor Hooper said she thinks they need to deal with the reoccurring issue. There are some that seem like you need to plan in advance. She likes the notion of having a major and minor event permit.

Council Member Hooper inquired if there were major events that have no commercial business connection.

City Manager Fraser said there are the events the city sponsors. He is just trying to make it easier for people to have small events without having to go through the whole notice process.

Mayor Hooper said she would imagine they are not interested in allowing public property to be closed for exclusively private use. The memorial service she was thinking of was that anybody would have been welcomed to attend. Her kid's 5th birthday party in the middle of Elm Street is not an option.

City Manager Fraser said one of the criteria also would be the impact on the general public.

Council Member Sheridan said the streets are owned by the people, not just the city.

City Manager Fraser said one of the reasons that Langdon Street has been popular is because people can still get around. It's contained as opposed to State and Main Streets. Putting something on Elm Street, Northfield Street, Berlin Street or Towne Hill Road wouldn't make any sense.

Mayor Hooper said she isn't sure she should be allowed to have her kid's birthday party on Langdon Street.

Council Member Sheridan said as we go along there will be changes, this policy won't be set in stone.

09-406.

Senior Center Update

V.A.

Beverlee Pembroke Hill, the City's Liaison with the Senior Center, will provide Council Members with a general update on the City's oversight of the center.

Bill Doelger, as Chair of the Advisory Board, has asked to speak to the Council this evening as well. The Board is seeking Council approval of a "Vision Statement," a copy of which has been included in each Councilor's packet.

As part of the Senior Center update, staff may be asking for a vote to go ahead with the securing of a van for the Senior Center. This was previously described by Councilor Jim

Sheridan last fall ... and in more detail in a letter from the Green Mountain Transit Agency -- also provided to Council in this week's packet.

Recommendation: Receive update on the oversight of the center; opportunity for Mr. Doelger to speak to the Council as Chair of the Advisory Board, approval of the "Vision Statement;" possible action on the securing of a van for the Center, and provide any other general directions needed by staff and/or the Advisory Board.

Bev Hill said the Program Director Lucinda McCloud has been very helpful during the two months she has been working with the Senior Citizen Center Group. She went on to say that Bill Doelger and Elizabeth Dodge were present this evening. Assistant City Manager Hill presented a packet of information to the council which she reviewed in her presentation.

For FY'09 the appropriation from the City of Montpelier to the Senior Center was \$87,072. The Town of Berlin appropriated \$500; Calais appropriated \$200; East Montpelier gave \$200; Middlesex gave \$199 because anything over \$199 requires a petition. Worcester gave \$150. Tri Towns, which is a seniors' group from Marshfield, Plainfield and Cabot, made a donation of \$100.

Membership for the Senior Citizens Center begins on July 1st and grows during the fiscal year. In November they had 500 members and they now have 630 members. They expect to hit between 700 to 800 by the end of the fiscal year. A lot of people don't join until that trip comes up every spring when they are going up to the Grand Isle Haven House or to Montreal for a French celebration. They will join just to take the trip.

Mr. Doelger said sometimes they give people a break if they join at the end of the year so it counts for the following year.

Assistant City Manager Hill spoke about the classes and events. She wanted to start with bowling which is the one area where she can truly say we need to do it differently because it is the one area we are subsidizing. For bowling they are charged \$52 per bowler for 13 weeks of bowling, including the shoe rentals. By being under a municipality program they don't have to pay tax. If they were to do this on their own for that same period of time, it would be \$85 per bowler. The actual cost is \$52. From those non-member towns they pay \$35 to bowl. They reminded her they just did increase the bowling cost. The membership fee for the seniors went from \$15 to \$25 if they were non-residents. The bowling fee was increased \$10 per quarter. They have seen a \$50 increase to participate in this program, but the city is still subsidizing it.

Council Member Golonka asked Bev why do we discount for towns that pay \$500 or \$200 or the three towns that are giving \$100. Why do those people get a 50% discount?

Assistant City Manager Hill said this program can run alone with or without members in the Senior Center. This particular program is a stand alone program. She really doesn't have an answer yet on the membership costs.

Council Member Golonka said her suggestion is to charge non-residents the fee. If we are going to be subsidizing out-of-town residents he doesn't think the \$500 from Berlin covers enough to offset any of the fees. It's not enough if you compare how much Montpelier residents are paying.

Assistant City Manager Hill said if you look at the total participants in Berlin for the first quarter of classes there are 9 people. There are 2 for bowling and 7 spread out over 20 plus classes. The Advisory Board has concerns that they went out to those towns to ask them to continue to contribute that amount for this coming year until we could come back to them and tell them what we felt they should be contributing, and how they should be contributing.

Council Member Golonka said he is talking about class fees which are where we are subsidizing. Why should we be subsidizing the Berlin residents for bowling, even if it is only 2 people?

Assistant City Manager Hill said at a very minimum the noncontributing town people should be paying the \$52. If you want to have the other contributing towns pay \$52 or give them a break and pay \$45, she has no problem with that.

Council Member Golonka said he is just very concerned about any subsidies for any out-of-town residents. He doesn't think anyone from Middlesex that joins the Senior Center should get a 50 percent discount of our fees. It's wrong for Montpelier to subsidize anyone in our programs.

Assistant City Manager Hill said swimming has a totally different approach. The Senior Center pays per hour or the swimming classes. They pay \$85 per hour for three 1-hour classes per week. The fourth class, which is actually a water aerobics class, they pay \$97 per hour because it includes the instructor. This is where she saw the biggest subsidy as far as everybody being subsidized. If everybody were to go to all 13 classes for that period of time the bill would come to around \$4,600 per quarter. The bills have averaged around \$3,000. Last year the pool was closed in August, and then they are closed for the holidays. Very seldom do they have a full 13 weeks of 4 classes. Some weeks there will only be 2 classes. If they were to have what is programmed of four 1-hour classes a week it could total as much as \$4,600. If you look at the numbers, at 13 people you are paying roughly \$325 to that cost. The out-of-town residents contributed \$700 based on their fee. The bottom line the program is costing anywhere from \$3,000 to \$4,000 and we are only taking in \$1,000. That is a big chunk of money that is part of what sustains programs. But this is a valuable program to the seniors.

Discussion continued on the programs provided.

Council Member Golonka said in terms of the classes what is the total instruction cost for all of the classes? To put on these 33 classes per year how much does it cost? How much revenue do we generate?

Mr. Doelger said \$27,000 is spent on the instructors.

Mr. Doelger said he would like to point out in the case of Berlin, remember everybody in the column for the outside towns is paying \$25 to join the Senior Center. In the case of Berlin, there are 34 people who are paying \$25, which comes to \$750 in income. In addition, the town is contributing \$500, so that is \$1,250 worth of income. The actual cost outlay in this case is fairly minimal because there are only 7 people taking classes and 2 people bowling. The revenue in this case far exceeds what it costs.

Council Member Golonka said he is looking at the policy of subsidizing outside residents. The membership fee is different. The issue of class fees is a policy decision on what do we charge Montpelier residents for a class and what do we charge non-Montpelier residents for a class. He doesn't think the \$500 that Berlin pays justifies the 30 percent discount in class fees.

Mr. Doelger said he thinks he is right and it needs to be looked into more carefully. His understanding is that the dollar amounts they are asking for contributions is an arbitrary one. In other words, they don't have a formula for determining what that dollar amount is. The term "subsidy" assumes that we are paying extra to have an outside member attend the Senior Center, and it's not absolutely clear to him that in fact is what it is.

Council Member Golonka said there is a clear subsidy on the class participation.

Mr. Doelger said it has been Cindy's goal to have classes run on a break even basis. Some classes lose money; some classes make money. In the final analysis she is trying to run them. If she doesn't get enough people attending, then she cancels the class. Other classes are overloaded. That whole fee structure, plus the contributing town fee structure, all need to be reviewed.

Mr. Doelger said if they take on a lot more members they have to have revenue neutral class structure because it would just keep putting them in the hole if they keep adding classes and members. If we add members, then we need to add classes. It is important that operationally they operate on a break even basis as far as classes are concerned. If you take away all of the outside membership you are shooting yourself in the foot. Bringing more people into the Senior Center doesn't necessarily mean they are paying more for heat and electricity. They are not adding staff. Those are the fixed costs and represent the larger share of the operating budget of the Senior Center.

Four years ago they didn't even know how many members they had, and now they can tell what gender they are, how old they are, and tell a lot about their membership they had no knowledge of before. They have added Quick Books and have a much better handle on their costs.

Assistant City Manager Hill spoke about the meals program and they had discovered that it had become very costly and they needed to make some changes. They no longer have a Wednesday meal and the staff person has gone from 30 hours down to 20 hours per week. Part of the reason they believe that the meal program, which had more participation in the past, is the fact there are soup kitchens five days a week now in our community. A lot of the seniors who were attending the meals at the Senior Center at a cost of \$5.00 are now participating in the soup kitchen sites.

Council Member Hooper said he doesn't care if the Senior Center chooses to use part of their budget to provide meals at a loss to Montpelier residents it is when that money is going out of our town.

Assistant City Manager Hill said there are twenty-two other towns that aren't listed, and is usually only one person. A positive thing about the economics of the Senior Center is that the endowment fund's end of the year report started out at \$268,000 and ended the year at \$286,000. That has done very well.

Council Member Weiss asked if they used any of the interest or funds to support the program.

Assistant City Manager Hill said they haven't.

Council Member Golonka replied they did that through the budget process. Next fiscal year they have added 5% of the endowment to go to the budget.

Mr. Doelger said he had a concern about that. He doesn't know if there is anything written in stone about the endowment funds, but they are usually set aside for reserves and often for capital improvements or a rainy day fund and are seldom used for operations. One of the reasons the fund is as large as it is right now is that it has been left alone for over 20 years. When it was set up Don's charge was not to lose any money on this, so it was conservatively invested. He would hope that in future years they would get away from putting a portion of the income of the fund into operations. He would rather see the fund spent for capital items for determining the future of the Senior Center.

Mayor Hooper said that would be a policy decision that needs to be made.

Assistant City Manager Hill said the age of the membership to join the Senior Citizen Center was 60 and is now established at 50. That was done in accordance with the American Association of Retired Persons (AARP). If you really look at the membership at the Senior Center, the majority of people who join are people who have actually retired and are in their 60's and up. Basically, the type of programs offered to people between 50 and 60 are not active enough for them to really want to be members, but there certainly are a few new members in that 50 to 60 category. There is a slight disagreement among the members on whether or not that membership is going to grow as fast as the over 50 numbers that Gwen has given us in her projections for the future.

Trips this year seem to be facing some tough times. Mackinaw Island, which is one of the best priced trips she has seen, needs 30 people and they are at 15 sign ups. They have extended the sign-up time. They have some short trips. They go up to Burlington to the Flynn Center for special events. Right now they are using private cars or they rent a van. Last year Senator Sanders earmarked four vans for four senior centers throughout the state of Vermont, and Montpelier was one of the four communities. Island Pond and Woodstock have already received their vans. The process for the Montpelier van got stalled with the transition. She contacted GMTA to see what the process was and what we needed to do and talked with VTTrans who told her there is a lease agreement which will be updated. The earmarked funds would pay up to \$49,000 of the costs of a vehicle. The vehicle will hold approximately 15 passengers, with the capability for a wheelchair and a lift. If it is 16 passengers or over, then it requires a person with a CDL license. Under this program the thought has been that the Program Director, Lucinda McCloud, would probably do most of the trip driving since she accompanies the seniors on the trips and other people could be approved to be drivers.

She had talked with the Vermont League of Cities and Towns, who handles our fleet insurance, and they estimated the cost somewhere between \$500 and \$600 for an annual premium. This can be added to the city's fleet insurance policy. The lease requires that the van be maintained and the maintenance could be done by our own maintenance people at the Department of Public Works. She went on to say that Council Member Sheridan had spoken to the Council about this last fall and received conceptual approval from the Council.

Mayor Hooper asked what the actual cost of the van was.

Assistant City Manager Hill said they estimate the actual cost to be \$61,250 and the earmarked funds would pay \$49,000. As indicated in a previous discussion the remainder would be taken out directly from the endowment funds.

Presently, it costs \$150 to rent a van for the trips. The intent is to build into the cost of the trips a piece that will cover the gas and maintenance costs.

Mayor Hooper asked how often the van would be used.

Assistant City Manager Hill said she would need to get that information.

Mr. Doelger said transportation is a big problem for the Senior Center because there isn't enough room for parking and people are driving away. They haven't explored the opportunities for picking up members and bringing them in for classes and driving them back home. That is certainly one of the reasons for the van, which is to do trips, but beyond that there might be an opportunity to pick up and deliver members for classes. They would be dealing with volunteer drivers. There is no money in the budget for a paid driver, so that is an issue.

Council Member Golonka asked if there was anything in the budget for maintenance.

Mr. Doelger said there was \$3,000 for operation and \$500 for maintenance. Presently for any of the local trips they either use the Lamoille Valley or rent a van.

Council Member Hooper said the money the Senior Center receives from fundraisers is that separated out or is it general operating revenue?

Ms. Hill said most of it goes into the general operating revenue.

Mr. Doelger said if somebody gives money to the Senior Center in perpetuity, if a person dies and leaves money to the Senior Center, it usually goes to the endowment. The bazaar funds goes directly into the Senior Center account which also receives other revenue such as membership and class fees.

Council Member Hooper said he is sure there are a number of cases where they would love to give someone discounts. If they could have those monies set aside for those kinds of things, then clearly it would not be taxpayer money paying for it. They could set up a special scholarship fund and a policy for funding.

Mayor Hooper said there are a variety of suggestions in front of the Council that Bev Hill and Bill Doelger are looking for a decision on. She would like to discuss the van.

Elizabeth Dodge, a member of the Advisory Board, said there are at least nine trips they want to use the van for, and they start in late spring.

Mayor Hooper asked the Council Members what their thoughts were on the Senior Center purchasing the van with the assumption that it doesn't require a CDL license.

Council Member Weiss said he would also like to know about the possibility of the Senior Center renting the vehicle to other adult nonprofit organizations.

Assistant City Manager Hill said she did ask Christa Chadwick at VTans about that because there seemed to be some misunderstanding about that. It won't have seat belts so it should not be used for transporting children. The question was asked about whether or not the Mountaineers could use the van. She wasn't sure if it would require a sub-lease agreement to be used for other groups. It is a 3-year lease agreement for the van.

Council Member Weiss said he didn't understand why we need a lease at all.

Council Member Golonka inquired why it wasn't just a direct purchase.

Mr. Doelger said it encumbers the vehicle for legal reasons so you are not renting it out commercially.

Council Member Weiss said the letter says it is a lease agreement between VTrans and the City of Montpelier will be drafted and approved by both parties, so we should wait until we see the contents of that lease agreement.

Mayor Hooper said she wondered if another entity be a partner with the Senior Center. Could GMTA have the van and provide it to the Center when we need it.

Assistant City Manager Hill said that was discussed and CCTA s going to do the procurement. They cannot be a partner.

Council Member Golonka said it is similar to the Library Bookmobile, but that was a straight purchase and they ended up owning it and they are looking to sell it right now.

Mayor Hooper said she personally has real reservations about the city owning another vehicle. She also understands this is something they have been working on for years now and she isn't going to stand in the way of this unless there are some real obstacles.

Mayor Hooper went on to say that there is a question about the fees for bowling.

City Manager Fraser asked if the Council really wanted to be approving every fee for every activity. We might want to think about setting a fee guideline that either they break even or out-of-town residents are charged for the direct costs of the program.

Council Member Golonka said he would like to see a policy in place where they agree as Council Members that classes break even in terms of expenses and revenues and cover the instructors. Only Montpelier residents should be subsidized for this.

Mayor Hooper said she agrees they don't want to be setting individual fees. One of the other considerations is what is inside the building and outside the building.

Assistant City Manager Hill said as they have taken over the Senior Citizens Center program and bring it into our cost allocation form of budgeting the seniors have to justify the increase. There is no real change. They have looked at it and are making changes to actually improve the financial piece.

Bill Doelger said many organizations have mission and vision statements. The Senior Citizens Center has bylaws which were drafted by the Advisory Board, which he isn't sure the City Council has seen. As a part of the feasibility process they went through they also changed their old mission statement. They drafted a vision statement and this was approved by the Advisory Board and they are asking for acceptance of it by City Council.

Vision Statement:

Have a centrally located facility that is as energy neutral as possible and of sufficient size that accommodates growth to meet future programming and transportation needs.

Council Member Hooper asked if their vision was to have a facility.

Mr. Doelger said they need four walls and a roof over their heads.

Mayor Hooper said commonly a vision or mission statement is broad and inspirational. We want to make sure there is an opportunity for all seniors in Montpelier to have a great life. This sounds much more of specific objectives to get to a goal which would be to have a facility that is well run and managed. She thinks it is fabulous that they are looking to control their energy costs and thinking about the future and being able to accommodate the programming and transportation needs. She isn't sure she can personally sign on to a statement that the vision is a centrally located facility.

Mr. Doelger said the elements of the fairly simple vision statement were thought about and there is general consensus that if it were possible seniors would prefer the center to be centrally located. What that means is not clear here. Knowing what our energy future might hold for us makes it sensible that they try to have a facility that is as energy neutral as possible because if it isn't it could put their budget out of reach. They know that growth is coming and they need to meet that growth both in terms of programming and how they accommodate people as far as transportation. Whether that means building a parking lot he isn't sure. The vision is to try to address those needs.

Council Member Hooper said if this was the facilities committee's vision it would be right in line with what he would expect, but for an organization that is serving seniors he doesn't sign on to it. He doesn't think that is the vision of the center.

Council Member Golonka said they are in charge of looking at the energy efficiency of the building because the city owns it. In essence, the Senior Center right now is a tenant. If the long term future is to have their own facility that is one objective. The Senior Center's role is to provide the best services for the citizens of Montpelier.

Mr. Doelger asked if their primary objection is using the word "facility."

Council Member Hooper said it is centralized around a facility.

Council Member Jarvis said it sounds like the goal of the Senior Center is to build a building.

Mr. Doelger said not necessarily.

Mayor Hooper said there is also the discussion about having a regional senior center.

Mr. Doelger said it the Montpelier Senior Center given the Corry Fund restrictions and given the fact they have really depended upon the support of the Montpelier taxpayers to operate. They hope to diminish that amount in the future, but it is hard to imagine how they are going to move out of Montpelier.

Mayor Hooper said she is hearing the Council Members say the vision statement needs work. If he wants the Council to endorse it they need to do more work on it and staff can provide some more guidance for what we are trying to ask them to do here.

Elizabeth Dodge said she is hearing them say they are looking for something more in tune with programs.

Mayor Hooper said they want to hear what the Senior Center is accomplishing and attempting to accomplish.

Richard Sheir said he was glad the Senior Center did a vision statement because he wants to talk about the Senior Center in the context of the community and return to Tom Golonka's question about the out of town subsidies. He just can't accept that kind of bookkeeping where you say that the costs of the marginal unit of service is free. If that were the case his son's classes at Montpelier High School would be loaded with kids for free from outlying communities just to get more kids in the class, and they wouldn't charge tuition. We wouldn't be charging neighborhood communities to use Kellogg Hubbard Library because after we have paid for all of the lights and everything the cost of charging for a book would be minimal. The cost of sending that ambulance out to Berlin would be minimal because it is sitting right next to the city borders, so why charge Berlin for those services. That, to him, is a false argument.

First, he wants to say Bev's work has been excellent. She is doing a really good job of trying to bring some shape to something that is in Morpheus. You need to frame this in its context.

Mass layoffs in Vermont from 5,500 last year to 7,000 – a 20% increase. Unemployed at 674 last month in mass layoffs compared to 248 bankruptcies. As soon as this proposed tax hits you are going to have 660 layoffs in state government, and you know a number of them are going to reside in this town. Let's talk about what the real out-of-town subsidy is right now. First of all, 46% of the members of the Senior Center are from out of town. This is a regional center already. If you take 46% of the \$87,000 that we voted last time you pretty much get an idea of what the subsidy is for out-of-towners. If you divide it by the number of out-of-town members, the Montpelier tax contribution – forget about the Corry Fund contribution, just the Montpelier taxpayer contribution last year was \$99. But because membership has declined by 26% from February to February, and you are looking to raise 55%, the \$87,000 becomes \$135,000. The numerator goes up so dramatically, the denominator goes down. A \$99 per out-of-town subsidy on the Montpelier property taxes becomes \$199 subsidy. Forget about what they are paying for the classes. He is just talking about what it takes to keep the doors open to pay Lucinda, pay the utilities. When you have a tax rate that Bill is consistently saying is 22% above the neighboring communities, what impact does it have when we raise our property taxes?

Does raising our taxes for programs that are discretionary, and the Senior Center is really not like police and fire. Does raising it up 55% make it more difficult for young families? Of course, it does. Let's discuss the \$1,300 contribution we talked about earlier. That's \$192 per city. As Tom was saying, that is a pittance. The idea of \$192 per city, this is 3 cents you are proposing. A household of \$175,000 you are talking about \$45 to \$50. On his street, Loomis Street, from Main Street three blocks down to School Street, collectively those houses will pay more in property taxes for this project than all of those 21 towns put together, and they are 46% of the members. This just doesn't strike right. There are fewer than 100 people living on Loomis Street and they will be paying more than 23,143 residents in those communities that are neighboring. It's an equity question.

He went on to say that what they also fear is coming in the next proposal. It is the \$3 million Senior Center. The \$133,000 is a foothold on another request coming in where we talk about long term indebtedness. What will \$3 million for the Senior Center on Barre Street with senior housing mean to our long term indebtedness? This is not good policy. This resident, and his wife, don't think this is good for the city. You can't be hashing over these kinds of core questions less than a week before the vote. Their feeling is if it were turned down then the City would have until June or so before the second vote to get all of these issues in order.

Mayor Hooper said she personally hopes the citizens of Montpelier will vote to support the Senior Center. It provides great services to Montpelier residents and to people in the region. She very much appreciates the work that people are doing on trying to discern the equity in the proper way for the funding. She equally shares the concerns of other members of the Council and members of the public about making sure that we all are paying our fair share. That is what they as City Council chose to do by asking to work with the Senior Center.

Council Member Sherman said it is about program; it is about community; it is about social capital. It doesn't fit the cost accounting model. There is critical mass in these classes and in participation in the Senior Center. If we nickel and dime them on a cost basis we discourage them. There won't be anything left for Montpelier if other people don't come. There is a way that it needs to be open and inviting and vigorous. We can't give the store away. It has to have a cost basis associated with it. She doesn't think it is worth the effort to try to figure out the exact cost of each participant given the variations and given the consequences of cutting this back so far that we kill it.

Council Member Weiss said he wanted to thank Mr. Doelger for his patience and understanding. He has been before the Council three or four times and from his perspective they aren't making much headway. He is asking him to respect the fact that this is new territory for the Senior Center and new territory for the Council and we are going to work together.

Mr. Doelger said it has concerned him that their membership for this past year has been declining and it hasn't been keeping up with the prior years where they have had successive increases. Part of that is because they changed their fee structure and it has discouraged some people. The other thing that has discouraged people is the doubts about their future, and he thinks that intimidates people a little. He would like to change that perception. With regards to outside members he would like to change the perception that we are somehow paying more for outside members. In fact, every outside member they take in improves their revenue stream, and he would like to make that clear to the Council so they understand that. They have a fixed building with four walls and a roof. The more people they can cram in there, the better. Everybody pays something to get in. They favor Montpelier residents because they are the first ones to sign up for classes; nobody can sign up before them. He thinks it is working the right way and they just need to keep things in balance.

09-047. Receive Report ... BUILDING ANALYSIS OF 58 BARRE STREET ... as prepared by Gossens Bachman Architects. V.A.

Staff recently met with Gossens-Bachman for an update on their work to assess the building needs, costs and viability.

Gossens-Bachman developed some preliminary costs for various scenarios ... such as developing the upper floors for senior housing and upgrading the senior center in its present location.

Council Members have received a copy of their report.

Recommendation: Receive report; opportunity for discussion; possible direction to staff.

City Manager Fraser said the city asked Greg Gossens from Gossens & Bachman to evaluate the building at 58 Barre Street. There was a lot of discussion about what the building did or didn't need and what it might cost to bring it up to a certain level. They aren't proposing to do anything. This is not saying the city is requesting a bond of \$3 million. They wanted to understand the concerns and find out what is an asset and what is a liability. In the process of doing that they talked about possible compatible uses and also talked about comparing the costs of building a new Senior Citizens Center or even leasing versus the cost of making the renovations.

Mr. Gossens said what he has are just pure facts. The building at 58 Barre Street is a well built handsome building, well located, that needs a lot of work. Their report was built on a similar report they did for the School District. Mechanically, the building needs a complete overhaul. The energy report said it all when Andy Shapiro said it uses staggering amounts of energy. The electrical wiring needs a complete overhaul. When the School District and the Recreation Department move out there will be a building that does have value and it is an asset to the community. It is an asset that needs a lot of work but has no programmatic use other than the Senior Center. One-third of the building has no use.

Mr. Gossens went on to say that led to what could happen with it. One scenario would be office use, which would be the same cost estimate. One of the drawbacks of that is it would take 40 parking spaces on top of what the Senior Center needs to meet the zoning requirements. One compatible use would be senior housing, which is a community need. He inquired of Housing Vermont and asked if they would be interested in being the developer, and they actually said they would be interested and would want to partner with the Central Vermont Community Land Trust. There is a plausible scenario where the city could still have the Senior Center and not have the burden of the rest of the building. The other scenario is you sell it to a developer knowing they are going to have to put \$3 million into the building to make it work.

Council Member Golonka asked if it was \$3 million without lead abatement, asbestos removal and hazardous materials removal.

Mr. Gossens replied that was correct.

Council Member Golonka asked if those costs were what they anticipated two years ago when they did the study for the school.

Mr. Gossens said they were all updated and current costs. They are working on a number of projects that are almost identical to this so he was able to bring over some actual project costs.

Council Member Golonka asked what additional costs he would anticipate for the asbestos and lead.

Mr. Gossens said there is some asbestos. The School District has never done anything about the lead. The numbers they have in their estimates reflect using safe lead practices in the renovation process.

Mr. Gossens said something parallel that came out of a conversation with Owen Hallsmith on another project – what would happen if we made this into a small scale biomass district heating plant? It is an intriguing idea. It wouldn't take that much space if they used pellets rather than a chip driven plant.

As far as the Senior Center is concerned, it is purely the Council's discretion if they are housed there. There is room for them to grow in this building. It could be a great senior center, but still they are only one-third of the usage. There is still two-thirds of programmatic space in the building which needs something because it is too expensive to have sitting around empty. He doesn't assume the city wants to be a landlord. If the Senior Center were to stay there you would need to find a partner for development, and that is where Housing Vermont came up because they seemed to be a good match.

Mayor Hooper said it would be a 14-unit apartment building costing \$4 million to rehabilitate it.

Mr. Gossens said he very briefly mentioned the numbers to Nancy Owens, the Executive Director of Housing Vermont. The interest was still there, but those were brief conversations. If the city ever wanted to pursue it, the next process would be to go through some sort of venting process with them and see what kind of an agreement could be made. It might be a great deal for the city.

Council Member Weiss said economically the proposal presented to them is not feasible. Those apartments will never be affordable in terms of paying off that mortgage, whether it is \$3 million or \$4 million, plus the operating expenses of the heat, electricity, water and sewer.

Mr. Gossens said that is why they need a community minded not-for-profit doing this. They are the only kind of people who can go into something like this and swing it.

Council Member Weiss said his preference would be to see a study which would indicate if the city sold the building what could be the conditions put into the sale that would make it a tax paying facility as opposed to nonprofits owning it and paying no taxes.

City Manager Fraser said they would pay taxes on the housing. If the city sold the building to a private owner it would become immediately taxable.

Council Member Weiss asked if it would be possible within the agreement to get the cost effective benefits. What would the rent bring in? What would the taxes bring in?

City Manager Fraser said it would depend on what its use was at the end of the day. If someone bought the building for a \$1 and had not yet done the \$3 million renovations its assessment would not be particularly high given the known liabilities of the building. If someone created 14 units, or if the Senior Center were gone and there were 20 units, there would be 20 housing units appraised at the then current market value. If it remains half a public facility it obviously won't generate as much tax.

Council Member Weiss said he still would like to see what are the cost effective benefits of the proposal before them. How much tax would we receive from the apartments? What would the expenses be for operating the building? What would the rents bring in?

City Manager Fraser said they don't have that information yet, but they are good questions.

Mr. Gossens said those would be the next steps if they wanted to pursue something. This is really a building analysis and not a rent or use analysis.

City Manager Fraser said it very hard to quantify what the energy savings would be.

Council Member Golonka said in terms of the School District the reason they didn't do any upgrades doesn't it open a can of worms in terms of VOSHA requirements.

Mr. Gossens replied there are code requirements, sprinkling, egress alarms, etc.

Council Member Golonka said if they did major renovations in regard to energy efficiency updates, wouldn't that trigger that? Somebody needs to renovate that building.

Mr. Doelger said in 2007 Steve Metcalf ran the operating costs of the building. The operating costs of the building were \$88,000. It was \$36,000 for oil, \$17,000 for electricity etc.. They used 14,000 gallons of oil. If 2008 oil prices maintained at the high level the numbers would have gone out of sight.

Mr. Gossens replied it is a staggering amount. They could downsize a bit, but not considerably.

City Manager Fraser said when they talk about a \$3 million cost that \$1.3 million of that is for converting it into the apartments. Even if you did all of the sprinkler systems with all of the floors above, half of the costs are dealing with the upper floors.

Mr. Gossens said two-thirds of the building would be vacant if you renovated this very well. Nothing makes sense if two-thirds of the building is going to sit vacant.

Mayor Hooper said if they foresaw commercial use there is an issue with the parking. There is not sufficient onsite parking to accommodate commercial use.

Mr. Gossens said there is, but it would take the parking all up and there would be nothing left for the Senior Center.

Mayor Hooper said potentially they could put a commercial use in that property. In trying to understand what our opportunities are moving forward one of the options they ought to think about is commercial use.

Mayor Hooper went on to say that there are a number of policy decisions in front of the City Council. Do we, or don't we, continue owning the property? If we choose not to continue owning the property, do we have a view as to how it should be used in the future? If we continue owning the property, how do we want to own it? Do we want to have the seniors in there? Do we want to build condominiums?

City Manager Fraser replied there is one other piece they should consider. What they are really doing is setting a benchmark price for the cost of the senior center as well. It is \$3 million to do the building and half of it is for housing and half for the rest of the building in renovations. We know that it is going to cost \$1.5 million to keep the Senior Center in that building functioning. One of the pieces they have never had before in considering alternatives is what are we getting and what are the costs. What does that cost versus building a new building? That will help us form our decision as to whether we want to keep the Senior Center there or look elsewhere.

Mayor Hooper said the next interesting piece is that the floor plan for the area where the seniors are located and how that will meet their future needs. It struck her that the Bianchi Block might tell us something because there are eight units there and we know what their market is.

Council Member Sheridan said this building is similar to the Baird Street Apartments because that building has 16 apartments in it, and we could get a sense of what it is rented out for there.

Council Member Weiss said because this is so important could City Manager Fraser provide additional information at the March 25th Council meeting.

09-048.

Discussion of Class IV Roads.

V.A.

This item was requested by the Council to discuss the discontinuance of town highways that serve one or few residences.

Public Works staff will discuss the procedures necessary to discontinue a public highway and other obligations of the municipality for town highways.

Recommendation: Brief overview; discussion; possible further direction to staff.

Todd Law, Director of Public Works had provided information to the City Council on the list of Class III roads in Montpelier and the process for discontinuing a highway.

On a separate note: ----- Assistant City Manager Hill said a week ago she received a call from a man who lives on Northfield Street who had just broken his leg. He is a self-employed person and asked if there was anybody in the community who could help him. He had a snow blower but needed somebody to come and use it. She sent a note out to Gwen because she thought about CAN and Onion River Exchange. Within minutes they had a reply from Mr. Doelger saying he would do it himself. Bev said she is so impressed with this community. Within minutes of someone needing help we had a person say they would do it.

***Back to the agenda item:

Public Work Director Law said there are quite a few roads in the community that serve very few residents. Gidney Road and Old Country Club Road stood out because they are in fairly serious disrepair this last summer and the city put quite a large amount of money back into them. Class III highways do need to be passable. Discontinuing them is a process that gets more encumbered when you connect to another municipality. It doesn't sound insurmountable. From what he understands Old Country Club Road was previously not maintained until the current owner came in and made that request. As a Class III road it doesn't have to go very far for someone to request maintenance of a Class III highway. They do receive highway aid from the state, so it does require the city to maintain the road passable unless there is some safety issue. The city did lose a dump truck in there.

There are quite a few other ones in the area. Coolidge Street serves one house and the city maintains it. There are others with three houses. A lot of these roads are dead end with no turnarounds and are very difficult to maintain. They add a lot of the city's maintenance procedures. There is a house on Moonlight Terrace where the city doesn't have a turnaround and it makes it a little more tedious for the plow drivers. Some of the real short dead end roads do serve a few residents.

Public Works Director Law said Council Member Jarvis asked if Class III highways could be returned to gravel, which is definitely feasible. Some of our roads in their current conditions were paved during the Neighborhood Improvement Program 20 years ago and haven't received anything since. For the most part they were paving over what was previously gravel. The unpaved roads aren't as free draining as it is in the sub bases for paved roads. There may be other issues with those roads, so turning them back to

gravel may not be a big deal. It does prompt discussion about the grader. The grader hasn't been as highly used during the summer, and gravel roads do take a lot more maintenance during the summer when they are graveled. The Department of Public Works has grader operators who do snow removal and also grade Gould Hill Road and the other 3.5 miles of graveled roads we have now.

Council Member Sheridan inquired where the city gets its gravel.

Public Works Director Law said a lot of it is actually recycled asphalt that they crush at the stump dump, so it is very cost effective. It has a lot of aggregate in it so it bonds real well and binds up. It eliminates a lot of the erosion that occurs on the graveled roads. They don't buy a significant amount of gravel; it is mainly recycled asphalt which is gravel and the asphalt together.

Council Member Sheridan said in Duxbury there were definitely some problems switching back to gravel, and one is going to be mud season. We don't have a mud season in Montpelier, but if you switch these roads back to gravel there will be mud season. There will be impassable times.

Public Works Director Law said mud season will be another fun time for them. You can scrape off the top mud but you still have the frost level below that is hard and it is a constant battle during mud season. Knowing the properties of chloride, when you are adding salt to your sand, they actually eliminated that practice. In Essex their mud season was not as substantial. The city's sand right now is under cover. We have somebody herewho lives on a gravel road and he doesn't know how mud season is for her.

Council Member Jarvis said she wanted to be clear that there are three different things that they can consider with any of these roads.

1. Whether we change them to gravel, which is something the Council could do without any kind of legal process or issues with other towns, even if it is a road that serves another town.
2. We could reclassify them where we might change some of the Class III roads to a Class IV. That involves a significant legal process of notice, public meetings, and if the road serves another town we need to have that town agrees with us about the process or we go through a court process and have a judge decide.
3. The most extreme option is to discontinue a road, and that is when you say that the road is no longer a public road. The town releases all of its claim over the road and no longer has any responsibility for maintaining the road.

With the reclassification option, going from a Class III to a Class IV road, the town's responsibility for maintaining it are significantly reduced and you most likely wouldn't have to do winter maintenance. There is some indication they would have to maintain culverts and bridges still.

Mayor Hooper asked what would they have to prove to go from a Class III to a Class IV road.

Council Member Jarvis said she would assume if one town wanted to do it and the other town didn't there would be some issue of cost and benefits.

Mayor Hooper said she assumed that people who live on these roads have some property rights and the city would essentially be taking away some.

Council Member Sheridan said their homes would go down in value and they would pay less taxes.

Mayor Hooper said their homes wouldn't have value. How do you sell a house that you can't get to?

Council Member Jarvis said they would have to assume responsibility.

Mayor Hooper asked Todd Law if he had any kind of cost statement about the different roads. What does it cost the city to maintain the roads?

Public Works Director Law said he hasn't looked. Old Country Club Road is fairly long, but it is a graveled road so they aren't using salt. They are using sand which is much cheaper. They are sending diesel trucks out there. There is grading. The material they are using on graveled roads is \$13 to \$15 per yard for good gravel and the city is paying around \$4 for recycled asphalt.

Public Works Director Law said Old Country Club Road is one of the city's snow dumps. The farther section of the road has been discontinued. There were two discontinuances on those sections, and now they are going to become part of the bike path.

Mayor Hooper asked Public Works Director Law if there was anything that jumped out at him when he put the list together to make him think about how they maintain them differently.

Public Works Director Law said their higher volume roads get most of their attention. Traffic is really what causes issues with the roads. A lot of these roads, even if they are in poor shape, don't get as much attention as some roads with higher volume. Old Country Club Road up until this last summer served the Elks Club and the city maintains up to their parking lot as a city street. The city also used their parking lot as a snow dump. Last year all of the snow dumps were full, and they are getting filled now.

Mayor Hooper said this was interesting information, and they aren't sure what to do with it.

Council Member Jarvis said for a street that is paved that unless it comes to a point where we either need to repave it or do something substantial it doesn't really make any sense to remove the pavement at this point. On the other hand, if the city reclassified the road our maintenance cost would go way down.

Public Works Director Law said Murray Road and Bliss Road have come up during our budget discussions, and those connect to gravel roads in East Montpelier. The thought would be not to remove the gravel but possibly reclaim them into existing gravel roads. All they would do is grind what is there into the sub base present and reshape it and compact it, and he thinks it would be cost effective. East Montpelier is already coming down the road and it may make financial sense for them to do it because it is so far removed from everything else. Our other gravel roads are on the other side of the city out towards Worcester.

Mayor Hooper asked if it was worth exploring changing Murray Road and Bliss Road back to gravel.

Public Works Director Law said that was one of the things that the Capital Improvements Program has come up with. There is no curb or sidewalk, and those are probably the most feasible to turn into gravel.

Mayor Hooper said she wonders what to do with Gidney Road and Old Country Club Road. The city has already put a lot of money into Gidney Road.

Public Works Director Law said the roads are in pretty rough shape. That is one of the things he heard from their plow drivers. The asphalt is in terrible condition. It is just one of those formerly graveled roads that just got paved and gets frost heaves all winter long. We have a hard time maintaining it.

Council Member Weiss asked if for the next Council meeting they could put on the agenda the state's plan using surplus money to repave Northfield Street, starting at Exit 8 and going east all the way to Berlin.

Public Works Director Law said this is part of the project the state was going to do anyway.

Council Member Weiss said he would like to know the specifics of it. What are the implications for the merchants, etc.?

Council Member Jarvis suggested with this list of road when the city sees any big ticket repairs coming along the council could talk about that road and the needed repairs before any significant money was spent.

09-050. Mayor's Report:

Mayor Hooper reported there was a couple of lights out on the bike path next to the football field. She reported there was going to be a hearing at the State House a week from today from 5:00 – 7:00 by the Washington County delegation to talk to the Central Vermont community about the effects of the state layoffs. Not only on just the employees but what is the affect on businesses in the community, what is the ripple affect, so the legislators can understand the consequence of the proposed action. She also spoke of Jane Lendway, the State Historic Preservation Officer, being honored for her work.

09-051. Report by the City Clerk-Treasurer:

City Clerk-Treasurer Hoyt said the Board of Civil Authority meeting is scheduled for Thursday, February 26th. She asked for volunteers for Town Meeting day. On the March 11th council agenda would be the renewal of liquor licenses and in prior years Council Members have wanted someone from the Vermont Liquor Control Board to speak to the council on the process. She asked if they wanted someone to come this year. The consensus of the council was it won't be necessary this year.

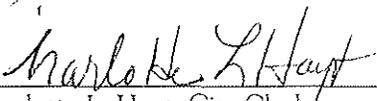
09-053. Consideration of an Executive Session in accordance with Title I, Subsection 313, Subsection (a) for the purpose of discussing a personnel/contractual issue (City Manager's Annual Evaluation and Employment Agreement). *(possible voting action)*

City Manager Fraser suggested the Council discuss this agenda item some other time because of the lateness of the meeting. When he looked at the agenda on Friday he didn't catch the error in the time this was on the agenda. They had originally discussed 6:00 P.M.

Adjournment:

After motion duly made and seconded by Council Members Weiss and Hooper, the council meeting adjourned at 11:00 P.M. Motion carried unanimously.

Transcribed by Joan Clack

Attest: 
Charlotte L. Hoyt, City Clerk