

Montpelier City Council – 2006



(Clockwise from top) City Manager William Fraser, Assistant City Manager Beverlee Pembroke Hill, City Council Member Jim Sheridan, City Council Member Nancy Wasserman, Mayor Mary Hooper, City Clerk/Treasurer Charlotte Hoyt, City Council Member Harold Garabedian, City Council Member Tom Golonka (center). Missing from photo: City Council Member Nancy Sherman, City Council Member Andrew Hooper.

Montpelier School Board – 2006



(Left to right) Student Representative James Merriam, School Board Member Eve Jacobs-Carnahan, School Board Member Charles Phillips, School Board Member Glenn Gershaneck, Superintendent John Everitt, School Board Member Sue Aldrich, School Board Chair John Hollar, School Board Member Carolyn Casagrande Herz, Student Representative Patrick Aldrich.

City of Montpelier, Vermont Annual Report



A review of fiscal year 2005-2006 including proposed budgets and articles to be voted on at Montpelier City Meeting March 6, 2007.



The Vermont Mountaineers The 2006 NECBL Champions



PHOTOS BY ROGER CROWLEY, *Crowley Photos*

In only their fourth season, The Vermont Mountaineers won their first NECBL Championship in franchise history defeating the Torrington Twisters and bringing the Fay Vincent Cup to Central Vermont. The team was made up of many returning fan favorites who enjoyed playing every home game in front of a packed house at Montpelier Recreation Field. Seven Mountaineers were named to the All-League teams, eight to the NECBL All-Star team. Curt Smith received the NECBL Defensive Player of The Year, Chris Friedrich was the NECBL Rookie of The Year, and Mark Murray picked up the honors for NECBL Relief Pitcher of the Year after compiling 20 saves and breaking the NECBL save record along the way!

Mountaineer General Manager, Brian Gallagher pointed to what he called a true sign of consistency for this year's NECBL Championship team. "This was the first Mountaineer team," he said, "never to lose more than two games in a row. Therefore they never had a losing streak."

About the Cover

On December 26, 2005, a major rock slide occurred on the ledge between Cliff Street and Elm Street endangering residents of both streets. Between December and May, the city was heavily involved in first an emergency response, then an evaluation and decision making process, followed by a major construction effort. With great assistance from the Vermont Agency of Transportation and the Federal Highway Administration, the city was able to contract for state of the art ledge stabilization in the area at minimal cost to Montpelier. The rock slide disrupted vehicle and pedestrian flow for almost half of 2006 and was clearly the biggest event of the year for the city.

City of Montpelier Directory

Mayor: Mary Hooper..... (Home) 223-2892
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T. Andrew Hooper.....(Home) 229-1237
Council Member, District 1
Tom Golonka (Home) 223-3657
Council Member, District 1
Nancy Sherman.....(Home) 223-2632
Council Member, District 2
Nancy Wasserman.....(Home) 223-8096
Council Member, District 2
Jim Sheridan(Home) 229-9271
Council Member, District 3
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Council Member, District 3

City Hall:
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Zoning Administrator.....223-9506
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Public Works Department223-9508
Todd Law, Director
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Planning & Development223-9506
Gwendolyn Hallsmith, Director
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Finance Director, *Sandra Gallup*.....223-9514
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Emergency Management System.....223-3445
Douglas Hoyt, Coordinator
Green Mount Cemetery223-5352
Patrick Healy, Superintendent
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Hubbard Park223-7335
Geoffrey Beyer, Director
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POLICE/FIRE/AMBULANCE EMERGENCY 911
Montpelier Police Dept. (Non-emergency)223-3445
Douglas Hoyt, Police Chief.....
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Montpelier Fire Department and
Ambulance Service (Non-emergency).....229-4913
Gesualdo Schneider, Fire Chief/Building Inspector
gschneid@montpelier-vt.org

Other Departments:
MONTPELIER SCHOOL DEPARTMENT
58 Barre Street
John Everitt, Superintendent223-9796
john@mpsvt.org

MONTPELIER RECREATION DEPT
55 Barre Street223-5141
Don Lorinovich, Director
don@co.mps.k12.vt.us

MONTPELIER SENIOR CITIZENS
ACTIVITY CENTER
58 Barre Street 223-2518
Don Lorinovich, Director
Lucinda McCloud, Activities Director

MONTPELIER HOUSING AUTHORITY
155 Main Street229-9232
JoAnn Troiano, Executive Director

Appointed Officials Development Review Board

Phil Zalinger, Chair
Alan Blakeman
Kevin O'Connell
John Lindley, III
Ylian Snyder
Roger Cranse
Guy Teschmacher
Kenneth Matzner, Alternate
Jeremy Hoff, Alternate

Planning Commission

Ken Jones, Chair
David Borgendale
Craig Graham
Carolyn Grodinsky
Anne Campbell
Alan Goldman
Christy Witters

Housing Authority

John McCullough, Chair
Edward Larson
Paul Audy
Cristine Zern
Stephen Coble

Tree Warden: Dave Wilcox

Elected Officials

School Commissioners:

John Hollar, Chair
Sue Aldrich
Charles Phillips
Carolyn Sasagrande Herz
Eve Jacobs-Carnahan
Dan Anderson
Glenn Gershaneck

Cemetery Commissioners:

Meri Nielsen, Chair
Kathleen Segar
Richard Ferris
Darragh Ellerson
Margaret Atkins Munro

Park Commissioners

Leigh Seddon, Chair
Stephen Bosserman
Chris Paterson
Donald Grabowski
Ethan Parke

Justices of the Peace

Barney Bloom
Cary Brown
Jane S. Dale
Esther Farnsworth
Robert Gross
Mary Hooper
Michelle Hughes
Matt Levin
Margaret Lucenti
Deborah Markowitz
John J. McCullough III
Rob Squire
Claude Stone
William Steinhurst
Nancy Wasserman

Regular City Meetings

CITY COUNCIL
Meetings held second and fourth
Wednesdays at 7:30 p.m.
Council Chambers, City Hall

PLANNING COMMISSION

Meetings held first and third
Mondays at 7:30 p.m.
Council Chambers, City Hall

All City Council, Development
Review Board & Planning
Commission meetings are
televised on Channel 17.

Public Notices published every
Monday and Thursday in the
Times Argus.

SCHOOL BOARD

Meetings held first and third
Wednesdays at 7:00 p.m.
Montpelier High School Library

School Board meetings are televised
on Channel 16.

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CITY MEETING WARNING FOR MARCH 6, 2007

The legal voters of the City of Montpelier, in City Meeting in Montpelier, in the County of Washington and the State of Vermont, are hereby warned to meet in the City Hall Auditorium, in said Montpelier, on the first Tuesday in March, March 6, 2007, at seven o'clock in the forenoon, and there and then to cast their ballot for the election of officers, matters that by law must be determined by ballot, and other matters as directed by the Council. The polls will be opened at 7:00 A.M. and shall be closed and the voting machine sealed at 7:00 P.M.

ARTICLE 1. To elect one auditor for an unexpired term of two years; one commissioner for the Green Mount Cemetery for a term of five years; one commissioner for the Green Mount Cemetery for an unexpired term of three years; one park commissioner for a term of five years; one park commissioner for an unexpired term of four years; one park commissioner for an unexpired term of one year, three school commissioners, each for a term of three years; one council member from each district, for a term of two years.

ARTICLE 2. Shall the voters appropriate the sum of \$5,935,969 for the payment of debts and current expenses of the City for carrying out any of the purposes of the Charter, plus payment of all state and county taxes and obligations imposed upon the City by law to finance the fiscal year July 1, 2007 to June 30, 2008? (Requested by the City Council)

ARTICLE 3. Shall the voters appropriate the sum of \$14,657,976 necessary for the support of the public school system for the fiscal year July 1, 2007 to June 30, 2008? Local budget of \$14,150,759 plus grant budget of \$507,217, for a total school budget of \$14,657,976. (Requested by the School Board)

ARTICLE 4. Shall the voters appropriate the sum of \$593,983 for the support of the Recreation Department for the fiscal year July 1, 2007 to June 30, 2008? (Requested by the School Board)

ARTICLE 5. Shall the voters appropriate the sum of \$79,265 for the support of the Senior Citizens Activity Center for the fiscal year July 1, 2007 to June 30, 2008? (Requested by the School Board)

ARTICLE 6. Shall the voters appropriate the sum of \$2,700 as compensation to the Mayor for services for the fiscal year July 1, 2007 to June 30, 2008? (Requested by the City Council)

ARTICLE 7. Shall the voters appropriate the sum of \$6,000 (\$1,000 each) as compensation to the Council Members for their services for the fiscal year July 1, 2007 to June 30, 2008? (Requested by the City Council)

ARTICLE 8. Shall the voters appropriate the sum of \$7,300 (Chair \$1,300; others \$1,000 each) as compensation to the School Commissioners for their services for the fiscal year July 1, 2007 to June 30, 2008? (Requested by the School Board)

ARTICLE 9. Shall the voters authorize the City Council to borrow a sum not to exceed \$1,950,000 for water system transmission improvements in and around Berlin Street: School Avenue to Granite Street Bridge and River Street: From #223 River Street to Wheelock Street? The bonds would be issued for a term of 20 years. (Requested by the City Council)

ARTICLE 10. Shall the voters authorize the City Council to borrow a sum not to exceed \$760,000 for sewer line improvements in and around River Street around the intersection of Wheelock Street which is estimated to be \$400,000 and improvements to the wastewater treatment facility for screw pumps replacement which is estimated to be \$360,000? Bonds for the sewer line improvements would be issued for a term of 20 years. Bonds for the improvements to the wastewater treatment facility would be issued for a term of 15 years. (Requested by the City Council)

ARTICLE 11. Shall the voters appropriate the sum of \$52,000 to be placed in a special revenue account under the name of the Montpelier Housing Trust Fund? Such account, including interest and earnings thereon, shall be used exclusively by the City to award grants and loans to appropriate non-profit organizations to preserve, construct and rehabilitate dwelling units affordable to households with incomes less than or equal to 80% of median income (with a priority for homeownership units) and which are subject to covenants or restrictions that preserve their affordability for a minimum of 15 years. (Requested by the City Council)

ARTICLE 12. NOTICE TO VOTERS: On January 10, 2007, The Montpelier City Council approved a proposed Charter Change which adds a section to Title XII with the following language. Public Hearings on this issue are scheduled for January 25, 2007 and February 28, 2007.

Article 12. To see if the voters will vote to amend the Charter of the City of Montpelier as follows:

TITLE XII: Assessment and Collection of Taxes; Establishment of Water Rates

Section 11. Property Tax Credits: By resolution or ordinance, the city council may grant credits equal to no more than ten percent (10%) of annual municipal property tax, or reductions of up to ten percent (10%) of appraised valuation, for residential and non-residential buildings equipped with an operating fire sprinkler system approved by the Fire Chief in accordance with applicable codes and ordinances.

ARTICLE 13. To see if the voters will vote the sum of \$34,822 to be used by the Kellogg-Hubbard Library for the fiscal year July 1, 2007 to June 30, 2008. (This amount is in addition to the \$195,661 for library operations and the \$51,393 for library bond payment included in the City General Fund Budget, Article 2.) (By petition)

ARTICLE 14. To see if the voters will vote the sum of \$2,500 to be used by the Friends of the North Branch Nature Center for the fiscal year July 1, 2007 to June 30, 2008. (By petition)

Message from the Mayor:

Dear Friends,

I write this on the eve of the final hearing on the city's annual budget, the culmination of some of the most important work the citizens of Montpelier ask the Mayor and City Council to do. This budget supports the top quality municipal services we expect and includes splitting the cost of the school resources officer with the schools and supporting the library at last year's funding level. It returns our funding of capital projects to the \$1 million level. It does not fully support our equipment fund. It does not include an additional police officer and the budget eliminates a $\frac{3}{4}$ position in our Fire Department and a full time position in Public Works. The budget reduces a full time position in Finance to part time. It provides for the reorganization of the work flow in our Public Works Department.



We have seen a slight growth in our grand list. Payments from the state in lieu of taxes increased slightly, thanks to the work of a coalition of the 110 towns receiving these payments. Overall this budget increases by 2.1% over the current year's budget and will result in a 1.7 cent increase in the tax rate. I believe it is a very responsible budget. For years Montpelier property taxes have been among the highest in the state. We are now 16th in the state and have tax rates comparable to communities of similar size and services.

We learned this winter that the state plans to repave parts of Route 2/302 next year and we accelerated plans for upgrading water and sewer lines in the road to avoid tearing up what would have been just paved. In addition the screw pumps at the Wastewater Treatment Plant need to be replaced. You will see two articles on the ballot relating to this work.

For several years now the Council has been working on ways to protect people and buildings from fire. Three years ago it adopted an ordinance requiring sprinkler systems be installed in most buildings being constructed in the city. The Council wanted to provide support to residential and commercial property owners in installing these systems and proposes to ask the legislature for the authority, through a charter change, to offer financial incentives for the installation of sprinkler systems. You will see an article asking the voters if we should ask the legislature for this authority.

This year the city took over the inspection of public buildings from the State of Vermont. Apartment building owners have complimented the inspector on the quality of inspection. We know that inspections will be more timely and follow through will be improved. People and property will be safer.

The City Council spent much of the summer of 2006 working on proposed changes to the City's zoning and subdivision ordinances. The Council's goals for the ordinance were to encourage the creation of more housing, provide for retention

of open space and to make the ordinance easier to use. The final zoning ordinance does much to support the development of housing in the city—it makes it easier to build “in-fill” housing, to create apartments in existing housing stock, and increases housing density in some zones. These steps, taken in conjunction with other opportunities we have created, should result in more homes in the city. The Council could not agree on a mechanism for changing the way open space is managed. The Council made some changes which provide for more administrative approval of some projects. The volunteers on the City's Planning Commission have provided great service to the community, we are fortunate to have such a team and I look forward to working with them on their plans for creating community consensus on the future of the city and future zoning changes.

The Council has focused on housing for several years. This work resulted in new homes on Barre Street, the first net gain in housing in the City in many years. The 36 new apartments have been recognized for their remarkable energy efficiency. Many of the residents have found they use their cars less, others are doing without cars all together. The 18 condominiums are slated for completion this spring and will only add to the liveliness and vigor of this traditional neighborhood.

The Montpelier Energy Team formed two years ago to discuss rising energy costs, growing climate change threats, and actions continues to make a difference. This group connected with local energy and regional experts and has worked on possible conservation and efficiency initiatives. An intern from Vermont Law School gathered data on how the city and its residents consume energy. At the team's urging, the City joined Cities for Climate Protection, a world wide group of over 650 cities acting to reduce energy consumption. The Council supported developing a Montpelier Energy and Climate Plan to reduce our green house gas emissions and cut energy expenses. I attended a national gathering of city officials sharing municipal energy solutions.

The schools have made significant investments in the energy efficiency of their buildings with great results—not only will they save fuel and money, but the buildings are more comfortable. The city has built on past steps (our vehicle fleet is smaller--both in number and size--and more efficient, we use methane gas generated by the wastewater treatment plant to help heat the plant, windows on City Hall and the Fire Station have been retrofitted to reduce heat loss) and is now working to change street lighting. A Montpelier Energy City Meeting will be held on Monday, March 5, 2007. Organized by Montpelier Energy Team, we look forward to a great gathering designed to provide information about reducing energy use, saving money and taking action to reduce greenhouse gas emissions. Please come to the National Life Cafeteria on March 5 to learn more about ways to make Montpelier as energy self-sufficient as possible and to do our part to address global warming. Whether our motivation for action is our pocket books, the environment or the well-being of our neighbors, it is time for us to lead.

Three years ago the people of Montpelier passed a resolution calling for peace and nuclear disarmament. Montpelier, France adopted the same resolution this past year and I was invited to

attend a ceremony acknowledging this commitment to peace. It was a great honor to represent the people of Montpelier in Montpellier, France in October of 2006. One of the lessons I learned was the value of these personal exchanges.

People in Montpelier are hungry. Almost 10% of the households in Vermont don't always know where money for food is going to come from. The number of Vermont households "where adults frequently go without food and children's portions are reduced" has doubled since 2000—the largest increase in hunger in the country. 160 elders in Washington County go without food, or don't have money for food, one or more times a month. The cost of hunger is huge. Kids who are hungry can't learn. People who are hungry are 30% more likely to be hospitalized. Our institutions are trying to meet this need—our churches have soup kitchens 5 days a week, we have food shelves which distribute food, our schools have free and reduced cost lunches. But we need to do more, no child should be hungry in Montpelier.

Over a year ago as much as 4000 tons of rock fell on Elm Street, much of it landing just a few feet from the homes of many people. Within hours residents in the area were evacuated and moved to safety and warmth, downed electric lines de-energized, traffic re-routed and planning for moving forward was begun. It was a very impressive mobilization of City personnel and resources, private companies and volunteers. Determination to serve this community, professionalism and grace under pressure were the hallmarks of the evening and the weeks that followed. The six months of clean-up showed this community at its best—state employees with expertise in state and federal programs provided guidance in quickly getting to the resources we needed, our legislative delegation was immediately working to help us, our city employees worked tirelessly to make sure people were safe and to get the community back to normal. All of us were concerned for the safety and health of our neighbors and our community.

We have a great team of City employees, lead by an outstanding City Manager. These folks miss a lot of concerts, sports games and dinners because of their commitment to this city. It is a pleasure for me to work with them.

Our City Council is dedicated. Each Council member carries a portfolio of work, in addition preparation for and participation in to the bi-weekly Council meetings. They are members of the Central Vermont Solid Waste District, Green Mountain Transit Board, the Housing Task Force, the Kellogg Hubbard Library to mention just a few of the boards. In addition, they attend meetings of the City's standing boards and commissions such as Planning and Development Review, neighborhood groups, and ad hoc committees. It has been a pleasure working with this hard working, challenging, thoughtful group which maintains a focus on the good of the community.

My husband's loving support is the reason I can do what I do. Thank you Slink!

I also thank the people of Montpelier for the privilege and honor of working for the community.

MARY S. HOOPER, *Mayor*

Message from the City Manager:

It's a great honor to present my 12th budget and annual report to this special community we all call home. The year began with the major Elm Street rock slide, included replacing a major bridge in the center of downtown and ended with concern over contamination on a parking lot.

After an intense effort over the last few years, the Planning Commission and City Council completed their review, deliberation and adoption of an overhauled zoning ordinance. This represented accomplishment of a major goal for the city.

2006 saw some other major changes in City Government as well. After having an extremely stable team of department heads for twelve years or more, we welcomed a new Finance Director, Public Works Director, Fire Chief and Planning & Development Director. This large change of leadership brought new energy, ideas and enthusiasm to City Hall but also required a lot of time and effort to recruit, select and hire these people as well as getting them all up to speed on the many issues facing them.

Another major change underway right now is the property tax reappraisal. Even though a reappraisal was done only three years ago, escalating property sale prices have reduced our "Common Level of Appraisal" (CLA) to 70.94%. This means that when equalized with other communities in the state, our tax values are approximately 71% of where they should be. In order to maintain tax equity, the city is required to keep our taxable valuation or "Grand List" at as close to 100% as possible. All projected tax rates in this report are based on the current grand list and are provided for comparison purposes only. Actual tax rates will be based on the reappraised Grand List and will be much lower than those printed in this report.

Goals and Priorities

On May 10, 2006, the City Council, after conducting a March 29th workshop meeting, adopted a series of priorities for the year. This statement strongly influenced decisions, staff work, policy recommendations and budget proposals throughout the past year. Most of these items were completed, considered or moved forward in some way during the year. The 2006-2007 priorities were:

Goal: Maintain a Sustainable Budget which continues top quality municipal services while remaining fiscally prudent.

- a) Develop a common understanding of "Sustainable budget".
- b) Create a longer term budget model.



*City Manager
Bill Fraser*

- c) Look at opportunities for staff re-organization, particularly in Public Works Department.
- d) Assess the functions of the Planning Department, perhaps through a peer review process.
- e) Remain supportive of workforce.
- f)

Goal: Utilize financial incentives and tools to accomplish policy goals.

- a) Consider a vacancy surcharge on the property tax to create an incentive for the building occupancy and also generate a small amount of additional revenue.
- b) Consider charging retroactive fees for properties found to be in violation of zoning or building regulations.
- c) Review all fees charged by the city to determine whether they are appropriate. This includes whether the fee supports or detracts from city policies and whether the fees appropriately address the costs or needs that they are designed to address.
- d) Create financial incentives or assistance for sprinkler systems.
- e) Remain open to initiatives from downtown groups about a potential special assessment district.

Goal: Support and enhance Montpelier's downtown for businesses, residents and visitors.

- a) Move the Carr Lot project forward, secure federal funding, make decisions necessary to assure that the project is completed successfully.
- b) Support improvements in community access/parking/transit.
- c) Encourage MDCA to review and update their downtown development plan.
- d) Create incentives and encourage additional downtown housing as opportunities present themselves.
- e) Continue efforts to facilitate full development of the Dickey Block.
- f) Support the arts as both an economic driver and a community enhancement.
- g) Work to keep Farmer's Market downtown.

Goal: Support and encourage responsible and safe development for the City.

- a) Enact permanent zoning.
- b) Encourage responsible housing development.
- c) Implement the improved building/housing inspection program.
- d) Consider expansion of sprinkler requirements.
- e) Complete the open space/natural resources inventory.
- f) Adopt an Economic Development Plan.
- g) Participate in Sabin's Pasture mediation process.
- h) Consider splitting Community Development and Planning functions.

Goal: Conserve Energy and Natural Resources.

- a) Pursue all avenues of energy conservation and waste reduction.
- b) Develop an energy plan and possible performance contracts.
- c) Pursue and support District Heat initiative.
- d) Continue with water conservation efforts and improvements in the water system to account for lost water.

Goal: Maintain the City's Infrastructure & Services.

- a) Return capital plan funding level to \$1,000,000 if possible.
- b) Continue strong support of wireless internet initiative.
- c) Complete, adopt and fund a street and road maintenance program.
- d) Continue efforts to create bike paths throughout city.
- e) Continue efforts to maintain bridges.

Goal: Address/Correct lingering issues/inefficiencies

- a) Organize committee and commission work.
- b) Develop and implement performance measures for departments/operations.
- c) Work with Library for a long term plan.
- d) Resolve litigation relating to Pioneer St Bridge.

Ballot questions:

Article 9 – Bond vote for up to \$1,950,000 to replace, upgrade and improve underground water lines along River Street. This is a continuation of upgrade work as outlined in the city's water/sewer system master plan. This will improve water pressure and delivery to some areas of the city where fire flows and supply are substandard. This is necessary work that is being scheduled now so that it can be completed in advance of a planned State Agency of Transportation paving project along Route 2. The city would like to avoid digging up a newly paved road if at all possible.

Article 10 - Bond vote for up to \$760,000 to replace, upgrade and improve underground sewer lines along River Street. \$400,000 of this is a companion project to the project proposed in Article 9. This project is also a high priority on the water/sewer system master plan and will improve flow and capacity in an area which has experienced back up problems. Once again, this has been timed to precede the state's Route 2 paving project. The remaining \$360,000 is for replacement and upgrades of aged but essential pump equipment at the wastewater treatment plant. The current pumps are over 25 years old. Rising maintenance costs and lost productivity due to down time indicate that replacement is warranted.

Article 11 – Request for authorization for \$52,000 to be placed into the Affordable Housing Trust Fund. This Trust Fund was

created by voter approval in 2005. Appropriation of a similar sum of money was approved by the voters in both 2005 and 2006. A Trust Fund steering committee oversees the use of the fund. The amount requested is equal to one cent on the property tax rate. This item was placed on the ballot and approved by the City Council upon request of the Housing Task Force.

Article 12 – Proposed Charter Change. The City Council has adopted a policy of improving life safety throughout the city. One of the key elements of this policy has been to require sprinkler systems in all newly constructed buildings and in many additions and renovations. In recognition that sprinkler systems are the single best means of reducing fire deaths and saving lives and property, the council is seeking authorization to award a property tax credit for structures with working sprinklers. This is in recognition of the reduced demand these buildings place on the fire department, acknowledgement of the safety value these buildings have to neighboring structures and an incentive for more property owners to install sprinkler systems even when not required by regulation.

Article 13 – Request for an additional \$34,822 in funding for the Kellogg-Hubbard Library. This item was on the ballot after the Library submitted a petition from the requisite number of registered voters. This funding would be in addition to \$195,661 for Library operations and \$51,393 for the Library bond payment already contained within the city budget.

Article 14 – Request for \$2,500 in funding for the Friends of the North Branch Nature Center. This item was on the ballot after the Friends submitted a petition from the requisite number of registered voters. This is an item which has not been previously requested or funded.

Other articles – Voters will note that, again this year, the Council has eliminated the long list of outside agencies from the ballot. Most of these items, which have been approved by voters in previous years, have been included within the City's base budget.

Budget:

This year's budget preparation faced the usual challenges and some major variables. Last year's increases in fuel and electrical costs continue to have a heavy impact throughout our operations. We have continued equipment needs, demands for expanded capital projects, increased demands for services on our work force, and a stagnant pool of available revenue sources. In the meantime, we have been steadily trimming the city's budget since the 1980's so our choices become fewer each year.

One major variable has been health insurance costs. In October we received word that our VLCT Blue Cross-Blue Shield premiums might rise as much as 36% which represented an untenable \$400,000 new cost to the city. In early

November we heard that BC-BS had reduced its rate to a 23% increase. Then we learned that VLCT was switching carriers to CIGNA and the average rate increase would be 12%. In mid-November, the City was approached individually by Blue Cross-Blue Shield and quoted a 9.7% increase with a second year 13% cap. Our final official quote from VLCT-CIGNA proposed a 6.5% increase which was accepted by the city and included in this budget.

The city has held its budget to an average of just over 1 cent tax increase over the last six years (including three years with no increase at all) which has been well below inflation, tax delinquencies are at an all time low meaning that people are making tax payments in a timely fashion, and the city's budget continues to receive very high approval votes (71% average over the last ten years including last year).

Over the last 10 years, the city has dropped from having the single highest effective combined city and school residential property tax rate in Vermont to the top five, then to the top ten and now down to sixteenth. While, clearly, most of Vermont's towns and cities still have higher combined tax rates, Montpelier has been passed by other older, small "central downtown" type communities including Brattleboro, Hardwick, Springfield, Barre City, Middlebury, Windsor, Rutland City, Rockingham/Bellows Falls and Newport City. It is interesting to note the group of ten non-Chittenden County, higher service regional centers being among the communities with the 16 highest property tax rates. It is even more interesting to note that this highest Chittenden County combined tax rate belongs to Winooski at number 50 in the state.

These numbers show a couple of things. One is that Montpelier has steadily contained its expenses and tax growth compared to others communities. The other is that municipalities like Montpelier – with aging infrastructure, high service demands from non-residents and limited growth opportunities – bear a larger property tax burden than their more residential neighbors.

Overview:

This Budget recommendation contains the following:

- Requires a 1.5% INCREASE (1.7 cents) in the property tax rate. The municipal general fund budget is only up 2.1% overall. \$56,500 of this increase is for replenishing the capital budget. The remainder of the operating budget is only up 1.4%. This does not, of course, take into account the recreation or senior citizen's center budgets under the School Board's control.
- A 2.75% cost of living allowance is built into all employee wage and salary accounts – both union and non-union. This is consistent with the collective bar-

- gaining agreements for two of the three unions – one is not settled yet. In addition, employees (beginning last year) are contributing an additional 5% toward single plans and 20% for two-person and family plans toward health insurance costs.
- Does not use any fund balance to reduce the tax rate. The Council supported this tough decision last year which eliminated the practice of subsidizing ongoing expenses with one-time reserves.
- This budget maintains basic current service levels to residents in most areas. The budget includes an increase in the level of tree management services and a slight reduction in service in the Fire/EMS department.
- Reduces an Account Clerk position in the Finance Department from full time to part time (60%).
- Keeps the Planning & Development Department at level staffing – one Director, one Zoning Administrator, one Housing/Community Development Specialist, one Administrative Assistant and a part time Web/GIS specialist. The budget includes a very slightly increased (2 hours per week) time allotment for the Web/GIS position in recognition of the increased demands on these services. The budget also includes funds to update and redo the city's web page so that it is more easily accessed by more staff people. It will also allow for more interactive features with the community.
- Includes additional revenues to be generated from increases in Planning and/or Building permit fees. This will require an additional action on the part of the City Council to adopt and implement a revised fee schedule.
- Includes the School Resource Officer in the City's budget with the School Department sharing 50% of the cost.
- Reallocates work assignments among existing Patrol Officers by creating a new Investigator position. Currently officers conduct their own case investigations and prepare their own cases for court. This is not efficient due to work schedules (its tough to make follow up calls on the midnight shift for instance) and the time demands for this work pull officers off of their patrol beat. The downside consequence of this move is that one less officer will be available for patrol assignments. The Police Chief requested an additional patrol officer to cover this time. Due to fiscal constraints, this request was not approved.
- Anticipates leadership and management changes in the Police Department. Along with those changes, we are shifting the Emergency Management Coordination function to the Fire Department. Includes Police equipment needs which have been previously funded through Homeland Security funds.
- The Dispatch operation remains the same. We have continued concern about the level of staffing on the overnight shift. Any significant reductions in the Dispatch area will or should prompt a more serious discussion about the viability of this service being provided by the City.
- The Fire/Ambulance Department was reduced slightly although taking on the Emergency Management function and continuing the maturing Building Inspection program. One Three Quarter (3/4) Time Firefighter/EMT position was eliminated. Fire Department staffing and scheduling has been carefully calibrated over the years to best meet the needs at peak times and manage the call volume.
- Continues the Code Enforcement program.
- Eliminates the position of Superintendent in the Department of Public Works and reorganizes the department's supervisory structure. Proposes a new position of Engineering Assistant to provide technical expertise in emerging areas such as stormwater management as well as to assist in project management, design, inspection and supervision. We anticipate significant savings on smaller projects by performing in-house engineering and in-house work rather than paying outside rates.
- The DPW budgets anticipate retirements of three long term Management/Supervisory employees by August and three or four more very long term employees in key positions by the end of calendar year 2007. The new Supervisors will have restructured work assignments which will be more direct and less administrative. Our long term goal is to implement cross training across the department, provide increased compensation to employees who gain additional skills, enable more independent work by employee teams and eventually erase or lighten the organizational lines between the Street Division and the Water/Sewer Division.
- The Salt and Sand budget has been increased by \$21,000. Over the last five years, we have spent, on average, \$40,000 more than budgeted for salt and sand. We are looking at as many ways as possible to reduce their use but have increased the budget to more closely reflect the true costs. We fully expect to increase this line another \$20,000 next year.

- The Water and Wastewater budgets have been extremely closely scrutinized. We are presenting them now but also would like to meet with the Rate Committee before bringing back any rate discussions to the Council. As proposed though, the Water budget would require no rate increase and the Sewer budget will require a 5% or lower rate increase. One position at the Wastewater Treatment Plant has been eliminated. New septage disposal rates have been implemented and we are cautiously optimistic that we will see revenue gains in this area.
- The budget includes new part time assistance for the Tree Warden who has presented a different approach to tree management which will enhance this service. As a result, the tree budget has doubled and is up by \$10,854.
- Cemetery and Parks both have budget increases due to equipment and capital needs. The Cemetery has also seen an increase in the cost of the prison labor crew.
- The Capital Projects and Debt Service Program are fully funded as planned. The funding goal of \$1,000,000 in the General Fund was set back in FY97 and reached in FY04. The last two years (FY06 & FY07) the Council reduced this total to \$950,000 and \$943,500 respectively but asked that we build the full funding back into the FY08 budget for consideration.
- Identifies a five-year funding plan to address the ongoing backlog of equipment needs. The budget slightly decreases equipment funding due, primarily, to the delay in funding a single \$88,000 piece of equipment. The consequence of this choice, though, is that a few large expense items are now lined up for the next couple of years.
- No major changes are proposed for Parking in either operations or revenues. The Parking fund is balanced and in “the black”.
- Payments in Lieu of Taxes from the State of Vermont are budgeted in the amount of \$625,183 - an increase of \$47,583 (8.2%) from FY07 Budget. This is a key revenue source, which is always subject to the state’s budget process and which is increasingly dependent on local options taxes in other communities, the state’s evaluations of property in Montpelier and growth of state property in other communities. This needs to be watched extremely closely during this next legislative session.
- Overall, however, non-tax revenues are budgeted at a negligible \$8,243 (0.3%) increase. We are simply seeing no revenue growth and very limited oppor-

tunities. Some fee recommended fee increases are already included in these projections. Others would add a small amount to our revenues. Because of our tight budgeting, collections will require close monitoring this year since the budget allows very little room for error.

Summary:

The General Fund budget totals \$8,802,905, which is an increase of \$182,022 (2.1%) from the comparable FY07 spending plan. Including last year’s 6.4% increase (after all voter approved items) and this year’s proposal, the city’s general fund budget has only grown by an average of 2.9% over the last four years. With health insurance, fuel, pension and many other cost increases there are not many Vermont municipalities that can make a similar claim.

Major items in the budget include an increase of only \$50,873 (1.4%) in salary and wage costs and \$80,394 (5.4%) in employee benefit costs mostly due to health insurance. The total costs for general fund personnel (salaries, wages & benefits combined) are up \$131,267 or just 2.6%. There is a \$56,500 (6.0 %) increase in the capital program; \$34,273 (-14.5%) decrease in the Equipment Plan; and an increase of \$26,086 (1.4%) in other operating expenses. Community Expenses increased \$2,442 (0.5%).

As mentioned earlier, these changes are balanced by the insubstantial \$8,243 (0.3%) increase in projected non-tax revenues. In a piece of good news, the grand list value is estimated to grow by about 1.5 percent for next year which is generating about \$75,000 of new tax growth.

The net effect is that \$5,987,969 in property taxes must be raised to finance the base municipal budget. The tax rate to support these revenues would be \$1.117, which is 1.7 cents, and 1.5% higher than the \$1.100 tax rate for comparable programs in FY07.

Conclusion:

We have become accustomed to budget challenges over the years. This year, however, presented an accumulation of factors – some unexpected and some building from prior years - which together created some interesting situations. At the same time, we are adapting the city government to the many transitions in personnel and leadership that have occurred this year and that we expect over the next year.

I remained concerned, as I have been the last three years, that the city government is becoming less able to meet the accumulated expectations of high services by the public and policy making boards. We are working with very slim margins and have some departments/divisions/services that are a position away from being unable to perform their duties.

This budget represents hard work on the part of the City Council and the entire city team to address the many goals that you, the community, have articulated for us. I am surprised and pleased that, together, we were able to present you with such a modest budget and relatively slight tax increase. This proposed increase would mean the average annual increase over 7 years has been only 1.4 cents. It's my professional opinion that this tax proposal can only be significantly reduced by re-visiting policy choices in areas like the capital plan, the equipment plan, use of fund balance and direct service levels to the community or even more aggressively pursuing fee increases. As part of this budget process, I have personally reviewed the functions of each and every municipal position and asked Department Heads to do the same. We've recommended those areas where we think improvements and efficiencies can be made.

Appreciation:

I would like to thank the dedicated individuals who deliver local government services to Montpelier residents 24 hours per day, seven days per week, 365 days per year. In recent years it has become fashionable to denigrate "government" employees and public servants. I'll remind people that City employees work under difficult circumstances and dangerous situations so that residents may have clean water, effective sewage disposal, safe and clear roads, quick and effective fire and ambulance response, responsive and preventive police work, comprehensive planning and review of local development, wonderful parks/facilities and proper administration of citizen's needs. They are highly trained and certified in specialized fields. I thank all of them for their excellent work. These people perform these tasks to earn a living, yes, but more importantly to provide a service and to help others in the community. I am proud of all of Montpelier's employees and know that they are hard working, dedicated and incredibly capable.

As I mentioned earlier, Montpelier is in the midst of assembling a brand new team of Department Heads. These individuals bring experience, education, talent and skill which will keep our operations the top in the state. Parks Director Geoff Beyer, Finance Director Sandra Gallup, Planning & Development Director Gwendolyn Hallsmith, Cemetery Superintendent Patrick Healy, Police Chief Douglas Hoyt, City Clerk/Treasurer Charlotte Hoyt, Public Works Director Todd Law, Assessor Caroline Lockyer and Fire Chief Gesualdo Schneider are coming together as a highly efficient team while also managing their respective areas of responsibility.

Assistant City Manager Beverlee Pembroke Hill holds everything together while making continual improvements. Bev is most often seen out in the community, at the legislature and in the middle of any number of meetings. The City has benefited enormously from her many talents, dedicated service and enthusiastic attitude.

Fire Chief Norman Lewis retired after 14 years with Montpelier and a long distinguished career in the Fire Service. Chief Lewis modernized our Fire Department, reorganized work more efficiently, oversaw the renovation and expansion of the Fire Station, upgraded all the department's vehicles and firefighter equipment, led the consolidation of the building inspection function with fire inspections and successfully championed the need for life safety requirements, specifically sprinkler systems. He made an impact on the City and Fire Department that will be felt for many, many years.

Planning & Development Director Valerie Capels left the city after 12 years of extraordinarily dedicated service. Valerie worked endless hours to improve the city's permitting system, increase affordable housing opportunities, maintain the downtown, update the master plan, redraft the zoning ordinance, keep the massive Carr Lot project going and manage numerous grants and projects. She shepherded the complex funding, property issues and construction concerns into successful completion of Stone Cutters Way. She was instrumental in the initial funding and creation of the Montpelier Downtown Community Association. Her professionalism and hard work have set a high standard for the city's Planning efforts.

I also acknowledge the retirement of some long time employees who have been essential members of their departments over the years. Assistant Fire Chief Robert Snetsinger, Police Officer Michael Long, Police Sergeant John Martin, Firefighter/EMT Allan Parry and Planning Department Assistant Gisa Green. We wish them all the best in their well deserved retirement and thank them for the years of fine service to the city.

We also note with sadness the retirement and passing of DPW Stock Records Clerk Julian "Butch" Bilbrey. Butch was always ready with a smile, a humorous anecdote and a positive attitude. He is missed by all.

Montpelier is extremely fortunate to have many employees, like those mentioned above, who have spent distinguished careers with the city. As we have experienced in the last couple of years, we will be seeing many retirements in the near future which will literally change the face of city government. I'd like to recognize individuals with 30 or more years of experience in Montpelier. Together they represent over 10% of the City's total workforce.

Roland Cliche	Public Works Department	38 years
Charles Pelletier	Public Works Department	37 years
Gerald Smith	Public Works Department	37 years
Durward Lamb	Public Works Department	36 years
Douglas Hoyt	Police Department	35 years
Charlotte Hoyt	City Clerk/Treasurer	35 years
Sandra Pitonyak	City Manager's Office	33 years
Christopher Reed	Fire Department	32 years
Sheila Pembroke	Fire Department	31 years
Darrel Broughton	City Hall Maintenance	30 years
Allan Parry	Fire Department	30 years

James Hutchinson	Public Works Department	30 years
Douglas Hull	Public Works Department	30 years

I thank the City Council Members for their consistent support of the city staff and for the huge amount of time they commit to the community. Most people don't realize the considerable amount of time and work the Council Members devote on behalf of the city. This past year saw Council Member Riley Allen leave City government and welcomed Council Member Andy Hooper to the Council Chambers.

I also thank all the many citizen volunteers on our boards, commissions and committees for the long hours they give for the honorable purpose of serving their fellow residents. They face controversy, tough decisions, pressure and public criticism yet continue to offer their time, energy and expertise. Our democratic form of government relies on citizen participation for success and these individuals deserve the utmost in respect and appreciation for their dedication. I encourage more citizens to run for office, apply for appointments and volunteer for committees.

After a dozen years, all I'll do is say thank you to Sandy Pitonyak and Jane Aldrighetti in the City Manager's office. This doesn't begin to express my appreciation for both of them. They are positive, friendly and highly efficient people who make working here every day a delight.

Finally, I couldn't do this job without the love and support of my family. My wife Anne and our children Olivia, Patrick, Claire and Angus provide humor, balance, a sense of priority and humility when needed. Montpelier is and has been a fabulous place to live and raise our children. Being grounded in this community gives me a full sense of commitment and mission to my work. Somehow, Anne gracefully and successfully balances the demands of four school aged children, her own extensive community involvement, a full time job and a husband with an unpredictable job. She frequently gets unfairly saddled with the unenviable task of being asked to answer for my decisions. She offers great advice, honest feedback and clear thinking. I wish I could give her back as much as she gives me.

WILLIAM J. FRASER. *City Manager*

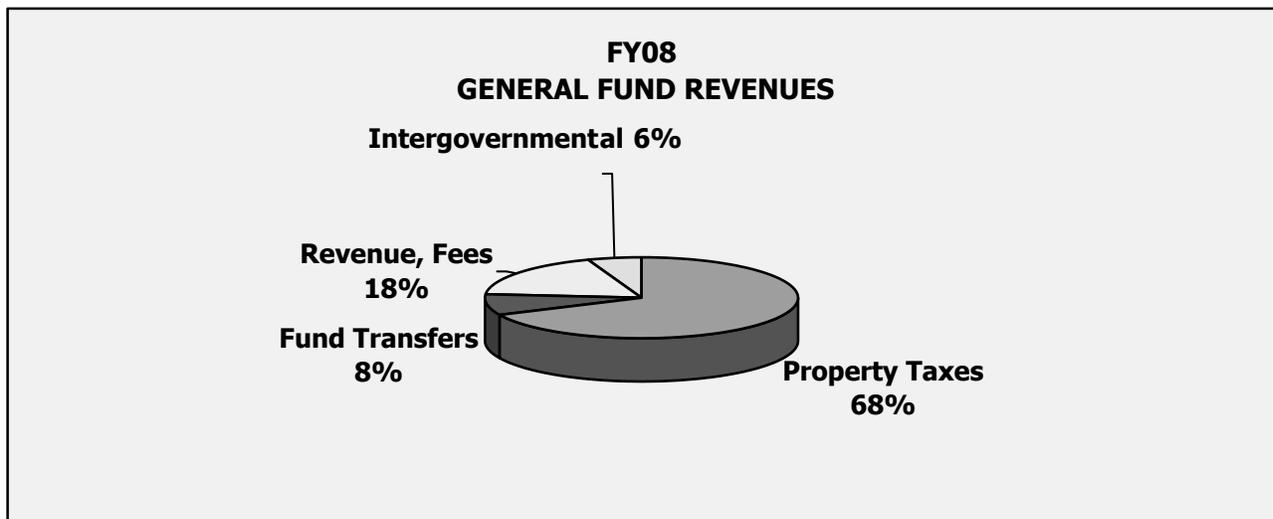
Montpelier 2006 Veterans Day Parade



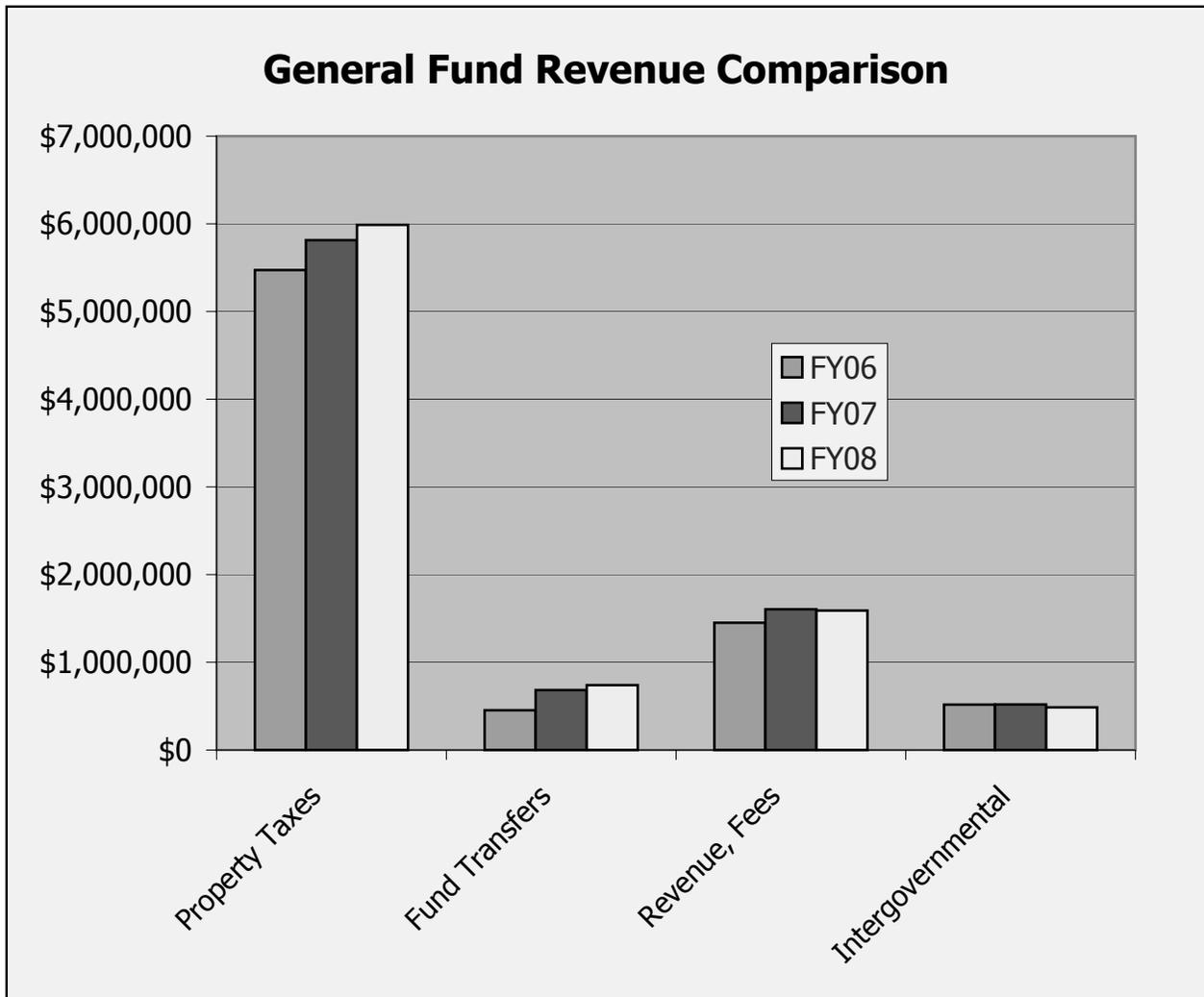
Photos Courtesy of Sandy Pitonyak

BUDGET COMPARISON - General Fund Revenue

Item	FY06	FY07	FY08	\$ Change	% Change
<i>General Fund Taxes</i>	\$5,390,747	\$5,666,190	\$5,935,969	\$269,779	4.8%
<i>- Ballot Items</i>	\$82,000	\$148,000	\$52,000	-\$96,000	-64.9%
Total Property Taxes	\$5,472,747	\$5,814,190	\$5,987,969	\$173,779	3.0%
<i>Other Tax Related Income</i>	\$463,765	\$484,980	\$536,639	\$51,659	10.7%
<i>Permits & Licenses</i>	\$44,115	\$101,940	\$82,620	-\$19,320	-19.0%
<i>Intergovernmental</i>	\$517,710	\$519,003	\$485,781	-\$33,222	-6.4%
<i>Fees & Charges for Service</i>	\$451,533	\$480,035	\$473,038	-\$6,997	-1.5%
<i>Rents & Commissions</i>	\$500	\$750	\$500	-\$250	-33.3%
<i>Fines & Forfeitures</i>	\$35,000	\$35,000	\$35,000	\$0	0.0%
<i>Equipment Revenues</i>	\$378,967	\$431,039	\$388,830	-\$42,209	-9.8%
<i>Interest Income</i>	\$30,000	\$30,000	\$32,000	\$2,000	6.7%
<i>Miscellaneous Revenue</i>	\$47,167	\$41,166	\$41,166	\$0	0.0%
<i>Fund Balance</i>	\$103,594	\$0	\$0	\$0	0.0%
<i>Operating Transfers</i>	\$556,858	\$682,780	\$739,362	\$56,582	8.3%
TOTAL - Non Tax Revenues	\$2,629,209	\$2,806,693	\$2,814,936	\$8,243	0.3%
TOTAL REVENUES	\$8,101,956	\$8,620,883	\$8,802,905	\$182,022	2.1%



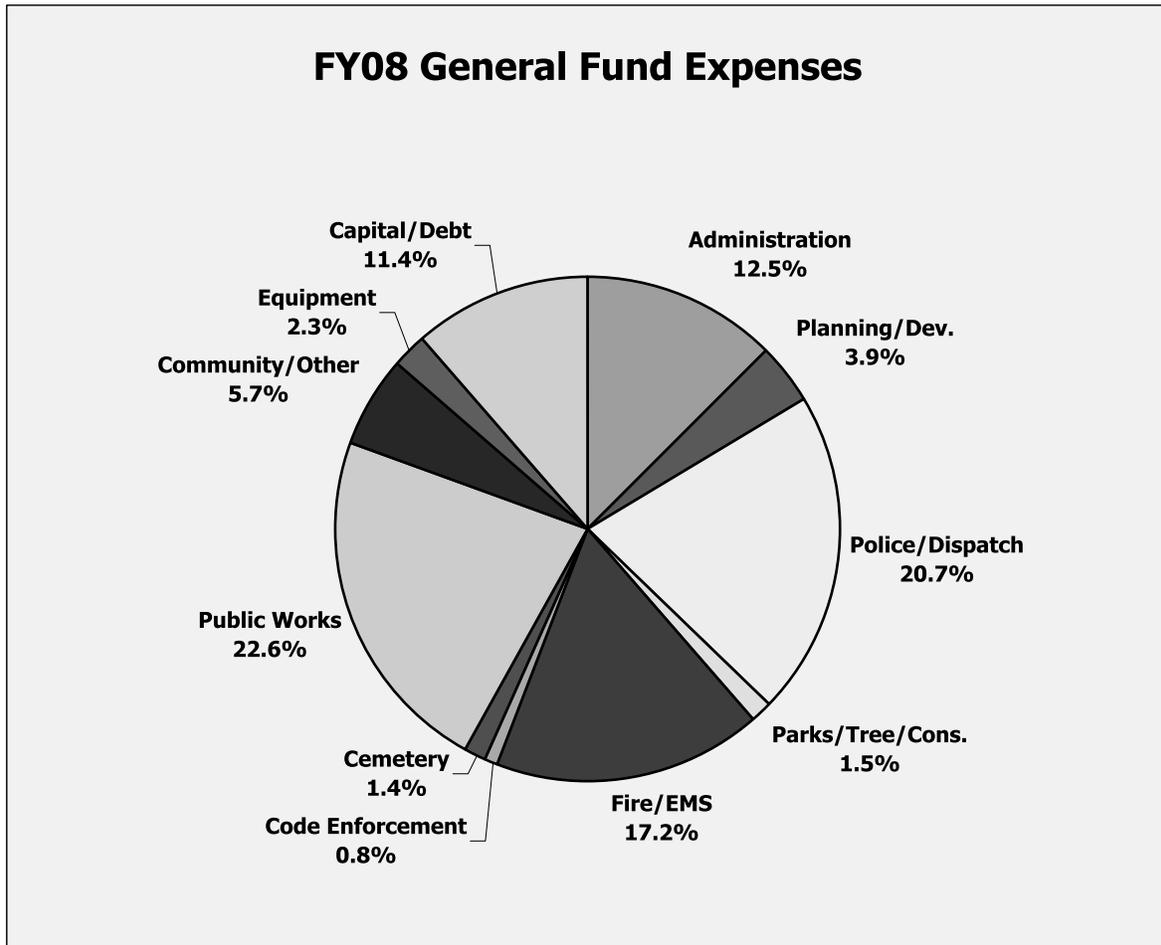
CATEGORIES	FY06	FY07	FY08	\$ Change	% Change
Property Taxes	\$5,472,747	\$5,814,190	\$5,987,969	\$173,779	3.0%
Fund Transfers	\$453,264	\$682,780	\$739,362	\$56,582	8.3%
Revenue, Fees	\$1,451,047	\$1,604,910	\$1,589,793	-\$15,117	-0.9%
Intergovernmental	\$517,710	\$519,003	\$485,781	-\$33,222	-6.4%
Total	\$7,894,768	\$8,620,883	\$8,802,905	\$182,022	2.1%
<i>Grand List</i>	<i>520,317,347</i>	<i>526,926,295</i>	<i>534,830,200</i>	<i>7,903,905</i>	<i>1.5%</i>
Property Tax Rate	\$1.05	\$1.10	\$1.12	\$0.016	1.5%
City General Fund	\$1.04	\$1.08	\$1.11	\$0.035	3.2%
Ballot Items	\$0.02	\$0.03	\$0.01	-\$0.018	-65.4%



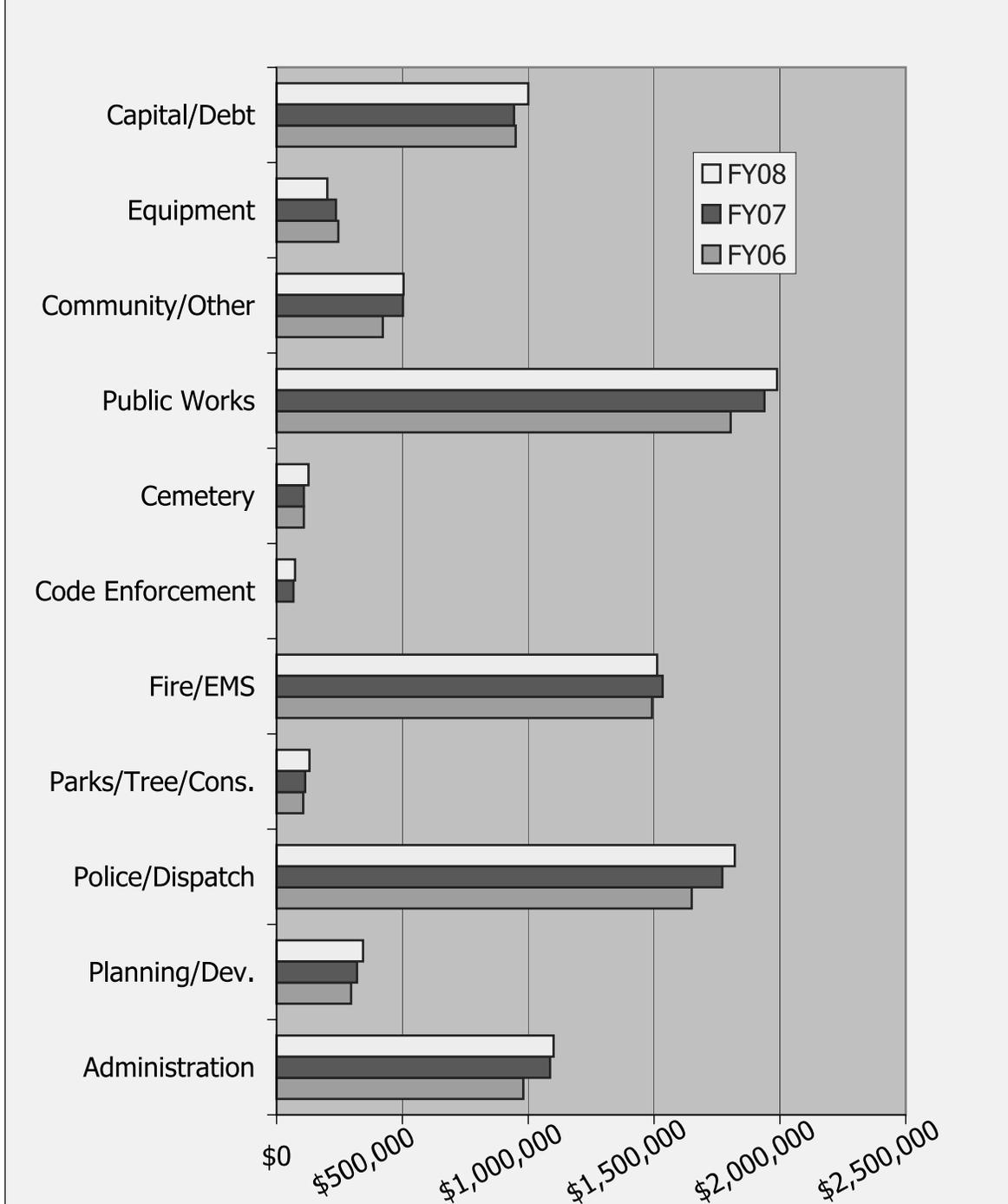
BUDGET COMPARISON - General Fund Expenditures

Item	FY06	FY07	FY08	\$ Change	% Change
<i>City Council Operations</i>	\$24,357	\$24,988	\$25,799	\$811	3.2%
<i>City Manager's Office</i>	\$254,473	\$265,490	\$277,015	\$11,525	4.3%
<i>Clerk/Treasurer/Elections</i>	\$253,461	\$267,839	\$270,906	\$3,067	1.1%
<i>Finance Department</i>	\$237,295	\$287,714	\$272,540	-\$15,174	-5.3%
<i>Technology Services</i>	\$128,282	\$141,784	\$151,380	\$9,596	6.8%
<i>Property Assessment</i>	\$82,576	\$98,890	\$102,964	\$4,074	4.1%
<i>Planning & Development</i>	\$296,101	\$319,602	\$343,626	\$24,024	7.5%
<i>City Hall Maintenance</i>	\$148,148	\$172,220	\$183,519	\$11,299	6.6%
Police:					
<i>General</i>	\$1,239,609	\$1,287,969	\$1,319,511	\$31,542	2.4%
<i>Communications</i>	\$342,445	\$397,371	\$418,177	\$20,806	5.2%
<i>School Resource Officer</i>	\$61,214	\$76,545	\$76,880	\$335	0.4%
Fire & Ambulance	\$1,491,986	\$1,534,010	\$1,512,064	-\$21,946	-1.4%
Code Enforcement	\$0	\$67,023	\$73,448	\$6,425	9.6%
Emergency Management	\$6,351	\$9,341	\$6,000	-\$3,341	-35.8%
Public Works:					
<i>Streets</i>	\$1,150,094	\$1,190,319	\$1,241,829	\$51,510	4.3%
<i>Fleet Operations</i>	\$446,624	\$511,129	\$496,742	-\$14,387	-2.8%
<i>Building Operations</i>	\$50,890	\$65,000	\$66,670	\$1,670	2.6%
Health Regulation/Inspection	\$8,704	\$0	\$0	\$0	
Wrightsville Beach	\$3,616	\$3,616	\$3,616	\$0	0.0%
Kellogg-Hubbard Library	\$99,660	\$99,660	\$195,660	\$96,000	96.3%
Outside Agencies in Budget	\$72,375	\$73,875	\$83,675	\$9,800	13.3%
Ballot Items	\$82,000	\$148,000	\$52,000	-\$96,000	-64.9%
Community Enhancements	\$57,050	\$58,800	\$49,000	-\$9,800	-16.7%
Tree Management & Board	\$10,758	\$10,869	\$21,723	\$10,854	99.9%
Conservation Commission	\$3,700	\$3,000	\$4,000	\$1,000	33.3%
Debt Service	\$603,300	\$611,304	\$645,490	\$34,186	5.6%
Other Governmental Service	\$111,116	\$121,905	\$124,347	\$2,442	2.0%
Equipment Plan	\$245,250	\$235,854	\$201,581	-\$34,273	-14.5%
Transfers to Other Funds:					
<i>Capital Projects</i>	\$346,700	\$332,196	\$354,510	\$22,314	6.7%
<i>Cemetery</i>	\$108,429	\$108,429	\$126,802	\$18,373	16.9%
<i>Parks</i>	\$87,661	\$96,141	\$101,431	\$5,290	5.5%
<i>Conservation Fund</i>	\$0	\$0	\$0	\$0	
<i>Parking</i>	\$0	\$0	\$0	\$0	
TOTAL GENERAL FUND	\$8,054,225	\$8,620,883	\$8,802,905	\$182,022	2.1%

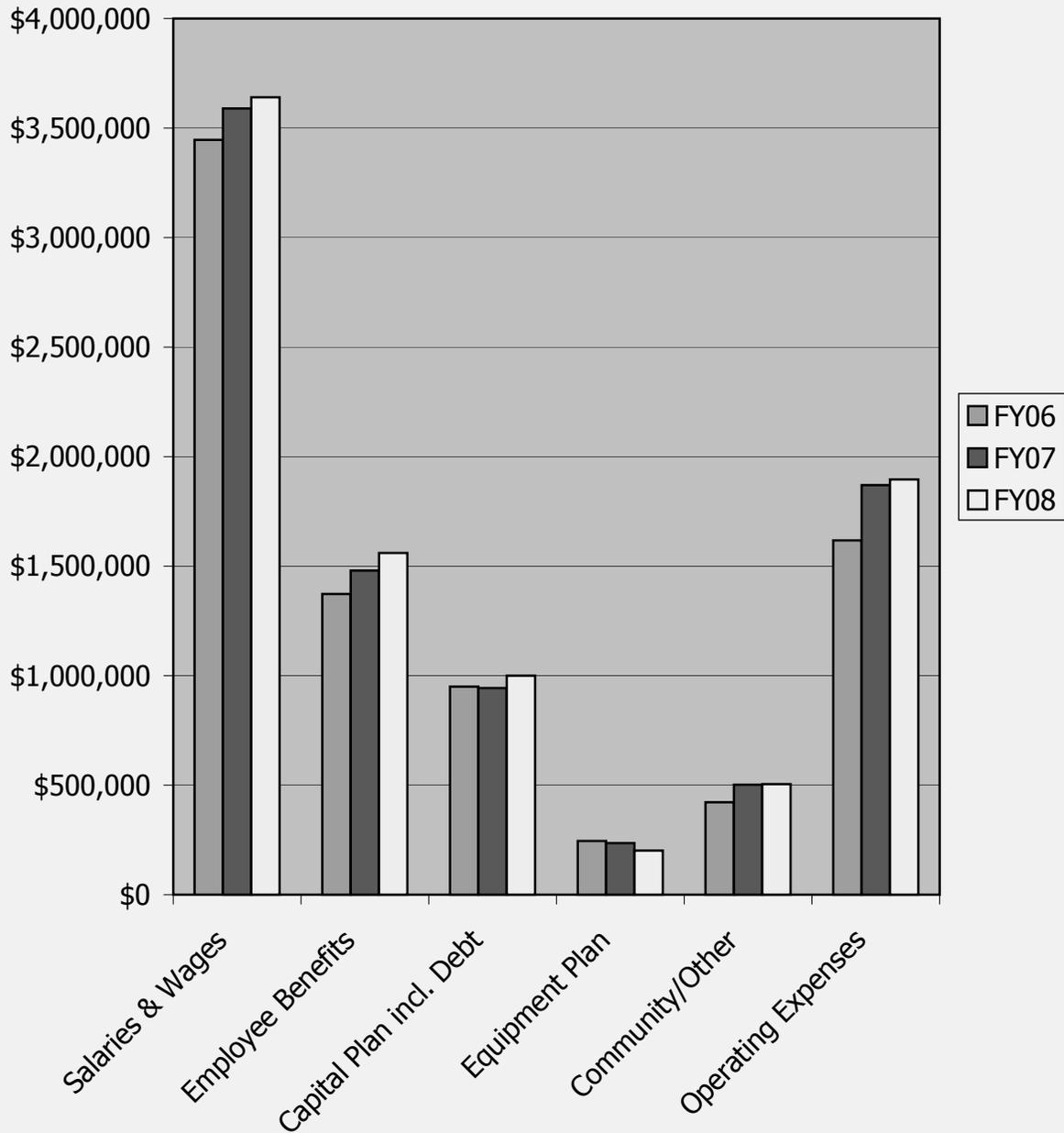
Category	FY06	FY07	FY08	\$ Change	% Change
Administration	\$980,444	\$1,086,705	\$1,100,604	\$13,899	1.3%
Planning/Dev.	\$296,101	\$319,602	\$343,626	\$24,024	7.5%
Police/Dispatch	\$1,649,619	\$1,771,226	\$1,820,568	\$49,342	2.8%
Parks/Tree/Cons.	\$105,735	\$113,626	\$130,770	\$17,144	15.1%
Fire/EMS	\$1,491,986	\$1,534,010	\$1,512,064	-\$21,946	-1.4%
Code Enforcement	\$0	\$67,023	\$73,448	\$6,425	9.6%
Cemetery	\$108,429	\$108,429	\$126,802	\$18,373	16.9%
Public Works	\$1,804,460	\$1,938,668	\$1,988,760	\$50,092	2.6%
Community/Other	\$422,201	\$502,240	\$504,682	\$2,442	0.5%
Equipment	\$245,250	\$235,854	\$201,581	-\$34,273	-14.5%
Capital/Debt	\$950,000	\$943,500	\$1,000,000	\$56,500	6.0%
Totals	\$8,054,225	\$8,620,883	\$8,802,905	\$182,022	2.1%



General Fund Comparison by Department FY 06, 07, 08



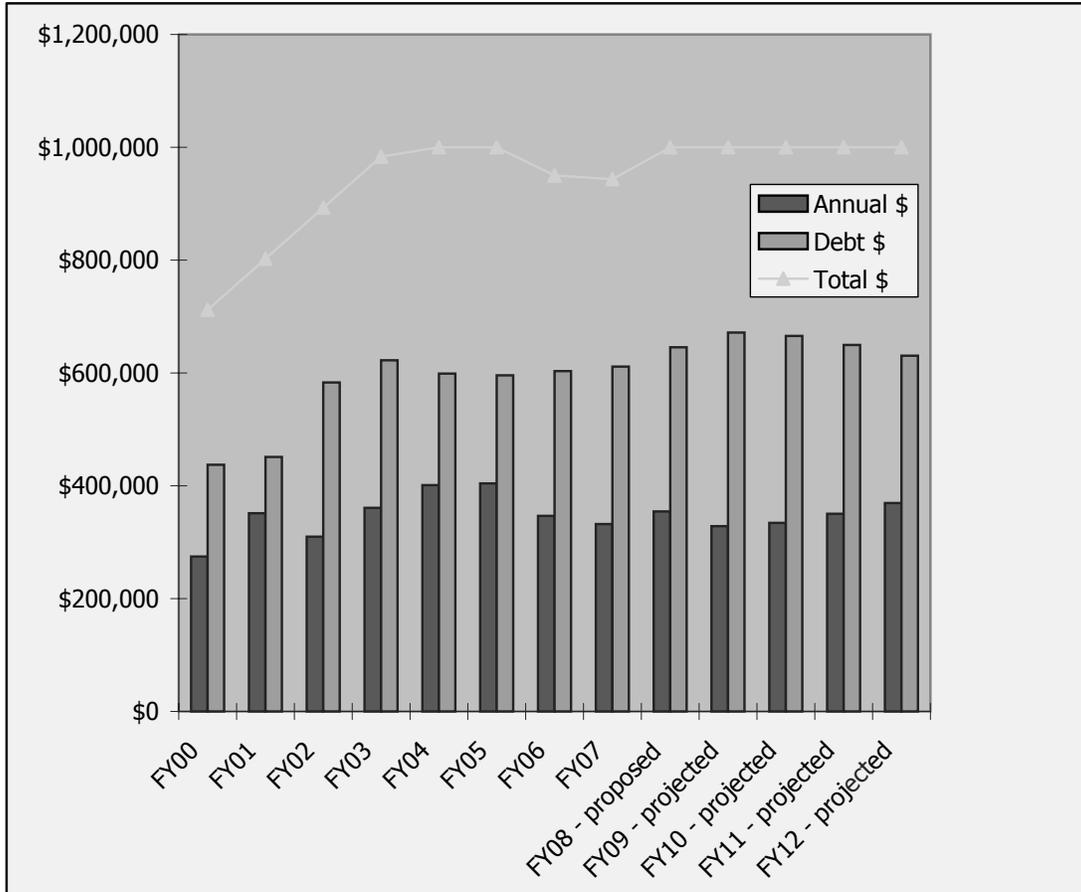
Comparison of Budget Categories FY 06, 07, 08

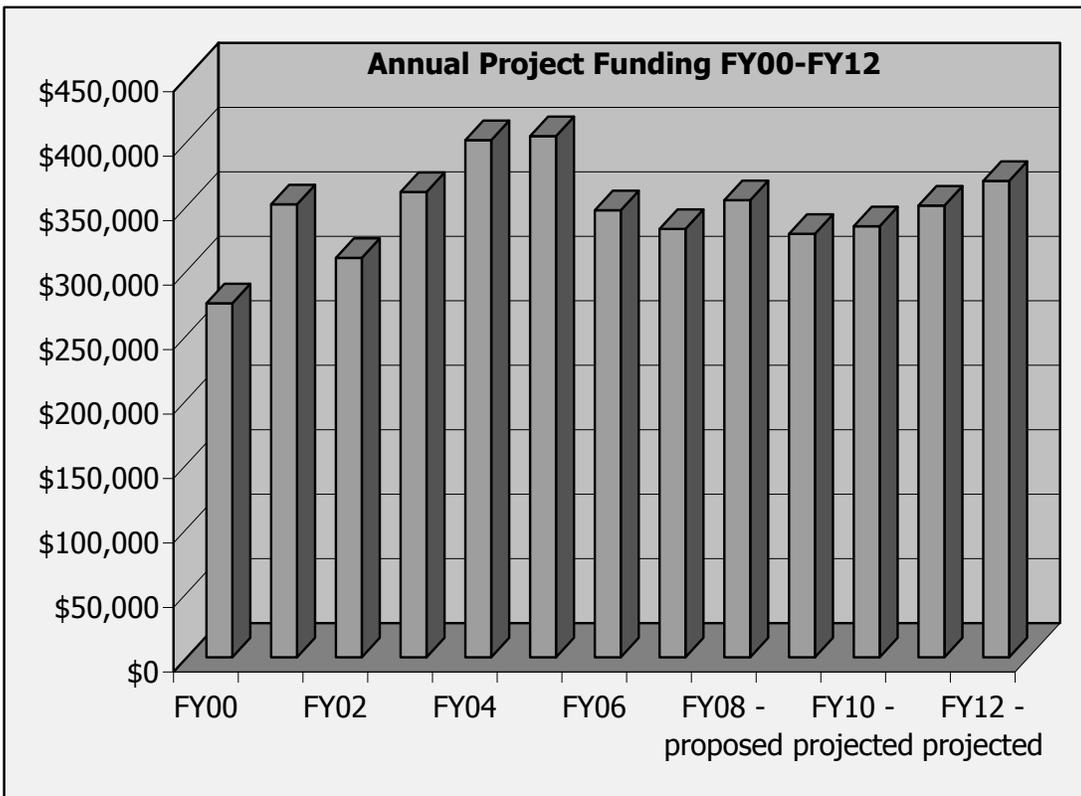
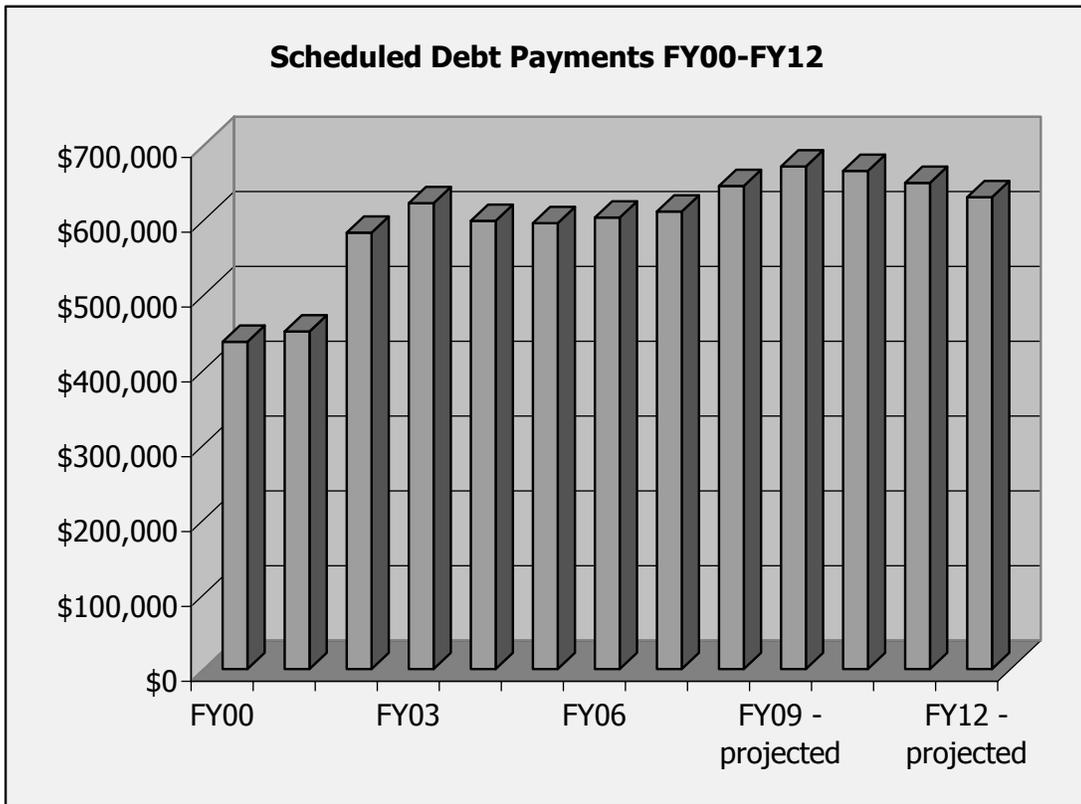


SUMMARY of ANNUAL and DEBT FUNDING for CAPITAL PROJECTS

General Fund

Fiscal Year	Annual \$	Debt \$	Total \$	\$ Change	% Change
FY97	\$248,800	\$149,817	\$398,617		
FY98	\$275,321	\$255,554	\$530,875	\$132,258	33.2%
FY99	\$279,460	\$341,915	\$621,375	\$90,500	17.0%
FY00	\$274,558	\$437,317	\$711,875	\$90,500	14.6%
FY01	\$351,299	\$451,078	\$802,377	\$90,502	12.7%
FY02	\$309,768	\$583,107	\$892,875	\$90,498	11.3%
FY03	\$360,867	\$622,508	\$983,375	\$90,500	10.1%
FY04	\$401,100	\$598,900	\$1,000,000	\$16,625	1.7%
FY05	\$404,183	\$595,817	\$1,000,000	\$0	0.0%
FY06	\$346,699	\$603,301	\$950,000	-\$50,000	-5.0%
FY07	\$332,196	\$611,304	\$943,500	-\$6,500	-0.7%
FY08 - proposed	\$354,510	\$645,490	\$1,000,000	\$56,500	6.0%
FY09 - projected	\$328,447	\$671,553	\$1,000,000	\$0	0.0%
FY10 - projected	\$334,327	\$665,673	\$1,000,000	\$0	0.0%
FY11 - projected	\$350,356	\$649,644	\$1,000,000	\$0	0.0%
FY12 - projected	\$369,456	\$630,544	\$1,000,000	\$0	0.0%





Annual Projects	FY07	FY08
Street Paving	\$72,047	\$31,628
Street Rehabilitation	\$127,000	\$142,000
US 2/302 Intersection		\$25,000
Sidewalks	\$50,000	\$46,000
Retaining Walls		\$45,000
Fire Station ramp	\$5,500	
Turntable Park	\$5,000	
Buildings & Grounds		\$20,500
Master Plan update	\$5,000	\$7,500
Web site upgrade		\$10,000
Downtown Projects	\$10,000	\$10,000
Project Management (5%)	\$14,052	\$16,882
Total Annual Funding	\$288,599	\$354,510

Scheduled Debt	FY07	FY07
Berlin St Reconstruction	\$6,655	\$6,337
Bridges	\$54,803	\$53,114
Fire Station	\$61,240	\$59,310
Gould Hill Bridges	\$52,583	\$50,179
Kellogg-Hubbard Library	\$52,834	\$51,393
Police Station	\$130,420	\$126,817
Retaining Walls '96	\$7,782	\$7,537
Retaining Walls '98	\$72,474	\$70,480
Main St Lighting	\$16,579	\$16,206
Central Vt Bike Path	\$17,960	\$17,557
Capital District Master Plan - Carr Lot	\$28,573	\$28,573
City Hall/DPW Building Bond	\$77,863	\$76,675
Bridges/City Hall/DPW facilities	\$31,538	\$81,312
Elm St./Cliff St rock slide	\$43,597	\$0
Total Debt Payments	\$654,901	\$645,490

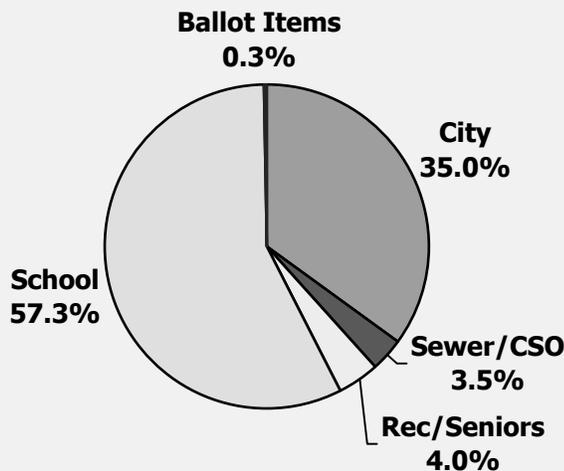
Total Capital Plan	\$943,500	\$1,000,000
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PROJECTED TAX RATES (pre-reappraisal - CLA currently at 70.94%)

note - actual rates will be approximately 30% lower due to reappraisal

	FY07 Taxes	FY07 Rate	FY08 Taxes	FY08 Rate	Tax \$ Change	Rate Change	Pct. Change
MUNICIPAL							
General Fund	\$5,700,829	\$1.08	\$5,935,969	\$1.11	\$235,140	\$0.028	2.6%
Ballot Items	\$148,000	\$0.03	\$52,000	\$0.01	-\$96,000	-\$0.018	-65.4%
Recreation	\$554,175	\$0.11	\$593,983	\$0.11	\$39,808	\$0.006	5.6%
Senior Citizens	\$77,548	\$0.01	\$79,265	\$0.01	\$1,717	\$0.000	0.7%
TOTAL MUNICIPAL	\$6,480,552	\$1.23	\$6,661,217	\$1.25	\$180,665	\$0.016	1.3%
SCHOOL							
Residential	\$4,178,611	\$1.64	\$4,788,220	\$1.82	\$609,609	\$0.18	11.0%
Non-residential	\$4,308,872	\$1.74	\$4,707,681	\$1.96	\$398,809	\$0.22	12.6%
TOTAL SCHOOL	\$8,487,483		\$9,495,900		\$1,008,417		11.9%
TOTAL	\$14,968,035	\$2.87	\$16,157,117	\$3.07	\$1,189,082	\$0.20	6.8%
Sewer Benefit	\$119,430	\$0.02	\$119,430	\$0.02	\$0	\$0.00	0.0%
CSO Benefit	\$537,434	\$0.09	\$537,434	\$0.09	\$0	\$0.00	0.0%
GRAND TOTAL	\$15,624,899	\$2.98	\$16,813,981	\$3.18	\$1,189,082	\$0.20	6.6%
- non -residential rate		\$3.08		\$3.32		\$0.24	7.6%

FY08 Residential Tax Rate Distribution



City Department Reports

Public Safety & Protection Program

Police Department

Reported Crime Continues To Increase ❖ Number Of Arrests Increase ❖ Substance Abuse Issues Remain ❖ Senior Officers Retiring Career Changes Add To Replacement Needs ❖ Overall Activity Increases

During 2006, there was an increase in reported crimes to the Montpelier Police Department. For example, Burglary rose by 37%, Larceny was up by 5%, and Assaults were up by 9%. There was a slight increase in reported Rapes.

There was at least one bright spot in that the amount of reported Vandalism decreased by about 10%.

There were increases in other areas such as DUI (130%), Bad Checks and other types of Fraud (15%), Assault (36%), and Disorderly Conduct (31%) to name a few. Public Intoxication, while not a crime, occupies a great deal of police resources and there was a 25% increase in that activity as well.

It would generally follow that along with the above-mentioned increases the law enforcement agency should direct its efforts toward identifying those responsible and place them in the criminal justice system. During 2006 there were at least 398 persons arrested for 521 offenses. This is the highest number of persons and offenses since the year 2000. That year was the beginning of the heroin activity in the region. The numbers represent a 65% increase from 2005.

The Montpelier Police Department, along with all the police agencies in the United States, has been reporting crime using NIBRS (National Incident Based Reporting System). We send our information to Vermont Crime Information Center (VCIC) and they in turn send it on to the FBI. VCIC has developed an excellent web based report that is available for access by the community. (http://www.dps.state.vt.us/cjs/crime_05/) The information is often six months delayed but still can be useful in learning about crime and its affect on the community. As we continue to refine our collection and reporting efforts, we believe that the information is generally accurate. The reliability of the data will increase due to data verification protocols. In the past, we have noted that the arrest information appeared to be incorrect. We believe that this has been corrected. By way of explanation, our records management system (com-

puterized) creates all the links based on what is considered an "A" or "B" offense. The only arrest data collected in NIBRS is for "B" offenses.

Year	A Offense	B Offense
2003	736	534
2004	667	471
2005	730	464
2006	695	752

Other measures of officers activity can be found in the number of accidents that officers respond to. During 2006, there were 512 reports of accidents. For reporting purposes, we noted 240 accidents involving 437 vehicles with 25 injuries, 10 of which were pedestrians. There were no fatalities. These numbers were slightly higher than 2005. The number of pedestrian accidents is alarming and may call for increased efforts on the part of the department and the community to reduce this statistic.

Similar measures can be found in foot patrol, mountain bike patrol, and motor vehicle enforcement activity. During the past two years, the number of hours available for this activity has decreased. In addition, the amount of time for motor vehicle work has also decreased. We believe that there are a large number of lost opportunities to interact with the community at large, which only reinforces the positives that derive from this form of community policing. Given the increases in activity, crime, and needed criminal investigations, along with a smaller force, it is difficult to engage in this manner.

Montpelier is not unlike the majority of communities and law enforcement agencies in Vermont with regard to staffing. This is not a problem that is unique to Vermont as it is a national problem as well. To compound the problem somewhat, there are two opportunities per year to place a recruit into the police academy. Once that recruit is in the academy, January and September, there will be a total of 24 or more weeks before that officer can be expected to function independently. Should an officer leave employment in February, then it would be January of the following year before a replacement is ready.

The current fiscal year (FY 2007) will bear witness to a significant change in the staffing of the police department. Three officers have left, one in pursuit of education, another for a career change in law enforcement and the third retired after 26 years of service. One Sergeant has retired after 31 years of service. It is fully expected that two additional officers, representing more than 60 years of service, will be retiring before June 30, 2007.

The Department has responded to this significant change by devoting a large amount of time to recruitment and selection of qualified persons. In addition, there is a significant challenge to select and train replacement command officers to maintain the critical management needs of the agency. Replacing a combined 100 plus years of experience is not a small task.

With the assignment of one officer to the schools as the School Resource Officer, and the reduction of one officer in

a previous budget cycle, there is funding for 15 uniformed officers, including the chief and sergeants. In a previous budget cycle, the funding for a regular officer with an eye to place an investigator on duty was lost. Officers must complete their own investigations. With one less officer, follow up and investigative time will replace time previously spent in preventative activity. A decision may very well need to be made to reduce the number of uniformed patrol officers even further by assigning one of those officers to investigative duties. It was previously noted, that the amount of crime is up and the need to respond to those crimes and subsequent investigations takes too many officers away from other duties.

There was a brief period of time that officers were out of the academy and staffing was nearly full. Response to quality of life issues raised by citizens resulted in an increase in motor vehicle stops and subsequent citations.

Last but certainly not least, is the dedicated work that is preformed on a daily basis by the dispatchers. During the year 2006, they managed approximately 24,000 calls for service. This includes all of the fire, EMS and police related calls for the community as well as those in the surrounding community. A recent review by the ISO inspectors noted that the communication function was not meeting the appropriate standards. This results in a slight increase in insurance rates for commercial property. Perhaps more importantly is the amount of increased stress on this employee group. As an organization, we need to review the current workload and determine if it is fair and appropriate to ensure a high level of delivery for our emergency services.

Our goal during the next year is to meet our mission statement. The achievements of the past year have been many despite the reduction in staff and the response from community members has been heartening as we work together to deal with the complicated issues of the day. The third year involvement with the Capital Community Justice Center is a continuing opportunity for the department to look to alternative methods to deal with crime and other social issues that will eventually improve the quality of life in the community. We look forward to the challenges that 2007 and 2008 will bring us.

Mission Statement

The ultimate responsibility for peace, good order, and law enforcement rests with the community of citizens in a democratic society. The complexity of modern society dictates that police efforts must be coordinated and directed by the services of law enforcement professionals.

Therefore, the Montpelier Police Department will be devoted to providing professional and quality police services, and will strive to remain effective, efficient, and responsive to the changing needs of our community while providing a safe environment that enhances the quality of life in Montpelier.

DOUGLAS S. HOYT, *Chief of Police*

Fire/Ambulance Department

I wish to start this report by honoring the employees who retired this year. This list includes Fire Chief Norman Lewis, Assistant Chief Robert Snetsinger, and Firefighter Allan Parry. They take with them many years of experience and dedication to making Montpelier a safer city to live in. We wish them the best in their retirement years.

The mission of the Montpelier Fire Ambulance Department is to save lives, protect property, and preserve the tax base in Montpelier at a reasonable and acceptable cost to the taxpayer. The department works toward achieving that mission by managing Fire/EMS operations and the Building/Health inspection functions. Achieving a safe city is a result of a joint effort of residents and the department. Residents can help protect the city from fire loss by continuing to carry out good fire safety practices in their homes and work places. Injuries and other property loss can be limited by driving automobiles in a safe defensive manner and safe use of power equipment. The department provides emergency response and proactive measures through inspections and education.

Our fire safety message is simple: Fires don't just happen, they occur through human error or mechanical breakdown. When those situations occur, the quickest, safest, and most cost effective method of fire suppression is by a properly installed and maintained fire sprinkler system.

This year there was a reorganization of the department that included bringing the Building Inspector and Health Officer functions under the control of the Fire Chief. This integration of services will allow for better coordination of efforts that directly affect the health and safety of the community.

FIRE / EMS OPERATIONS

The department provides the city with both Fire and Ambulance service. Personnel are dual-trained as Fire Fighters and as Emergency Medical Technicians. These highly trained professionals maintain the department equipment, ensure personal capability through ongoing training, perform inspections, provide services to the public, present public education programs, and respond to emergency incidents. They also provide ambulance service under contract to three surrounding towns. The ambulance service revenues and service contracts provide over 20% of the department budget.

The department operates from the Fire Station on Main Street. It also runs a Training Area adjacent to the city stump dump. The facilities located there allow for more effective training and firefighter preparedness.

The department operates with three fire apparatus, two ambulances, and two utility vehicles. One of the ambulances was refurbished and placed back into service on a new chassis. Maintenance of vehicles is a top priority of the department.

The department is an active participant in our mutual aid system. All major fire or rescue incidents require assistance from our neighbors. Mutual aid ambulances are available to us when needed. In 2006 we received fire or ambulance mutual aid 34 times and provided it 50 times.

SUMMARY OF RESPONSES IN 2006:

Emergency Responses

Type Of Alarm Responded To	Montpelier	Other Towns
-Structure Fires/Alarms	134	9
-Vehicle Fires	8	3
-Other Fires	34	4
-Power Lines	14	0
-Vehicle Accidents (Initial Fire Response)	63	21
-Other Rescues	14	2
-Flooding, Water Problem	12	0
-Collapse, Structural Problem	0	0
-CO Alarm Activation	29	0
-Electrical Problems	9	0
-Odor/Smoke Investigation	40	1
-Leak/Hazmat	39	1
-Other Emergency	93	5
-EMS Emergency	719	158
Total	1,208	204

Non Emergency Responses For Service

Type Of Service Requested	Montpelier	Other Towns
-Burn Permits	186	0
-Service Calls/Other Non Emergency	49	0
Total	235	0

Ambulance Transfer Business

-From Montpelier	13
-From CVH	140
-From Other Locations	16
Total	169

BUILDING INSPECTOR / HEALTH OFFICER

The Montpelier Fire Department took over the Building Inspector and Health Officer functions this year. This allows for a coordinated effort to ensure that city residents and visitors have safe and healthy conditions where they live, work, and visit. One full time person with training and qualifications in both areas performs this work.

As Building Inspector there are two primary jobs: 1) reviewing and providing support for construction jobs in the City and 2) inspecting current buildings. Reviewing and inspecting construction done in the City ensures that all work is done according to accepted standards. Whether it is a brand new business building or a renovation in the house, the owner has the right to know that work was done correctly. Unfortunately, Montpelier has faced the problem of substandard construction. Recently a family found that the brand new house they built was so poorly constructed that it had to be torn down and rebuilt. The Building Permit system allows us to provide this service. Most construction, except for minor repairs or routine maintenance, in the City requires a Building Permit. Existing buildings are inspected to ensure that they are properly maintained and operated. Buildings are inspected on receipt of a complaint or on a scheduled basis. The emphasis here is to ensure safe and healthy conditions.

As Health Officer, there is the need to respond to complaints and proactively act to protect the community from public health threats. Areas of regular activities are rabies and animal bites, garbage control and rats, water supplies, septic tanks, and restaurant inspections. Special situations also involve the Health Officer when they occur. The Health Officer works under the authority of the Vermont Department of Health.

CONTACT INFORMATION

Emergencies:	Dial 9-1-1
Building Permit	223-9504
Health Officer	229-4913
Building Inspector	229-4913
Other Fire/Ambulance Business	229-4913

GESUALDO C. SCHNEIDER, *Fire Chief*

Transportation & Public Utilities

Public Works Department

The Department of Public Works consists of six divisions: Streets, Water & Sewer, Water Treatment, Wastewater Treatment, Equipment, and Administration. Our ongoing responsibilities are to repair and maintain all City streets and sidewalks, bridges, guardrails, retaining walls, storm drains, water and sewer mains, pump stations, storage tanks, and water and sewer services. DPW crews perform snow plowing, snow removal, street sweeping, maintenance of street benches and trash barrels, autumn leaf pickup, traffic signing and pavement markings. Our personnel maintain the Public Works buildings, grounds and equipment to the highest standards. Our Administrative division at City Hall provides technical assistance to property owners, consultants and local boards, issues permits for homeowner projects, manages street lighting and traffic control operations, and implements all street, water, storm and sewer projects identified in the annual Capital Projects Maintenance Plan.

The Montpelier Public Works Department is responsible for maintaining the physical improvements and infrastructure which provide necessary streets, bridges, pedestrian facilities, and utility service to the citizens of Montpelier and the general public. There were a number of significant events that impacted the Public Works Department in 2006. With the retirement of long-time Director Stephen Gray at the end of 2005, the Department was tasked with enduring the hiring and introduction of a new Director in February. The Elm Street rockslide of December 26, 2005 put further burdens on the Department. Through seeming endless hard work and dedication by staff, consultants and contractors, and with the assistance of various Agency of Transportation personnel, the

Elm Street rockslide remediation was completed in May and safe travel was resumed.

With fuel and paving prices steadily increasing, the number of projected street rehabilitation projects completed in 2006 was reduced. The streets completed were Bailey Avenue, Prospect Street, School Street, Court Street, Green Mountain Drive, and Barre Street from Charles to Granite. We also performed sidewalk improvements and reconstruction on School Street, Loomis Street, Park Avenue, Main Street, Prospect Street, Blanchard Court and City Hall.

DPW staff continues to work with the City Manager's Office and Bike Path Committees of Montpelier and the Town of Berlin to extend the multi-purpose path from Granite Street to the former Ames Plaza and Gallison Hill Road. Right-of-Way acquisition has been slowed, but is moving toward construction in 2008 at the earliest. Land acquisition for the roundabout at the "Y" intersection of Route 2 and 302 is underway. Negotiations are moving forward and construction is tentatively projected for 2008.

The Street Division again provided excellent service during the winter to pedestrians and vehicles that rely on the City Streets and sidewalks. With warm days, cold nights and rain/sleet, there were numerous call-outs for icy conditions, with little precipitation. Summer maintenance includes putting out street benches, flower and trash barrels, street sweeping and pavements markings, which were delayed due to a very wet spring and summer. Street resurfacing, storm drainage (culverts, ditching and catch basin repairs), manholes, meter posts, and signs fill much of the summer and fall, and bagged leaf collection and removal of street furniture brought an end to the construction season. The Street Division also provides assistance for the annual Montpelier First Night celebration, Independence Day festivities, and the Friends of the Winooski annual river cleanup.

The eight members of the Water & Sewer Division are responsible for routine and ongoing activity, including the repair of water leaks, thawing and repairing hydrants, making repairs to streets after water or sewer construction, cleaning sand and debris from the storm and sewer mains with the City's Vactor, inspecting and maintaining pump stations and water tanks, quarterly reading of all water meters, and annual flushing of the entire water system. In addition, they assist with snow plowing and snow removal as requested by the Street Division. The Water & Sewer Division was also tasked with providing labor and equipment in support of the CSO trunk line cleaning for much of the summer.

The Public Works Equipment Division continues to provide high-quality support to the City through repair and maintenance of the City's trucks, sidewalk plows, and other specialized equipment, as well as vehicles owned by the Police Department, Fire Department, Green Mount Cemetery, Parks Department, Recreation and School Departments. Parts and labor billed out this year totaled more than \$100,000. This Division is also responsible for the maintenance of the DPW buildings and grounds on Dog River Road, and provides fuel to internal and external departments. Division employees are

on call during snow events to keep equipment in good running condition and to assist in snow plowing and removal as requested.

Construction of the ultra-violet disinfection project at the Wastewater Treatment Facility has begun. This critical and environmentally-friendly project will eliminate the need for the extremely hazardous gaseous chlorine disinfection process that is currently being used. The six permanent employees do an excellent job in the maintenance and repair of the facility. Daily operations include lab work, septage/leachate receiving, sludge pressing, State reporting, and facilities and grounds maintenance.

The Water Treatment Facility continues to provide top-quality water to its customers. A new storage garage was constructed at the site to provide shelter for the pickup truck and other maintenance equipment. The three permanent employees perform the daily tasks of lab work, Berlin Pond source protection inspections, and miscellaneous facility and grounds maintenance. They also perform water quality sampling, State reporting, preparation of the annual Consumer Confidence Report, and keeping the plant operating in excellent condition.

The Public Works Department has accepted the responsibility for oversight of the City Hall building and supervision of the City Hall custodian, who maintains all aspects of the building and grounds. The custodian also supports the numerous functions at City Hall, such as the First Night celebration and the many theatrical events presented by the Lost Nation Theater.

The City of Montpelier is very fortunate to have such a committed and dedicated Public Works staff that continuously provides excellent service to its residents. As I approach the anniversary of my first year of employment with the City, I have to say that it has been a privilege to work with so many excellent and supportive employees of the City of Montpelier. I would like to thank all residents and staff for welcoming me to the community.

Finally, thanks to Ginny, Tom, Durward and Bill for all your assistance and support throughout the year. It has been a very rewarding experience to work for and with this fine group of individuals.

If you have any questions or comments, please feel free to call the Public Works office at 223-9508.

TODD C. LAW, PE, *Director of Public Works*

Water Fund

It is the responsibility of the Department of Public Works – Water Division to maintain a consistent and adequate flow of water to the City from the City's water source at Berlin Pond. A new state of the art Water Treatment Plant was completed in fiscal year 2001.

User fees fund the Water Division. Water staff maintain hydrants for fire protection, construct water lines, maintain control valves and gates, flush hydrants annually, keep daily

records on water quality and consumption, repair leaks and mains, operate the water treatment facility, oversee land management of the City's property in Berlin and support all systems associated with providing potable water to our customers. There are more than 3,000 water meters in the City of Montpelier and each meter is read quarterly.

The Montpelier City Council, sitting as the Water & Sewer Commissioners, determines water rates. Water rates are reviewed annually in the spring. We welcome your input in establishing these rates. The City Council has established a Water Rate Study Committee to make recommendations about the rate structure. After six years at the same rates, the City Council approved an increase in water rates effective July 1, 2005. Increased cost of chemicals, fuel, utilities and debt service required the additional charges for this key City service. The current quarterly rates are as follows: \$6.61 per 1,000 for the first 50,000 gallons, \$7.02 per 1,000 for the next 200,000 gallons, \$11.38 per 1,000 for over 250,000 gallons and a fixed charge for all accounts for meter reading, billing and other administrative service costs of \$19.50. The City Council's Water and Sewer Rate Committee will be meeting in 2007 to consider future rate increases that may be necessary to cover operating and debt service costs.

With the scheduled resurfacing of US Route 2 from Bailey Avenue to the Berlin Town Line (Memorial Drive, Berlin Street and River Street), the Department of Public Works staff recommends that the utility improvement projects along this stretch of road should be performed prior to the paving. The voters will be asked to authorize the City Council to borrow a sum not to exceed \$1,950,000 for water system transmission improvements in and around Berlin Street: School Avenue to Granite Street Bridge and River Street: From #223 River Street to Wheelock Street. The bonds would be issued for a term of 20 years. This proposed debt increases annual expenditures in the Water Fund by \$70,000 in its highest year. The effect of this new debt, if approved as a rate increase, would be an additional charge of \$0.24/1000 gallons for the residential user.

Information about the proposed Water Department Budget can be found online at: <http://www.montpelier-vt.org/budget>. For Budget questions, please contact the Finance Department at 223-9514. If you have a concern or question about your quarterly water bill, please contact the City Clerk's Office at 223-9500.

SANDRA J. GALLUP, *Finance Director*

Sewer Fund

The primary responsibility of the Department of Public Works – Sewer Division is to collect and treat sanitary sewage from the City of Montpelier and part of the Town of Berlin. User fees fund the Sewer Division.

The Sewer Division maintains sanitary sewer collection mains and pumping stations, installs new service connections and repairs clogged or broken sewer lines in Montpelier. This

division is also responsible for the maintenance and operation of the Waste Water Treatment Plant, which has undergone major upgrades to become a regional treatment facility for septage and leachate treatment. The upgrades are in response to the required state and federal environmental standards which improve the quality of life in Montpelier and the state of Vermont.

The Montpelier City Council, sitting as the Water & Sewer Commissioners, determines sewer rates. Sewer rates are reviewed annually in the spring. We welcome citizen comments in the rate review process. The City Council approved an increase in sewer rates effective July 1, 2005. Quarterly sewer rates are as follows: \$7.46 per 1,000 gallons of water used and a fixed charge for all accounts for meter reading, billing and other administrative service costs of \$24.50. The City Council's Water and Sewer Rate Committee will be meeting in 2007 to consider future rate increases that may be necessary to cover operating and debt service costs.

The voters will be asked to authorize the City Council to borrow a sum not to exceed \$760,000 for sewer line improvements in and around River Street around the intersection of Wheelock Street which is estimated to be \$400,000 and improvements to the wastewater treatment facility for screw pumps replacement which is estimated to be \$360,000. The scheduled resurfacing of US Route 2 and the deficiencies of the main sewer line create the need for the line improvements at this time. The replacement of the screw pumps is identified as necessary prior to breakdown or loss or reliability of this integral equipment. Bonds for the sewer line improvements would be issued for a term of 20 years. Bonds for the improvements to the wastewater treatment facility would be issued for a term of 15 years. This proposed debt increases annual expenditures in the Sewer Fund by \$54,000 in its highest year. The effect of this new debt, if approved as a rate increase would be an additional charge of \$0.11 per 1000 gallons for users.

A sewer benefit charge of \$.02 per \$100 of property value is dedicated to the repayment of bonded indebtedness. No rate increases are anticipated for the upcoming year. A sewer separation benefit charge which is currently \$.09 per \$100 of property value, is used to help pay off debt associated with the Combined Sewer Overflow (CSO) separation project. The objective of this project is to divert storm water from going into sanitary sewer lines reducing a major source of potential pollution for our City waterways.

Information about the proposed Sewer Department Budget can be found online at: <http://www.montpelier-vt.org/budget>. For Budget questions, please contact the Finance Department at 223-9514. If you have a concern or question about your quarterly sewer bill, please contact the City Clerk's Office at 223-9500.

SANDRA J. GALLUP, *Finance Director*

Parking Fund

Conversion to Electronic Meters Continues ❖ Parking Fund Will Develop Fund Balance And Not Rely On General Fund

With the changes approved by the City Council during the previous budget cycle, the Parking Division has implemented the rate changes that should result in a surplus in FY 07 in the area of \$60,000.

Also during this fiscal year, the Parking Division has been replacing the mechanical meters with electronic meters. The new meters will feature the ability to use a “cash key”. This device is essentially a debit key that can be pre-loaded and used at any of the cash key enabled meters as well as three vending machines. This will provide the customer with a reduced burden of carrying coins.

It is anticipated that prior to the end of fiscal year 2007 there will be an opportunity to accelerate the installation of the electronic meters.

One of the other benefits of the electronic meters is the near elimination of maintaining the various parts needed for mechanical meters.

During the preparation of this budget, it appeared that progress was being made to reopen the Taylor Street Lot in time for the arrival of the winter season and the Vermont Legislature. At the time, this information was being prepared there were still some issues that needed to be resolved. The loss of 110 or more spaces is a big loss and underscores the need for continued work on moving forward with the multi-modal traffic center.

During the next fiscal year, the Parking Division will be working on upgrades to the software that manages the tickets and subsequent billing. It is hoped that a transition to a customer based billing versus the vehicle based billing will improve communication and accountability.

We will also be looking at an on-line payment process that is intended to reduce the amount of paper processing by staff but also take some of the sting out of paying a ticket.

There is the potential for many changes in the area of parking in Montpelier with the different initiatives in the works for a multi-modal center and replacement parking. The Parking Division will endeavor to assist and support those initiatives where it is needed.

DOUGLAS S. HOYT
Chief of Police, Parking Division

Municipal Development Program

Department of Planning & Community Development

Mission: To serve the community by facilitating the creation and preservation of a healthy, safe, and high quality living environment through the management of an effective, on-going planning and implementation process.

This broad mission is carried out through several areas of responsibility:

- To protect and improve Montpelier’s natural and built environment;
- To strengthen the local economy and tax base;
- To meet housing needs of low and moderate income residents;
- To engage the community in planning for growth and change;
- To provide information and service to the public; and
- To be accountable.

These goals are addressed by Montpelier’s planning, zoning, and community development programs. Most of our housing, loan, and economic development activities are carried out through what is known as the Community Development Agency (CDA), which is staffed by the planning department.

2006 marked yet another year of change for the department, this time with the departure of long-time Planning Director Valerie Capels in July and Administrative Officer Stephanie Smith in December. In October, Administrative Assistant Gisa Green began a leave of absence, and has since announced her retirement after serving the city for 14 years. Earlier in the year, staff celebrated Stephanie’s maternity leave and welcomed Kathleen Swigon, who had been doing a phenomenal job recording boards’ and committees’ meeting minutes since 2004, to take Stephanie’s place as Interim Administrative Officer. Cathy Kelly has been serving as a temporary administrative assistant since Gisa left. The City owes Kathleen, Cathy, and Stephanie special thanks for their service to the City during a very difficult time, as well as to George Seiffert and Eric Scharnberg for their efforts to keep all the projects moving forward and the department functioning.

In late November of 2006, Gwendolyn Hallsmith began work as the new Director of Planning and Community Development. She has served for the past five years as the Executive Director of Global Community Initiatives, a non-profit organization that trains municipal officials to do long-term sustainability planning, with offices in Montpelier and Johannesburg, South Africa. Prior to this, she worked as the Town Manager in

Randolph, Vermont, as the Deputy Secretary of the Vermont Agency of Natural Resources, and on staff at the Institute for Sustainable Communities. She has also served as the pastor of the United Federated Church in Williamstown, Vermont. She lives on Parkside Drive with her husband, George, and son, Dylan (who is a soccer and basketball player at MHS). Gwen has been known to answer to the nickname 'Dylansmom.'

Despite the changes and challenges, focus was maintained on existing, high-priority projects, such as the Montpelier Multi-Modal Transit and Welcome Center; the adoption of permanent zoning to replace the interim zoning which expired in May; working with the CVCLT and Housing Vermont to develop the River Station Apartments; administration of the Housing Preservation Grant Program; and launching the One More Home campaign. Below are highlights of the year's activities.

This department could not do all that it does without the thoughtful and hard work by its staff and the individuals who volunteer on commissions and committees, the support from local officials, and the participation of citizens and other people and departments within and outside of City Hall. Montpelier is especially fortunate to have so many highly motivated, skilled, and interested citizens willing to give of themselves, their time, and their energies to make so many things happen.

PLANNING

Planning Commission: The comprehensive revision of the Montpelier Zoning Ordinance was a key project for the Planning Commission in 2006. Some of the highlights of the changes that were adopted August 3, 2006 include:

- An ordinance that encourages cluster development by providing incentives for developers who make efforts to conserve land and minimize the infrastructure needed to serve new developments,
- Expanded administrative approvals;
- Clarification of activities that do not require permits;
- Changes to the use table to allow for more mixed uses in residential areas;
- Increased densities in some areas;
- Reduced setbacks in some areas;
- Significantly revamped planned development review thresholds and criteria;
- New and updated definitions;

Changes in the membership of the Planning Commission include Marjorie Power's resignation as chair of the Planning Commission not long after the Commission transmitted its proposed regulations to the City Council in March. Ken Jones was elected to the role. When their terms expired in July, Craig Graham and David Borgendale were reappointed, and Christie Witters and Alan Goldman were appointed to fill the seats vacated by Marjorie Power and Richard Sedano, who did not seek reappointment. Following the director's departure (who was the Commission's primary staff support), work of the Commission slowed and attention shifted to the update of the Municipal Plan.

Natural Resource Inventory: The Planning Commission has also taken over responsibility for the Open Space Advisory committee in the development of a natural resources inventory for the City. Brett Engstrom, a naturalist from Marshfield, has been retained by the city to prepare the inventory. We had received a \$15,000 Municipal Planning Grant in 2005 to do this work.

Municipal Master Plan: Since July of 2005, the Municipal Plan has been readopted and amended three times, the most recent being March 8, 2006. The amended plan received Regional Approval on April 11, 2006. The amendments have not yet been incorporated into the original 2000 document; instead they remain in the form of three addenda, which are either attached to the back of the 2000 document or inserted inside the cover. Though the plan will technically remain in effect until March of 2011, the Planning Commission and the City Council agree that it needs to be updated as quickly and thoroughly as possible.

To that end, the Planning Commission has directed the new Director of Planning and Community Development to convene a multi-stakeholder group to serve as an oversight board for the process. In addition, the city is planning an all-board meeting to kickoff the new Master Planning initiative in March after the Town Meeting.

Geographical Information Systems: Throughout the year, Eric worked closely with other city departments, the Conservation Commission, the Planning Commission, the Open Space Advisory Committee, and citizens using the city's geographic information system to conduct spatial analyses, analyze Montpelier's land characteristics, develop new data layers, and display information in specially-produced maps. He also worked closely with the Central Vermont Regional Planning Commission to develop build-out scenarios throughout the city based on current and potential zoning.

Also this year, the Planning Department and Planning Commission completed a lengthy re-zoning process, which necessitated the generation of numerous draft maps of the proposed zoning boundary adjustments. This necessitated that Eric work closely with the Department and Commission so that their ideas could be visualized before the final decisions were made.

Eric worked with City Councilor Nancy Wasserman on the District Heating project to identify and map the various types of heating systems in the City. This involved integration of database information with GIS parcel data, as well as an "overhaul" of our GIS building footprint data layer. Eric also worked with Lissa Papazian to create a Historic District boundary in the City's downtown region. This involved a close study of aerial orthophoto data, as well as further development of the existing building footprint layer, and close scrutiny of tax map boundaries.

Another ongoing project is the updating of the City's parcel line data, as well as its integration with the new grand list information.

Floodplain Management/Community Rating System: The Planning Director is the CRS Coordinator, which requires that we carry out a number of activities and then submit documentation in September or October to FEMA. This includes a mailing to each property owner in the floodplain, to lenders, and to realtors, none of which has occurred yet in 2006. Bringing the city into compliance with FEMA is a priority for 2007. The new digitized floodplain maps will be coming out in 2007, and the CVRPC has done a review of our zoning regulations to check for compliance with FEMA requirements.

When the new maps come out, there will be a 90 day comment period, and then a 90 day appeal period before the maps will become final. Once the maps are final, there will be another six months for the city to bring the zoning ordinance into compliance. There are several changes that the CVRPC has recommended to our ordinance, so we will need to draft the new language and hold hearings on it, probably in spring and summer next year.

Certified Local Government (CLG) /Montpelier Historic Preservation Commission (MHPC): With funding obtained through the CLG program, as well as other resources, the MHPC hired historic preservation consultant Lissa Papazian to update the inventory more than 500 historic structures within Montpelier's Downtown National Register Historic District. Though the work required ultimately exceeded the proposed scope of the contract, Lissa completed it and did an outstanding job. The final product was updated National Register documentation on each property and CDs of photos.

Community Rating System Benefits. We have once again maintained our CRS rating of 9 by carrying out a wide range of on-going flood hazard mitigation activities to deduce or eliminate losses of property or life due to flooding. This reduction from Class 10 lowers the flood insurance premiums of both the City's and all property owners in the flood plain by five percent. Montpelier is one of only three communities in Vermont to achieve this lower rating (see <http://www.montpelier-vt.org/flood/index.cfm>).

DEVELOPMENT REVIEW

Permit Activity. According to our permit database, approximately 187 applications were processed in 2006, comparable to the 190 from the year before. Of those, 22 were applications for signs (19 of which were in the Design Control District), 32 required site plan review, 21 required conditional use approval, 12 required variance approval, and 93 were issued administratively. In addition, the DRB considered 6 subdivisions and at least 1 appeal.

Development Review Board. Phil Zalinger was reelected chair, a position in which he has served since the DRB formed in July 2002. Kevin O'Connell was re-elected vice chair. Doug Bresette resigned during the year. Ylian Snyder was appointed to fill his term. Phil Zalinger and Roger Cranse were re-appointed to 3 year terms. Ken Matzner was re-appointed to fill an Alternate position and Jeremy Hoff was appointed to fill the other Alternate position (see <http://www.montpelier-vt.org/drb>).

Design Review Committee. Daniel Richardson was appointed early in the year to fill a vacant Alternate position. Margot George continued as chair and Steve Everett continued as vice-chair. (see <http://www.montpelier-vt.org/drc>).

Staff Support. The Technical Review Committee (TRC) is comprised of representatives from the Planning, Police, Fire, DPW, and Parks departments and the Conservation Commission, and they continued to meet in the Planning office twice a month to jointly review applications, evaluate site plans, and provide comments and recommendations to the applicants and the DRB. Staff reports are prepared for the DRB, the DPW, applicants, and others before the meeting to correlate the relevant details and issues of an application with the appropriate review criteria.

Public Outreach. DRB and many PC meetings continue to be broadcast on Adelphia Cable channel 17.

To help inform neighbors and the public of development activities that might affect them, we continue to:

- publish full DRB agendas on the Thursday 2 weeks prior to the meetings;
- publish information about permits issued administratively without Board reviews with the DRB agendas;
- require that the big red Z-card be posted on-site prior to the DRB meeting;
- require that the blue Zoning Permit placard be posted on the site during the 15-day appeal period;
- provide notice to abutters by mail of certain applications requiring DRB review; and
- post meeting and hearing information on the Web site.

ECONOMIC AND COMMUNITY DEVELOPMENT

Downtown Revitalization. We continue to work closely with the Montpelier Downtown Community Association on a number of downtown initiatives, including its Design and Economic Restructuring committees, parking issues, implementation of the Capital District Master Plan, downtown designation tax credits, and other initiatives.

Web Site: The web site has grown in popularity, and the traffic data indicates that the Community Calendar is one of the most-visited parts of the site. The increase in interest and use,

combined with the need to use the web more effectively to communicate with the community, has led the department to plan for an overhaul of the web site, to make it possible for other departments and organizations to take more responsibility for keeping it updated. We will be investigating the costs of changing to an open source platform and implementing a form-based update system, so that users can add information without being experts at web programming.

Following the Cliff Street Rock Slide of Dec 26th, 2005, a new page was created on the City's website devoted to keeping Montpelier citizens informed on the progress of the cleanup process. Over the next 6 months, this proved to be a highly effective means of doing this.

In Fall of 2006, a page was created on the website to keep the public informed on the progress of the shutdown and repair of the Langdon Street Bridge. The information provided on the page received enthusiastic feedback from citizens, and the Dept of Public Works now wants this to be a standard outreach tool for all of the City's future projects.

A strong effort is being made to update all of the online ordinance documents, permitting information and permit forms provided on the website. This will save time for both citizens and city employees.

Turntable Park /Brownfield Remediation: The Planning Department has documented \$29,669 in sales tax reallocation funds to date, and is working with the Tax Department to accept certified plans (which is the current practice) to document the remaining value of the new developments at Stonecutter's Way so that we can maximize the funds available to build the park. As reported last year, the department secured a \$194,336 grant from through the Vermont Community Development Program to clean up contaminants found on the Turntable Park and Pylalisk sites for redevelopment into a park and community center, respectively. A number of conditions need to be met, however, before work can get underway, which will be a focus for the year ahead.

Multi-Modal Transit and Welcome Center: The City Council voted to do the project this year, after the Environmental Assessments were completed. The department has drafted and circulated an RFP for a Project Manager to assist with project implementation, and is engaging federally certified appraisers to do the required appraisal and review appraisal of the property that is needed to build the facility. This is a Brownfields remediation project, so the first step in the process will be to produce an acceptable plan for bringing the lot(s) up to the standards required for public and environmental health, and then the design and construction phase will begin. More information about this project can be found on the Works in Progress page at: <http://www.montpelier-vt.org/wip/carrlot>.

HOUSING DEVELOPMENT

One More Home Program. In July of 2006, we were awarded a \$106,700 grant from the Vermont Community Development Program to help implement a new incentive program to encourage the development of accessory apartments within single family homes.

The One More Home Program provides technical and financial assistance to homeowners interested in assessing the feasibility of creating, or creating accessory apartments. Grants of up to \$1,500 are available just to help homeowners assess the feasibility of creating an accessory apartment. An additional \$2,500 grant is available if an apartment is developed. Loan funds of up to \$1,000 are also available to help cover the cost of installing sprinkler systems within the new apartments. This is a no interest loan that doesn't need to be repaid until the property is sold.

One More Home is seen as a pilot program for the State of Vermont. We hope that it will prove to be an efficient way to develop new housing units within existing structures.

River Station Apartments. Construction was completed at River Station Apartments last summer and the building was fully occupied last. This 36 unit apartment building was developed by the Central Vermont Community Land Trust with assistance from the City of Montpelier in the form two loans, one for \$100,000 from the City's Revolving Loan Fund and a second of \$584,900 which originated from a Vermont Community Development Program Grant awarded to the City. Twenty-nine of the 36 units are affordable to households earning less than 60% of the median income for Washington County.

Housing Data. The Department continues to track housing development trends, sales statistics, and other demographic data in an effort to accurately assess the communities housing needs and guide the City in the adoption of appropriate development regulations. Some of this data can be viewed on the City's web site at:

<http://www.montpelier-vt.org/cda/housing.cfm>.

Housing Preservation Grant Program (HPG). The HPG loan program provides renovations loans to low and moderate income homeowners to help address: code, health and safety issues; accessibility needs; weatherization needs; and overcrowding. Loans are typically without interest with repayment deferred until the proper is sold. To date the program has assisted 101 homeowners and loaned nearly \$870,000. During this past year we completed renovations at eight homes. A grant application submitted to Rural Development last summer for additional funding to continue this program was not funded. We will submit another grant application to Rural Development in the spring of 2007 and hope to be in a position to award new loans in the summer of 2007. (see <http://www.montpelier-vt.org/cda/hpg.cfm>)

Housing Trust Fund/River Station Condominiums. In March of 2005, voters approved an additional one cent on the property tax to be placed in a special revenue account called the "Montpelier Housing Trust Fund," (HTF) the purpose of which is to create homeownership opportunities affordable to low and moderate income households. In 2005 the first allocation was made to the Central Vermont Community Land Trust, which will use the funds to render 3 or 4 units at River Station Condominiums affordable to persons earning less than 80 percent of the county median income. In March of 2006 the voters approved a second allocation to the Housing Trust Fund. Applications for HTF funding are due by January 5, 2007.

Home Share Vermont: Central Vermont Home Share began in 2003 following the City's successful grant application to the Vermont Community Development Program. The program matches elderly or disabled homeowners with individuals who are seeking a place to live in exchange for helping with household chores, providing companionship or a protective presence in the home at night. It is unique in that it meets two goals. First, it allows seniors and persons with disabilities to stay in their homes by providing needed services. Second it provides an affordable housing opportunity by bringing a person into an existing home. The program is administered by the Central Vermont Council on Aging under the direction of Betsy Reid. In March of 2006 the City awarded an additional \$5,000 grant to Central Vermont Home Share from its Revolving Loan Fund.

Bianchi and Stonewall Farms Apartments: We successfully obtained a \$370,000 grant from the Vermont Community Development Program to assist the Central Vermont Community Land Trust in the purchase and renovation of the Bianchi Building at 208 Barre Street and Stonewall Farms Apartments at 21 Hebert Road. The Bianchi Building will be renovated as 8 new apartment units, 7 of which will be affordable to households at 60% of the median income for Washington County. The current business will be relocated to a different location in Montpelier. Ten affordable housing units will be preserved at Stonewall Farms. The City will loan an additional \$75,000 to the project from the Community Development Revolving Loan Fund.

GWENDOLYN HALLSMITH,
Planning & Development Director

The Montpelier Downtown Community Association

This has been both a challenging year and a rewarding year for the Montpelier Downtown Community Association. Despite changes in Executive Director, the MDCA completed a number of projects that enhanced the

downtown streetscape and hosted many community events that enlivened the downtown in every season.

As a result of MDCA projects, three new sidewalks improve pedestrian movement downtown. A new sidewalk alongside of the Rite-Aid building allows sidewalk access from the parking area to Main Street businesses, without sparring with passing autos in the roadway. The walk replaced an old guard-rail, a cold barrier which hardly presented an invitation for passage. The walk was further enhanced with lighting making it safer for night time use. A second sidewalk was installed along the back of City Hall, a busy area where a tangle of auto and pedestrian crossover was improved. A third sidewalk was installed under the Jeff Darling sculpture in the Blanchard Block Alleyway.

Funds from the State of Vermont's Downtown Transportation Fund supported these improvements. These funds are only available to designated downtowns with associations such as the MDCA. A thank you should be extended to Tom McArdle of Public Works for his technical and administrative assistance with these projects.

As part of our celebration of local artists and their work, the downtown streets were beautified by the addition of ten new Artist Banners. This year's winning designs can be seen on Main Street from Barre Street to City Center. The contest drew heavily on the talents of local high school students with 55 of the entries being from either U-32 or Montpelier High School students. Green-Up Day further improved the appearance of the downtown (see section on "Montpelier Green-Up Committee" for more information) and new flower barrels were added.

The Artists Banners were not the only project to highlight the talent in our community. Over 200 people displayed their artistic skill with the Palettes of Montpelier. The decorated palettes were displayed in locations around the downtown for the month of July.

A number of events added to Montpelier's lively atmosphere. Art Walk featured local art in over twenty venues on Fridays in June, September and December. This event's success was due in part to the efforts of new MDCA Board member Rob Hitzig of The Lazy Pear Gallery. Thursday lunches over the summer were a gathering time for music lovers. Hour-long concerts in the Christ Church pocket park featured performances by The Kelvinators, Patti Casey, Lost Nation Theater, Sarah Blair, Starline Rhythm Boys, Hollywood Farm, and Patrick Fitzsimmons. Thanks here is due to Board member Pinky Clark who worked to make the series a reality.

In the second year since MDCA took on the festivities for Independence Day and First Night from Onion River Arts Council, the events seem to be thriving and enjoying widespread community support. In addition to the traditional schedule of events, this year's Independence Day activities featured a road race and a rubber ducky race. Heather Shouldice and Diane Scolaro were brought on to assure the continued success of these two major Montpelier traditions.

The MDCA has taken a major step this year with the move to having a full-time Executive Director. With the number

of tasks and projects on our plate and on our minds, we felt having a full-time director would allow their pursuit. This is a leap for the organization, but we feel that as a result we can leverage even greater success, programs and improvements to Montpelier and its downtown.

Toward this end, we recently hired Suzanne Hechmer. Suzanne has been in Washington DC for the past ten years but is coming home to Vermont and all it has to offer, finding the heart of Community in Montpelier and MDCA. She has purchased a home in town and has hit the ground running already taking on new projects with an infectious level of energy. We are delighted to welcome her on board and as a resident of Montpelier. Her skills acquired with community work and while running an AmeriCorps program will serve us well as we work to keep Montpelier and its downtown healthy with a mix of events, attractions, amenities and healthy businesses.

While this has been a year of transitions for the MDCA, it was reassuring to see how the organization has matured. With the help of the many community members who make up the Board of Directors and the five committees, the MDCA was able to support the creative economy, improve the look and functionality of the streets, and host a number of community building events. We welcome the participation of all on our five committees: Economic Restructuring, Promotions, Organization, Design, and the Montpelier Business Association. If you are interested in keeping Montpelier a “great place to live, work, and play,” contact Suzanne Hechmer at director@mdca.org or at 223-9604 for information on volunteer opportunities.

JAY ANCEL, MDCA President

Management & Support Program

Finance Department

Financial Management & Administrative Services

The mission of the Finance Department is to ensure that all resources of the City of Montpelier are managed and accounted for in an effective and efficient manner, that all financial records are presented in a timely, accurate and meaningful format and that all staff members work toward continuous improvement and professional service.

The Montpelier Finance Department is responsible for maintaining the accounting, payroll, payables, insurance and billing programs for the City of Montpelier. The Finance Department provides regular financial information to Department Heads, the City Manager, the City Council and residents. It also pre-

pares the annual City budget and coordinates the annual audit.

Budget information can be found online at:

<http://www.montpelier-vt.org/budget>

The City of Montpelier Annual Audit can be found online at:

<http://www.montpelier-vt.org/finance>

The department relies on Sharon Blatchford, Human Resources & Accounting Specialist, Donna Collette, Accounting Clerk and a contract with Fothergill Segale & Valley CPA firm to perform the responsibilities of the department. Sharon, a more than twenty-year veteran, provides in-depth employee benefits administration, payroll and accounts payable administration. We are also fortunate to have the support services of Donna Collette, who provides accounts payable, backup assistance for payroll and clerical support. Penny Bullard, representative for Fothergill Segale & Valley CPA firm maintains the general ledger and oversees the subsidiary ledgers. We also work closely with Charlotte Hoyt, City Clerk – Treasurer and her staff to make the City of Montpelier’s financial management system as efficient and effective as possible. Fred Skeels, Information Technology & Communication Manager works with Nick Daniels, part-time Technology Technician, to maintain the citywide computer, network and telephone technology services.

I completed my first year as the City’s Finance Director in December, 2006. The year was full of challenges as I learned the financial intricacies of the City’s 30 active funds, 10 departments and 4 labor contracts/personnel plans. A highlight of my first year was financing the Rock Slide Repair with no cost to the City’s residents. We also applied for and received over \$50,000 in federal emergency relief funds to reimburse the City for employee and equipment time spent on the Rock Slide project. Another new achievement was enrolling the City’s employees in a wellness program sponsored by the Vermont League of Cities and Towns which generated \$17,000 in insurance premiums being returned to the City.

I thank the City Manager, William J. Fraser, Assistant City Manager, Beverlee Pembroke Hill and the Department Heads (old and new) for all their help during my first year as Finance Director. I look forward to working with them in the New Year to provide the highest level of financial and administrative services to the City of Montpelier.

Please feel free to contact me with comments or concerns at any time. If I can be of service, do not hesitate to call me at the office (223-9514) or e-mail: sgallup@montpelier-vt.org.

SANDRA J. GALLUP, Finance Director

Information & Telecommunication Systems Division

This Division is a part of the Finance Department and provides the highest quality technology-based services, in the most cost-effective manner, to facilitate the City’s

mission as it applies to the provision of municipal services.

During the past year we:

- Provide effective technology support for audio/visual, computer, multimedia, voice, video, and web based applications and services to all areas of the City.
- Promote and facilitate the effective integration of technology into the basic mission of the City through planning, programming, training, consulting, and other support activities.
- Develop, enhance, and manage the City's enterprise networks to provide high speed, transparent, and highly functional connectivity among all information resources.
- Develop and maintain highly effective, reliable, secure, and innovative information systems to support instructional, administrative and research functions.
- Facilitate the collection, storage, security and integrity of electronic data while ensuring appropriate access.
- Promote new uses of information technology within the institution through the support for exploratory and innovative applications.
- Provide leadership for effective strategic and tactical planning in the use of technology
- Provide fast & reliable access to all information systems.

This fiscal year, July 2005 through June of 2006, provided several upgrades to existing technology over several departments. The phone system for the City Garage and Waste Water Treatment Facility was replaced after 25 years of use. The ability to find replacement parts and trained service technicians created the need for a more current system. The updated phone system now allows for the better management of voice and data communication with the added availability of voice messaging.

FRED SKEELS, *Information Systems Manager*
fskeels@montpelier-vt.org

Assessment Department

The Assessment Department is responsible for locating, listing and valuing all real and personal property in the City of Montpelier. The Grand List is prepared yearly and the department maintains the individual assessment records for all recorded parcels in Montpelier. Building permits, zoning permits, property transfer returns, surveys and field inspections are used to update the assessment records on a regular basis.

The changing real estate market in Vermont continues to have a major impact on property values in Montpelier. There are currently 2,893 taxable real property parcels, as well as personal property, cable and tax exempt properties. The follow-

ing final figures for the 2006 Municipal Grand List includes all grievance and appeal decisions, as well as any errors and omissions:

REAL ESTATE

Residential (including multi-family)	\$326,195,408
Commercial	129,629,485
Industrial	2,537,700
Utilities	5,297,400
Condominiums	34,537,200
Vacant land	4,397,600
TOTAL REAL PROPERTY	\$502,594,793
CABLE	543,353
PERSONAL PROPERTY	<u>22,403,752</u>
TOTAL TAXABLE PROPERTY	\$526,142,955
Municipal Grand List at 1% of Value	\$5,261,429.55

State law requires that the Education Grand List be calculated differently than the Municipal Grand List. After calculating allowed and mandated exemptions, the resulting Education Grand List for taxation is \$503,138,146 (\$5,031,815 at 1% of listed value). State statute required a new exemption in 2004 that is called "Special Exemption" for Qualified Housing; i.e., affordable housing complexes. Each complex that qualifies is certified by the State of Vermont. It allows a percentage reduction in taxable assessment and for the 2006 year, eighteen (18) properties qualified in Montpelier for a total exemption of \$619,760.

There are ten (10) veteran exemptions, totaling \$95,000 and eight current use exemptions, totaling \$585,200.

The 2006 Grand list is comprised of 2,893 taxable parcels of real property and reflects a 1.12% increase in value. The 2006 Grand List value breakdown is 53% residential and 47% non-residential properties. The following breakdown indicates value percentages and number of parcels for the various categories of real property.

TYPE OF PROPERTY Number of Parcels % OF GRAND LIST

Residential		
(including multi-family)	2,191	5.7%
Commercial	250	8.6%
Industrial	10	0.4%
Utilities	3	0.1%
Condominium	347	12.0%
Vacant Land	92	3.2%

The Statewide school tax continues to have an impact on local school taxes because the school tax rate is set by the State of Vermont. Part of the state's calculation utilizes the CLA (common level of appraisal). This ratio is the result of a three-year equalization study the State completes on a yearly basis to create a balance in school taxation among all the municipalities in the State. The primary force driving this ratio is the current real estate market. Montpelier's current market values show

dramatic increases from 2003 when the last reappraisal was completed. In order to bring our values up to date the City of Montpelier is completing a new reappraisal for the 2007 Grand List.

State law requires that all residents file their **HOMESTEAD DECLARATION every year**. Now known as **HS-122** (for April 2007), this form replaces HS-131 and includes the application for property tax adjustment. The property tax adjustment (prebate) and property tax rebate are now combined and go directly to your municipality. The new form is included in the State income tax booklet and can also be found on-line. It is important to file this document (even if you do not pay income taxes) because it determines the tax rate applied to your property. All primary resident owners are entitled to the **Homestead** tax rate. The filing also entitles a taxpayer to the income sensitivity provisions of the law. Please remember to file this document no later than April 15th **each year**. If you have any questions, please call our office for information.

Jane Aldrighetti, Assessment Assistant, is in the office five days a week and Caroline Lockyer, Assessor is part-time. The Assessor is available every Tuesday and most Thursdays in the office to answer questions and meet with taxpayers. If anyone has any questions concerning the valuation of real or personal property in the City of Montpelier, please feel free to contact the Assessor's Office. The office is located in City Hall and the hours are 8:00 AM to 4:30 PM Monday through Friday. Our phone number is 223-9504.

I would like to take this opportunity to thank the property owners of Montpelier for their cooperation during the 2007 Reappraisal. The new values are expected to be completed by late Spring and all property owners will be notified by mail.

CAROLINE LOCKYER, *Assessor*

Assistant City Manager/ Delinquent Tax Collector's Report

CHANGES TO PROPERTY TAX REFUNDS

YOU MUST FILE VERMONT TAX FORM HS-122 which replaces Forms HS-131, HS-138 and HS-139. HS-122 is the combination of the Declaration of Vermont Homestead (which has to be filed each and every year by the owner of a property) and the Property Tax Adjustment Claim.

PROPERTY TAX ADJUSTMENT (new term this year) will go directly to the municipality as a credit towards the 2007/2008 property tax bill. Homeowners will receive a property tax bill for the balance of their property taxes, after the application of the Property Tax Adjustment, if you qualify for one. Unless the legislature changes this directive between

now and July 1st, you will no longer receive a PREBATE check a month before your first tax installment is due. That amount formally called a PREBATE and now referred to as PROPERTY TAX ADJUSTMENT will be paid directly by the State of Vermont over to the municipality in which your primary residence is and deducted from your tax bill for the year 2007/2008. In order to qualify for the Property Tax Adjustment you must own and occupy the property as your primary residence on April 1, 2007.

You must file the above referenced Form HS-122 by April 17, 2007. If you file after April 17, 2007 and before September 4th, you will be assessed a penalty on your property taxes by the State. While the maximum 2006 household income for property tax adjustment increases to \$90,000, you may be eligible even if your income is higher because that \$90,000 is the figure after certain adjustments, i.e., for Social Security and Medicare tax withheld; child support paid, etc. I encourage everyone to fill out form HI-144 which must be attached to HS-122 referred to above. You may not qualify and you won't receive a Property Tax Adjustment to your Property Tax bill, or you may think you don't qualify and be pleasantly surprised to find out that you do. It takes very little time to fill out Form HI-144. If you don't fill it out, you won't receive any Property Tax credit even if your income and adjustments qualified you.

USING YOUR INCOME TAX REFUND TO PAY PROPERTY TAXES

New this year, too, is the ability to direct that all or a part of your income tax refund be paid toward your property taxes owed to your municipality. To do this you need to see instructions for Form IN-111, Section 8, Line 33b.

HAVING SAID ALL OF THE ABOVE, I want to make it clear that the current Legislature may change some or all of the above. There is some opposition to the elimination of the PREBATE check and the directive that PROPERTY TAX ADJUSTMENT monies go directly to the municipality where your residential home is located. Many taxpayers want the Property Tax Adjustment monies to go directly to them in the form of payment by check rather than as a credit toward your tax bill and it is my understanding that the Legislature may reconsider this directive and it is possible that it could go back to the way it was done last year.

A high percentage of Montpelier taxpayers do receive some sort of help with their taxes. If you don't and feel that you should, contact the Vermont Tax Department and ask to talk with someone who can assist you. Feel free to call me at 223-9512 and I will help direct you to someone who may be able to assist you.

As indicated above, the high percentage of Montpelier taxpayers receiving assistance is probably why our long-term delinquencies are low. We still have what I call the dollar short/day late delinquencies that are cleared up in a relatively short time span. The delinquencies have elevated from last year somewhat (\$30,000 to \$35,000 as compared to \$20,000 to \$25,000 on approximately \$5.5 million dollars billed in municipal taxes) but are still considered by the auditors to be an extremely low percentage when compared to other municipal delinquencies around the State.

I continue to spend a fair amount of time up at Legislature working to enhance the amount of monies we receive from the State of Vermont. This past year we raised the amount to slightly over \$600,000 (remember this was \$125,000 back 10 years ago) and we also received a \$60,000 one time allocation adjustment that we have requested for a couple of years.

Beverlee Pembroke Hill,
*Assistant City Manager and
Delinquent Tax Collector*

Montpelier City Clerk & Treasurer's Office

The Montpelier City Clerk & Treasurer's Office strives to serve our customers with a smile. Our office collects all city fees for services, along with tax payments, utility payments, parking tickets and processes the coins from the parking machines located at the lots maintained by the City.

Our office also records land transactions, maps, etc. for property located in Montpelier as well as vital records on our residents.

The statewide checklist has been moving forward and will go a long way toward preventing voter fraud. Also available this year was the option of voting in state and federal elections by using a telephone setup at the polls for that purpose. This was available to anyone, but was to assist the visually impaired or those who had other physical handicaps. Voting early has become a popular option and for the General Election we had 1,070 applications for voting early. You can vote early at any election and we will be glad to assist you for the Annual City Meeting to be held on March 6, 2007, if you will be out of town or wish to vote early.

Some vital statistics that may be of interest. We had 73 births, and 6 of those were home births. There were 58 marriages and 10 civil unions licenses issued and 80 death records were recorded.

The City Clerk & Treasurer's Office staff enjoyed serving you in the past and look forward to serving you in the coming year.

CHARLOTTE L. HOYT, *City Clerk-Treasurer*

Green Mount Cemetery

Green Mount Cemetery's original mission (1855) was "to furnish a retreat for the dead which will remain sacredly devoted to that object forever – one which will be constantly watched over by affection, and protected by law, from molestation or encroachment" After 20 years of working at Green Mount, my personal mission for Green Mount is "to provide a personal, natural location for the burial and the memorialization of each and every individual."

Highlights of 2006

Personnel - Rick Lee, Grounds Supervisor has just finished his 7th season with us and will now be working year round. Before now his position was only 2/3 time and he spent his winter working for the Public Works Department. His duties in the wintertime will include equipment maintenance, burials, pruning of many hedges/trees and the overall care of these 40 acres. Rick Lee does an outstanding job for us in the equipment maintenance and excavating.

Our main work force of 3 to 5 workers comes from the Dept. of Corrections work program. This or a similar type of program of male and female offenders has been working at Green Mount since 1981.

Mowing Policy – As environmental awareness increases, we are looking to develop a mowing policy that is environmentally friendly, user friendly and publicly accepted. Two cycle engines (mixture of oil and gas) are no longer being manufactured and we need to adjust to this situation. This cemetery was designed before motorized lawn mowers and the question is (for the older portions) "What is the proper lawn care for these sections?"

Ex. Elm Street Cemetery – will be mowed every two to three weeks at a height of 3 inches and trimmed every other time (lessen monument damage).

New Development - The planning stage of the Western End is now underway in hopes of developing this area into a public visitation spot with various burial lots. Feel free to let us know your thoughts and please take care in visiting this section of steep ledges. Additionally, initial road development has occurred on the northern side where an old logging road was recently uncovered.

Road Reconstruction – This past May a rainstorm caused considerable damage to our northern outside road (Skyline Drive). We were forced to lease a mini excavator, request assistance from the Department of Public Works and contract with Dubois Construction for clean up. Thank you for all those involved in this cleanup. This winter we will be researching different options for collecting all the water that the Cemetery is receiving from the northern end. One of the problems is that the drainage infrastructure for the whole cemetery is 60 to 100 years old. Thus, in order to begin to deal with this problem, we have decided to purchase a mini excavator to assist us in replacing much of the inadequate drainage system. Still, we will probably need to hire an outside firm to do certain drainage work. This mini excavator will be used in digging graves, landscaping and assisting other city departments.

Service Charges Review – All service charges increased as of September 1, 2006. Lot prices have also increased. If you wish to have a price list sent to you, please call our office at 223- 5352. There is a wide selection of lots available.

Road and Drainage Reconstruction – As in the past year, we will continue to widen our main roads and install drainage culverts. Let us know if there is a particular portion of the cemetery that you feel needs attention. There are over 3 miles of roads, some grass but mostly gravel, thus making this a perpetual and complex project.

Signage – A new sign at the Chapel entrance is being planned in conjunction with other signage for our buildings, roads and sections.

Rules and Regulations – No updating of our Rules and Regulations has occurred since 1954. Hopefully, by the end of the year a new published booklet will be available with updated rules and regulations.

Gift Giving – Giving to Green Mount is truly a community gift. Please contact us to discuss your preferred method of presenting a financial gift to Green Mount. Gifts can be specified toward a certain project or for general use. Present project needs include Endowment Care funding, Trees, Shrubs, Perennials, a new Entrance Sign, a new Flag Pole, Entrance Enhancements, Visitor Benches and Monument Repair. For a confidential discussion, please contact us at 802-223-5352 or email at cemetery@montpelier-vt.org.

Tours – Walking tours can be given for individuals or for groups of up to 50 participants. These tours may be scheduled for any time with enough notice. Please call the office at 223-5352.

Thank you – I wish to thank the following Commissioners; Meri Nielsen, Darragh Ellerson, Kathy Segar, Margaret Munro, Rich Ferris and David Mullet for your many volunteered hours in the administration of this cemetery. David Mullet has moved out of Montpelier and we welcome his replacement, Rich Ferris to the board. And last but not least, I thank the Montpelier citizens for their continued support for 150 years of this unique cemetery.

Patrick Healy,
Director, New England Certified Cemeterian

Statistics 2006

Burials – 30

12 were Cremations, 4 were winter burials

Lots Sold –

14 full burial, 4 family cremation lots, 1 single cremation lot.

Monuments installed – 5

Markers installed – 8

Monuments washed – 6

Monuments repaired – 4

Flower/wreath placement - 12

The Authority operates a wide variety of programs in its continuing effort to meet the need for affordable housing. We own and manage Pioneer and Gould Apartments. We also serve as managing agent for Lane Shops Apartments, Cummings Street Apartments, Prospect Place and two projects for Washington County Mental Health: a group home on St. Paul Street and a small apartment house on Prospect Street in Montpelier. In addition, we administer the Section 8 Existing Program which totals 122 vouchers. We also administer a home ownership option to our Section 8 participants. Working along with the Central Vermont Homeownership Center, this option allows Section 8 tenants to use their vouchers to help pay their mortgage and other pertinent housing expenses. To date, we have four Section 8 participants who have become homeowners under this program. There are a total of 310 units of affordable housing provided.

Heaton Woods is a 46-unit residential care facility which was renovated by our nonprofit Capital City Housing Foundation (CCHF). Heaton Woods is a tremendous asset to the community. Last year's gift from the Roselli family enabled us to add five more rooms when we renovated the third floor. The public is welcome any time to tour the facility or visit with the residents. Please call 223-1157 if you have questions.

CCHF continues sponsorship of the meals site at Pioneer Apartments. The Senior Meals Program serves weekday noon meals to the elderly and disabled. They also provide home deliveries in the Montpelier vicinity. Please call 223-6357 for more information.

The Montpelier Housing Authority and our non-profit Capital City Housing Foundation are committed to paying our fair share toward city expenses. All projects owned or managed by MHA and CCHF pay full water and sewer charges, including the sewer benefit. Cummings Street, Prospect Place, Lane Shops, 7 St. Paul Street group home and the Washington County Mental Health Prospect Street property paid a total of \$97,298.05 in property taxes for the 2005-6 tax year.

Our three exempt properties, Pioneer Apartments, Gould Apartments and Heaton Woods made payments in lieu of taxes (PILOT) totaling \$21,147.65.

The authority works cooperatively with City Departments, especially the Planning and Development office. The Executive Director also serves on the Montpelier Housing Task Force.

The authority strives to maintain a high level of service to our tenants and the Montpelier community. Please feel free to call our office at 229-9232 if we can be of service to you.

JO ANN TROIANO, *Executive Director*

Montpelier Housing Authority

A Valuable Community Resource

The Montpelier Housing Authority is a local, independent government agency that has served our community for thirty seven years. Our five member Board of Commissioners is appointed by the City Council with commissioners serving staggered five-year terms. The Board employs an Executive Director and staff to oversee its operations. As a local independent agency, we are not a city department and receive no local or state funds to operate our programs.



Volunteers building a bridge on the new North Branch bike trail. – Photo courtesy of Geoffrey Beyer.

Parks, Conservation & Recreation Programs

Park Commission

MOUNTAIN BIKE TRAIL

This year, under the leadership of Parks Director Geoff Beyer and with the help of hundreds of volunteers, the Parks Department was able to construct the first mountain bike trail on city property. The trail starts at the Cummings Street entrance to the North Branch Park, gently climbs the hillside, and connects to the East Montpelier trail system leading to Sparrow Farm.

The Park Commission held several public meetings to assess the need for such a trail and to explore how best to accommodate mountain biking and other uses of the park. The commission decided to build a dedicated bike trail that would be mostly separate from hiking trails, reducing the level of conflict with existing users, especially on the steeper sections. Permission was given by several generous landowners to allow the trail to cross their properties.

With \$9,200 in grant funding from the VT Trails & Recreation Fund and the Bikes and Beyond Organization, along with months of volunteer effort, the trail was virtually completed at the end of August. Requiring over thirteen “mini” bridges to span the ravines of the hillside, the mountain bike trail was a major construction project. The Park Commission would like to thank all the volunteers and organizations who made this trail possible -local high school students, the local mountain bike organization MOMBA, several large groups from Norwich University, a group of over 100 Upward Bound students from Johnson State College, staff and volunteers from the Matt Dunn campaign, and a United Way workday staffed by Washington County Electric employees. We would also like to thank our 2006 group of International Volunteers for Peace who spent their three weeks in this country working on this project.

We look forward to more cooperative opportunities with landowners, local groups and volunteers to extend hiking, biking, and skiing opportunities to residents around Montpelier.

TOWER PRESERVATION FUND

The Tower in Hubbard Park is a historic Montpelier landmark enjoyed by visitors and residents alike. Designed by Park Commissioner Harry Cutler to have a “ruined castle” look, the tower was completed in 1930. In the late 1980’s, the 50-year old metal stairs were replaced and masonry repairs were made to the tower. The “new” stairs, now nearly 20 years old, are badly in need of maintenance. The most recent estimate for this work was over \$40,000.

Given the importance of the Hubbard Park tower, the Park Commission has decided to establish a Tower Preservation Fund that can be built up over time with local, state, and private grant funds. This fund would be used to properly maintain the tower and avoid costly major rebuilding or closure due to lack of proper upkeep. Tax deductible contributions to this fund may be made to the City or Friends of Montpelier Parks. To assist in this fundraising effort or for further information please contact the Park Commission.

RIVER BANK PLANTINGS

Americorp Vista member, Althea Jones, worked with the Parks Department and the Conservation Commission to plant over 50 trees along Montpelier’s rivers. Working with classes and teachers from our local middle school, and a number of local volunteers, this work is part of an effort to beautify and protect our rivers and riverbanks. Most of the trees were planted among stands of Japanese knotweed, a foreign invasive plant that destabilizes riverbanks and displaces native species. Additionally over 300 Japanese honeysuckle plants were pulled, in another effort to control the spread of an invasive species.

NEW AMERICORP MEMBERS

This fall, Dave Paul, of Essex Junction was hired to as the Parks’ full-time Americorp member. Dave will assist Geoff Beyer with park maintenance activities which have now grown to caring for 7 acres of lawns, picnic shelters, the tower, 2 miles of roads, and over 10 miles of trails.

Phillip Kolling was hired as the new Vista Member and will be working to help organize park improvement and conservation projects around Montpelier.

THANK YOU

The Commission would like to thank all the Montpelier residents who volunteered their time, effort, and money to help build and protect Montpelier’s park system. We would specifically like to recognize the efforts of the local WILPF group who do so much to keep the Peace Park and its flowers looking beautiful!

Finally, we would like to thank Geoff Beyer, our Parks Director, for his 25 years of service to the community. Geoff started as a part-time employee of the Park Commission in 1981.

His vision and 25 years of work have given Montpelier residents one of the outstanding park systems in the Northeast.

For information on Montpelier's parks, maps, and natural history information, please visit the City's web site at, <http://www.montpelier-vt.org/parks/index.cfm>. The Park Commission would also appreciate comments or suggestions from residents as we continue our work of protecting and improving Montpelier's park and trail system.

Leigh Seddon, *Chair*
Stephen Bosserman, *Commissioner*
Don Grabowski, *Commissioner*
Ethan Parke, *Commissioner*
Chris Paterson, *Commissioner*
Montpelier Park Commission



*"There are many places you can leave money,
but there's no place like home."*

- ***What is it...*** The Montpelier Foundation is a tax deductible charitable fund created to accept contributions of money, securities, or property from individuals, organizations, and corporations in order to support future long-term projects in our community. *It's like an endowment fund for the city!*
- ***Why we need it...*** Montpelier has a limited tax base that is becoming increasingly overburdened. Bonding and taxing have become our principle means of funding needed "bricks and mortar" projects. Many other desirable projects just never happen at all. The time has come for more creative sources of revenue.
- ***Remember Hubbard, Kellogg, Heaton, Smilie, et al...*** Every resident has to appreciate the contributions made to the city by those people and others like them. Times have changed and so must we. Using the Foundation, individuals and corporations will pool their resources and accomplish more than we once thought possible.
- ***Just imagine...*** A new recreation center, a band shell, a skating rink, educational facilities, a civic center, neighborhood parks, a new riverfront, a science center. Most of these things will not happen without corporate and private philanthropy. Others will happen out of necessity, and will continue to tax-burden our children for years to come.
- ***How the "fund" works...*** The Montpelier Foundation, or the "Fund" primarily functions by providing donors with perpetual stewardship of their charitable contributions and by making timely grants to appropriate long-term city projects. The fund is a separate city account governed by an appointed five-member board of trustees, each of whom must be a current resident of the City of Montpelier.
- ***Ways to invest in our future...***
 - ***Money and securities.*** The Foundation accepts cash and marketable securities of any amount. Donors may make one-time contributions, or annual pledges.
 - ***Life Insurance.*** Policies may be established naming the Foundation as the beneficiary.
 - ***Memorials.*** Contributions may be made in the name of a friend, relative, colleague, or employee.
 - ***Charitable remainder trust.*** An irrevocable gift of an asset may be made while retaining a lifetime of income derived from it.
 - ***Property.*** The Foundation can accept gifts of marketable property, the proceeds from which could then be invested.
 - ***Bequest.*** The Foundation could be included in wills as a part of an individual's estate plans.
- ***For more information...*** *Contact any Trustee*
William Cody, Paul Giuliani, Charles Kerpens, Beverlee H. I., or Charles Haynes
Or write
The Montpelier Foundation, 39 Main Street, Montpelier, Vermont 05602.

Conservation Commission

The Montpelier Conservation Commission (MCC) is charged with advising the City Council, the Planning Commission and other city officials on issues concerning Montpelier's natural resources and engaging residents to protect and enhance the City's natural environment. This year's highlights are described below:

North Branch Nature Center

The Vermont Institute of Natural Science (VINS) announced this summer that it would discontinue its programs at the North Branch Nature Center (NBNC) on Elm Street and lay off its staff. Faced with the imminent closure of a treasured community resource, a group of citizens worked with center director Chip Darmstadt and the NBNC Advisory Board to form a new non-profit, Friends of the North Branch Nature Center, to negotiate with VINS about taking over programming at the nature center and forming an independent institution. With the Conservation Commission serving as its fiscal agent until the new organization receives formal non-profit status from the IRS, Friends of North Branch raised over \$50,000, including a special and urgent needs grant from the Vermont Community Foundation, to continue operations. More information about happenings at the new nature center can be found at its website, www.northbranchnaturecenter.org.

Mapping Invasive Species

The Commission sponsored a grant application by middle school science teacher Eli Rosenberg to fund an education program about invasive species in Montpelier, primarily focusing on Japanese knotweed. The students learned about using Global Positioning Systems (GPS) and Geographic Information Systems (GIS) software to map stands of the invasive species where it occurs along Montpelier's rivers. The maps will be incorporated into the City's existing GIS data set and will be used to help monitor the spread and eradication of the invasive as part of the ongoing vegetation management of the City's river frontage. Eli's students also wrote a cookbook and wrote rap songs about knotweed.

City of Montpelier Natural Community Mapping

A municipal planning grant was used to hire natural community ecologist Brett Engstrom to map natural communities in the city. Mapping natural communities provides one way to classify a landscape and indicate its biodiversity. Field mapping was completed in the Fall, 2006 and a final report will be issued in the Spring of 2007. Understanding the diversity of natural communities and their locations will help the Conservation and Planning Commission identify potential conservation lands in the city. Montpelier landowners whose properties were not included in the inventory and are interested in learning more about natural communities on their properties are encouraged to contact the Conservation Commission.

Celebrate the Winooski

The Conservation Commission, along with Friends of the Winooski River, co-sponsored the ninth annual "Celebrate the Winooski" festival in September. The aim of the festival is to boost stewardship of the Winooski River and its tributaries

through river clean-up, education, and celebration. This year volunteers collected 3 tons of scrap metal, 1.3 tons of trash, and 72 tires. Although the annual cleanups are resulting in cleaner rivers, trash continues to be an ongoing concern. Citizens are encouraged to contact their legislators to support a bill requiring a deposit on tires (similar to the bottle bill) that was initially proposed by the Montpelier High School Earth Group.

AmeriCorps/VISTA Volunteers

The Conservation Commission has joined with the Park Commission to hire an AmeriCorps/VISTA volunteer to help out with conservation initiatives in the City. Last summer, Alethea Jones helped out with landowner contact for the geomorphic stream assessments on the Winooski and North Branch Rivers and worked with Main Street Middle School students on invasive mapping (Japanese knotweed) and river plantings. She also coordinated installing a variety of bird boxes with the middle school students at North Branch Nature Center and North Branch River Park. This year, Phillip Kolling will be coordinating river plantings and working with the Vermont Youth Conservation Corps to install benches at selected scenic areas along the riverbanks. Phil is also interested in land conservation and will be joining efforts to conserve additional land in the Berlin Pond Watershed. The commitment to support an AmeriCorps/VISTA position required an increase in the Conservation Commission's annual appropriation from the City, but the energy and hard work of the recent hires have made the investment well worth it.

Commission members, alternates and liaisons during all or part of the year included Geoff Beyer, Paul Markowitz, Christine Zachai, Paul Brown, Dave Braun, Thia Artemis, Stephan Syz, Ken Jones, Ken Matzner, Roy Schiff, Kris Hammer, Emma Lynn Melvin, and Linda Henzel. The Conservation Commission is an active group of enthusiastic Montpelier residents who are eager to assist the City in protecting its valuable natural resources. The Commission meets at 7:00 pm at City Hall on the second Thursday of every month. All meetings are open to the public. For more information contact Kris Hammer at 223-0577 or khammer@together.net. We welcome the participation of each and every resident.

KRIS HAMMER, *Chair*
Montpelier Conservation Commission

The Montpelier Tree Board

The Montpelier Tree Board was formed in 1994 by the City Council to plan for the health of, and work to maintain, the city's urban forest. Composed of up to nine appointed volunteers, who presently include co-chairs Carole Naquin and John Snell, as well as Abby Colihan, Jean Vissering, Bill Jordan and Pinky Clark. We are grateful to Geoff Beyer, who serves as Tree Warden as well as the many regular volunteers who assist the Board, in particular, John Van Deren and Wendy Blakeman.

The Board once again achieved Tree City USA status this year, an important recognition that will also allow us to more

easily access Federal and State matching grant funds. The Board continues to maintain an active role throughout the city with a number of projects, including the following, which are funded, in part, by appropriations from the taxpayers of the city:

- **Downtown trees**

We have continued to work with the Downtown Association and Public Works to ensure the health of street trees in the downtown area. Member Abby Colihan continues to lead efforts to provide for continued watering throughout the summer months. We anticipate continuing to replace older, poorly planted trees in the upcoming year. With the assistance of Public Works and several volunteers, we replaced four declining trees on East State Street this spring with trees grown in the City nursery.

- **Tree Nursery**

In 2000, the Board established a tree nursery at North Branch Nature Center (NBNC) on Elm Street where we are raising a variety of trees to be planted throughout the city. The nursery is supported by City funds, private donations, and matching donations from the Montpelier Foundation. A number of trees were again planted in the community from the nursery this year and more out-planting is planned for Spring, 2007.

- **Right-of-way maintenance**

Working in cooperation with the Tree Warden and Public Works, the Board helped to again plan for continued maintenance of trees in the city right-of-way. Tree Warden Geoff Beyer worked with crews from Northland Job Corp to remove several large trees in the city right-of-way that had declined in health. We hope to utilize this valuable resource more in 2007.

- **Strategic planning**

Kate Forrer, Community Involvement Coordinator for the Vermont Urban and Community Forestry Program, facilitated some valuable strategic planning for the Board. We hope this will continue to bear fruit as we implement our mission in 2007.

- **Projects**

The Board applied for, and received, a \$2500 matching grant from the State of Vermont to improve the bus stop area on Main Street in front of Shaw's. This project came out of a previous project in which we developed a vision for improving the plantings in the entire area of the intersection of Main and River Streets. This year's project, to be completed in the Spring, involves coordinating new curbing on the back of the island, a new bus shelter, moving an overhead utility line, and planting of new trees and shrubs. We appreciate the partnership of the State of Vermont, the City of Montpelier (Manager and Public Works), Pomerleau Real Estate, Green Mountain Power, Green Mountain Transportation Agency and MDCA among others.

We planted four Freeman Maples from the nursery on Arbor Day into a grove at the east end of Stone Cutters Way to supplement plantings and development in this area. These handsome trees will continue to add color and life to the urban landscape for years to come.

The Board continued to provide advice, as requested, to

many home owners throughout the city.

- **Volunteers welcome!**

The Board currently has three vacancies which we would very much like to fill. Contact John Snell (229-1751) or Carole Naquin (223-2136) for more information. Volunteers are always welcome for short or long-term projects. Regular meetings are scheduled for the first Thursday of the month (call for meeting location) and all community members are welcome to attend.

The Tree Board appreciates the tremendous support and cooperation we've enjoyed over the past year. In particular, Tom McArdle and the staff of the Public Works Department continues to anticipate our needs and assist us in immeasurable ways. We also appreciate the continued support given to our efforts by the City Council, the City Manager and by the many citizens who stop to talk as we are out working on various tree projects. Together we can maintain a healthy, beautiful urban forest in the city! Come join us anytime you feel so inclined.

JOHN SNELL (229-1751)
CAROLE NAQUIN (223-2136),
Co-chairs

Celebrate the Winooski!

Three riverbed cleanups, a story-telling pageant parade and debris sculpture-making marked Celebrate the Winooski's ninth year. The aim of the project is to increase public stewardship of the Winooski River and its tributaries through river cleanup, education and celebration.

Though threatened with high water, the riverbed cleanups proceeded on schedule. Sixty Montpelier High School students and 30 other community and Youth Conservation Corps members hauled about 3 tons of scrap metal, 1.3 tons of trash and 72 tires out of the river. Thanks to all who turned out to help improve the quality of our region's beautiful waterways!

Speaking of tires, last year the House Natural Resources Committee took testimony on the MHS Earth Group's Bill calling for a deposit on tires, similar to the bottle bill. We hope the Committee will move it along during the upcoming session.

The celebration began with chalking the river as it runs under State Street, and decorating bridges. The parade's theme, "the History of the River", was told in banners, signs, bridge decorations and songs as paraders wound through Montpelier's bridges. A high point was Julie Carter's fifth grade class singing songs they wrote about the river with musician Colin McCaffrey. Participants included students from Twinfield 4th grade, River Rock School/ Alison Mann, MHS art classes and Earth Group, AllTogetherNow Learning Center, Emily Lanxner's drummers, and Foodworks staff. Mayor Mary Hooper asked people to suggest ways that the city could improve river quality. The Raging Grannies sang songs they wrote about caring for the river. MHS students' river debris sculpture was displayed at the school. Key organizers

were Barbara Cormier, Freddie Cousins, Ward Joyce, Mary Ann McFaun, Molly McFaun, Mic Metz, Ariana Monti, Anne Sarcka, Anne Smith, and Janice Walrafen.

In December the Friends of the Winooski Board, involved since the Celebration's inception in a consortium of sponsoring organizations, agreed to adopt Celebrate the Winooski! The hope is to gradually extend the concept to other communities in the Winooski watershed.

As always, dozens of community businesses, non-profits and individuals contributed funds and services, which are vital to the life of this project. Thank you all! Sponsors were Friends of the Winooski River, Montpelier High School, Montpelier Conservation Commission and the City of Montpelier.

Planning for 2006 is starting soon. Volunteers are always needed. If you can help, please be in touch with Ann Smith, fwr@sover.net, or Anne Sarcka, 229-5266.

ANNE SARCKA, *for the Organizing Committee*

Montpelier Green-Up Committee

Under a perfect blue sky, over 100 people helped spruce up Montpelier on Green-Up Day, under the direction of the MDCA on Saturday, May 6th. Countless green bags were stuffed full of cigarette butts, plastic bottles, paper and other debris.

In addition to the help of a number of individuals, many businesses helped make this year's event a success. Participants received complimentary coupons from Onion River Sports, Brookside House, Hunger Mountain Co-op, Ben & Jerry's, Zutano, The Knitting Studio, The Cheshire Cat, Capitol Stationers, Coffee Corner, La Brioche, Main St. Grill and Bar, First in Fitness, Buch Spieler, Bear Pond Books, and Capitol Grounds. Shaw's Montpelier donated veggie burgers, hot dogs, drinks and condiments to feed hungry volunteers. 107.1 WORK-FM provided music to enhance the festive atmosphere.

Of course, none of this work would have been possible without Casella Waste Systems' donation of trash disposal and the hard work of Charlie Pelletier and his highway crew who cheerfully provided tools and labor to haul it all away!

The event also proved to be educational. The Central Vermont Solid Waste Management District provided the useful booklets, Tackling Trash. Linn Syz organized and staffed an information booth on recycling for the entire day.

Green-Up Day is sponsored by the Montpelier Downtown Community Association. For more information on the MDCA, see "Montpelier Downtown Community Association" in this report).

Heartfelt thanks go out to everyone who pitched in. After all, "Great Places Don't Happen Accidentally."

SUZANNE HECHMER, *MDCA Executive Director*

Recreation Department

The Montpelier Recreation Department is proud of its service to the City of Montpelier and its citizens. With free time so important to everyone's lives, the citizens of Montpelier have recognized the need for a strong recreation program. These programs are not only for children, but also for all ages and ability levels.

In 2006, the Recreation Department ran its yearly programs; Youth Soccer, Youth Basketball, Youth Baseball, Capital Kids Summer Day Camp and Capital Kids Vacation Day Camps, Swimming and Tennis Lessons, Baby Sitting Classes, Hunter Safety, Yoga, Sugarbush Sunday Ski Program, Scottish Country Dancing and more. We also ran our Special Events including the Bicycle Rodeo, Rotten Sneaker Contest, Family Fun Day at the pool (during the July 3rd celebration), Father / Daughter Valentines Dance, Ski & Skate Sale, Halloween Party, Easter Egg Hunt and more.

The Recreation Department is always looking for new ways to provide "constructive use of leisure time". New programs this past year consisted of several Kayaking programs, Little Sprouts Open Gym for pre-schoolers, Start Smart Soccer, Basketball and Baseball program for 3-5 year olds, Fall & Spring tennis instruction offered by Jim Cross to name a few. Touch-A-Truck proved to be very successful despite the weather.

The Montpelier Swimming Pool once again had a successful summer. Special events at the Pool were well attended. We had two Bar-b-que nights, a Pizza Night and our Ice Cream Social. Other activities at the pool were swimming lessons, tiny tot lessons, life saving classes, moonlight swim and swim team. Thanks to all of our very qualified pool staff for a terrific and accident free summer.

Once again, our outdoor facilities saw constant use. The Tennis Courts, Outdoor Basketball Courts and Skate Park were very popular. Ice skating at the pool was once again well attended. When conditions cooperate, there is free skating from 9:00 AM to 9:00 PM.

The fourth season for the Vermont Mountaineers was again very successful. With the team winning the League Championship, they have now established themselves as the team to beat. Attendance hit an all time high and provided many hours of entertainment for our community. The Montpelier Recreation Department is very proud to be able to play a role in providing the field and maintenance support that is needed to make this program successful. This truly is a great addition to summer time activity in our great city.

Many of our programs rely on volunteers in order to make them run smoother. We at the Recreation Department would like to express our gratitude to these many, committed people. Without dedicated people and organizations, many of our programs would be impossible to run with the staff alone. Organizations such as the VFW and their help with our Hunter Safety and Halloween party, the Rotary Club of Montpelier and their help with the Sunday Ski Program, make our programs a community happening. Along with the volunteers, the coop-

eration among city departments helps us to run our programs. The sharing of equipment and facilities led to a saving of dollars in 2006. This cooperation was excellent.

We hope that you will take advantage of your Recreation Department in 2007. We are here to help you find “constructive use for your leisure time”.

If you know of a program you would like to see offered, know of an instructor to teach a class for us, or if you have any questions, please call us at 225-8699 or stop by our offices on the top floor of 58 Barre Street.

Don't forget to check us out on the web at:
www.montpelierrec.org.

We are truly one of Montpelier's best keep secrets.

Director: DON LORINOVICH

Assistant Director : ARNE MCMULLEN

Administrative Secretary: JUDY COLOMBO

Office Assistant: NORMA FAIR

Maintenance Foreman: RICK LACHAPELLE

Maintenance: MIKE HEALY

Senior Activity Center

The Montpelier Senior Activity Center has seen an increase in membership of over 30 percent during the last year. We now have about 700 members, and the Center is busy with 28 different classes Monday- Friday. Our classes range from art to dancing, strong living exercise program to yoga, and calligraphy to writing. Class fees are presently \$12 for a three-month period.

On Tuesday we serve a noontime meal, which is followed by music by our band “Swingin’ Over 60’s” and dancing. We also serve a noontime meal on Thursdays. Computers with internet connections and a copying machine are available to our members.

People 50 years and older are eligible to become members. Montpelier residents pay a low annual membership fee of \$10, which provides for the use of our facilities, the monthly newsletter, and eligibility to enroll in our classes, activities and trips. Examples of our trips include day trips such as a trip to the Deadcreek Wildlife Refuge in Addison County, and a planned trip to Alaska in July, 2007.

Because of the growth of our membership, the increased demand for programs and activities and the increasing problem of parking at the Center, the Montpelier Senior Activity Center is in the process of conducting a feasibility study. This study will assess how the center should best meet its needs in the next ten years. There is presently a survey being undertaken and there will be focus groups. You are encouraged to participate in both of these if you are interested.

Our program and activity information is available both on our website: www.montpelierseniors.com and through our monthly newsletter. Our office hours are 9am-4pm Monday through Friday.

We are extremely grateful for the strong support that the

City of Montpelier and the taxpayers have shown the Senior Activity Center throughout the years.

LUCINDA MCCLOUD, *Program Director*

Listed below are our Advisory Board Members and staff.

ADVISORY BOARD

Jill Macdonald, Chair, Bill Doelger, Vice Chair, Betty Anderson, Jean Balham, Mary-Alilce Bisbee, Frank Bredice, Lena Canas, Lynne Ihlstrom, Edward Koenemann.

STAFF (only one full time position, all others part time) Don Lorinovich, Director, Lucinda McCloud, Program Director, Peggy Bowen, Cook, Olga Burns, Kitchen Aide, Susie Gomez, Membership, Jacquie Jenny, Program Assistant, Kitty Langlois, Bookkeeper.

Area Agencies

Social Services

Central Vermont Home Health and Hospice



*"Central Vermont Home Health and Hospice
Because There's No Place Like Home"*

Central Vermont Home Health and Hospice (CVHHH) is a 95-year-old not-for-profit Visiting Nurse Association governed by a local voluntary Board of Directors. The agency serves the residents of 23 Central Vermont towns, including the City of Montpelier, in the comfort and privacy of their own homes.

CVHHH is committed to providing comprehensive, high-quality home health and hospice care to all Central Vermonters regardless of their ability to pay, geographic remoteness, or complexity of health care needs. The agency also promotes the general welfare of local community members with long term care and health promotion activities including flu and pneumonia vaccinations, health screenings, foot care clinics and caregiver support. In addition to direct patient care, our hospice program offers comprehensive bereavement services and volunteer training. City funds help us keep those commitments.

Home care services include skilled and high-tech nursing, home health aide services, rehabilitation therapies, medical social services, and hospice care for the terminally ill. The agency also delivers long term care services at home, including homemaker service, attendant care, traumatic brain injury care, case management, respite care, and private duty nursing. Psychiatric and maternal child health nursing services are specialty programs also available in response to community need.

In the 12-month period between January 1 to December 31, 2006, the agency's staff provided 26,199 home visits to 403 Montpelier families.

**Twelve Month Report of CVHHH Services
to the City of Montpelier
January 1 – December 31, 2006**

Program	# of Visits
Home Health Care	
Skilled and High-Technology Nursing	6,448
Home Health Aide Service	8,354
Physical Therapy	1,169
Occupational Therapy	241
Speech Therapy	82
Medical Social Service	328
Hospice Care	
Nursing	515
Aide Service	526
Therapy	67
Bereavement	19
Long Term Care	
Care Management	945
Aide and Attendant Care	6,953
Homemaker	424
Maternal Child Health	128
TOTAL VISITS	26,199
TOTAL PATIENTS	403

Central Vermont Home Health and Hospice provides care 24 hours a day, seven days a week. For more information regarding our services, or for volunteer opportunities, please call CVHHH at 223-1878.

BARBARA BUTLER, *Community Relations Director*

People's Health and Wellness Clinic

The People's Health & Wellness Clinic provides primary health care and wellness education to uninsured and underinsured community members of central Vermont who cannot otherwise afford these services. Patient's household income must be below 225% of the Federal Poverty Level. Over 65 volunteer doctors, nurses, nurse practitioners, massage therapists, psychiatrists, naturopaths, dieticians and nutritionists give freely of their time to provide care to our patients.

From Jan 1 - Nov 30, 2006, we provided 256 visits to 111 Montpelier residents. Our total patient visits numbered 1,763 for 617 individuals for that same time period. In addition to being seen by a practitioner, all patients receive case management services. This includes follow-up care, including referrals for lab work, x-rays, and other diagnostic testing, as well as pharmaceutical assistance. It may also include wellness edu-

cation such as smoking cessation, diabetes education, herbal therapy, and other needs.

People's Health & Wellness Clinic serves as an enrollment center for many programs, including all of the state-run Medicaid and VHAP health insurance programs, Ladies First, Smoking Cessation, numerous pharmacy assistance programs, and the Central Vermont Medical Center's patient financial assistance. All of our patients are screened for eligibility and assisted with enrollment, if qualified. We will continue to serve them so long as they aren't insured.

Over 65% of our patients are employed. Many work in the retail and restaurant business, or other service industries, or are self-employed, such as in construction, farming, or the forest industry. Many of their employers don't offer health insurance, or the premiums are too high for the individuals to afford. There are more uninsured now than ever before – nearly 70,000 in Vermont and nearly 4,000 in central Vermont.

In 2006, we increased our staff nurse practitioner service hours in order to meet the increased demand. We see patients by appointment only, running full evening clinics on Mondays and Thursdays, with other appointments Mondays through Thursdays with our nurse practitioner and dependent on other volunteer availability.

If you are without health insurance and would like an appointment, or would like to volunteer as a clinician, receptionist, or offer other help, or would like to make a tax-deductible contribution, please call the clinic at 479-1229. We are located at 553 North Main Street, in Barre – across from the Times Argus.

Peter Youngbaer, *Director*

The Vermont Center for Independent Living



The Vermont Center for Independent Living (VCIL) teaches people with significant disabilities how to gain more control over their lives and how to access tools and services to live more independently. We also conduct public education, outreach, individual advocacy and systems change advocacy to help promote the full inclusion of disabled people into community life.

An estimated one in five Vermonters has a disability. VCIL, a private not-for-profit corporation, is Vermont's first and only cross-disability center for independent living and the first organization in the state to be directed and staffed by a majority of people with diverse disabilities.

Preliminary data show that VCIL responded to over **2,300** requests from individuals, agencies and community groups for information and referrals and program services for individuals living with a disability. We provided one-on-one peer counseling to **296** individuals which helps increase their independent living skills and life opportunities; we provided **351** households with financial and technical assistance for making their bath-

rooms and entrances accessible to a disabled family member; VCIL provided **268** individuals with personal assistance and/or assistive technology; and provided **405** individuals with home-delivered meals through VCIL's Meals On Wheels program for Individuals Under the age of 60 with Disabilities.

VCIL's central office is located in downtown Montpelier with three smaller regional offices in Bennington, Brattleboro and Chittenden Counties. Our locally based Peer Advocacy Counselors are available to people with disabilities in every municipality in Vermont

During FY 06, VCIL provided services to **107** residents of **Montpelier** utilizing the following programs:

- Information and Referral
- Home and Community Access
- Meals on Wheels
- Peer Advocate Counseling
- Sue Williams Freedom Fund

To learn more about VCIL, please call VCIL's toll-free I-Line at:

1-800-639-1522, or, visit our web site at **www.vcil.org**.

Project Independence Adult Day Service

We care for you...

Project Independence in Barre is Vermont's oldest Adult Day Health Service. We are a non-profit with 31 years of caring for the frail, elderly, individuals with dementia and adults with severe physical and emotional impairments. Our service allows loved ones to be cared for in a homey, warm and loved environment. Most of our participants have been coming to Project Independence for many consecutive years. This allows the families to maintain their professional lives as well as gain some respite. We believe in supporting our state's plan of "Aging in Place".

Our staff has long tenure with Project Independence, as well as the highest quality of skills in geriatrics and the highest amount of compassion. The staffs includes: two RNs, three LNAs, one LPN, one PCP and a twenty year gifted staff member who's specialty is working with people with dementia. We also staff two professional chefs, a certified van driver, an office administrator as well as an Executive Director. Our staff carries out a full calendar of adult appropriate activities each day, three outings per week to their favorite eating establishments as well as weekly bowling and walking the mall for exercise.

Services Provided by Project Independence (not a complete list of service)

Project Independence Adult Day Health Care will provide you, your family member, or the person for whom you care, with high quality professional services, including, but not limited to:

- an individualized Plan of Care
- daily health monitoring and nursing care and liaison with physician and other health professionals

- therapeutic exercises and or activities indicated by your physician or Home Health nurse
- daily transportation: to our site, for special trips & other needs, and year-round field trips
- two nutritionally sound meals per day and an afternoon snack - prepared on-site by our chef
- assistance with activities of daily living and personal care services, e.g., recreational activities, art, poetry, and other workshops, socialization with peers
- daily exercise and strength-building, provided by trained staff with occupational and physical therapy support
- Social Work Services: counseling, advocacy, education, etc.
- Podiatry, and meditation and spirituality sessions
- respite
- a safe, nurturing, stimulating, yet comfortable environment, and much more, just ask

We serve a full breakfast, lunch, dessert and snack that is nutritional and healthy, five days a week.

We care for an average of 27 people each day. We also have six trained volunteers and we welcome others who would like to spend some time with us.

Our transportation is contracted through Green Mountain Transit Authority. They have the most courteous and kind trained drivers assigned to our routes. The vans are handicapped accessible, air-conditioned, clean and safe.

For more information please contact Dee Rollins or Linda Kuban at 802-476-3630 or dee@pibarre.org. Also ask your health care provider about us.

Vermont Association for the Blind & Visually Impaired



The Vermont Association for the Blind and Visually Impaired (VABVI) is grateful for the support of the residents of Montpelier. With your help, we are reaching out a hand of hope to those in need in our communities, particularly our friends and neighbors who are living with vision problems which make independence and the tasks of daily living a challenge.

Last year, our agency provided services to 21 adults and five children in the City of Montpelier.

VABVI, a non-profit organization founded in 1926, is the only private agency to offer free training, services and support to visually impaired Vermonters. Our mission is to enable individuals with vision problems to achieve and maintain independence. Each year we serve hundreds of children from birth to age 22 and adults age 55 and over (those in age groups not covered by state services). Three thousand Vermonters are legally blind, and approximately eight thousand others are visually impaired.

VABVI's services include rehabilitation and orientation and mobility training in adaptive techniques for daily living;

procurement and training in assistive technology use; social networking opportunities; and a statewide transportation network. VABVI offices are located in Burlington, Brattleboro, Montpelier and Rutland, with training rooms in our Montpelier Mini Center to showcase the latest technology in assistive aids for individuals with visual impairment.

For more information about VABVI's services, or to volunteer, please contact us at 1-800-639-5861, email general@vabvi.org or visit us on the web at www.vabvi.org.

Please contact Michelle Connor, Development Coordinator, at mconnor@vabvi.org or (802) 863-1358 x 17 if you would prefer to receive this information by email. Thank you.

Sexual Assault Crisis Team of Washington County



The Sexual Assault Crisis Team is a non-profit 501 (c)(3) volunteer organization that was founded in 1984 to serve the needs of female and male victims of sexual violence. SACT is located in Barre City and serves the residents of Washington County. We offer free confidential 24 hour support, advocacy and legal services as well as a 24-hour crisis hotline for victims and survivors of sexual violence. SACT provides a 24-hour emergency shelter for female and male victims of sexual violence and is the only organization in Vermont to provide emergency shelter for male victims of domestic violence. SACT offers educational services and training programs to the public concerning attitudes and behavior on the subject of sexual violence.

During April we observed Sexual Violence Awareness Month by placing flags in the Barre City Park; 270 were red flags and 40 were white flags. The red flags represented the number of sexual assaults during 2004 and the white flags represented the increase of sexual assaults during 2005. This equals a total of 310 flags which is an increase of approximately 20%.

From July 1, 2005 to June 30, 2006, SACT provided services to 321 individuals, 39 of which were children. During that same period, SACT handled 1,301 hotline calls which averages to approximately 108 calls per month.

Battered Women's Services and Shelter, Inc.



Fiscal year 2006 has been a period of transition for BWSS. Although we were sad to say goodbye to our long-time Executive Director this past year, we were very happy to welcome new staff to both our shelter and office teams. Throughout this transitional period, BWSS consistently evaluated its existing programs in order to further develop and implement improved services and programming for our clients and their children.

Over the past year, staff and volunteers responded to over 3,846 hot line calls, an increase of 2% from last year's calls numbering 3,784. Of these total hotline calls, 63 unduplicated callers identified themselves as Montpelier residents.

Shelter services were provided to 17 women and 16 children for a total of 1,878 bed nights. BWSS saw an increase in bed nights of 46% compared to the year before.

Our schools program, "*Violence-Free Relationships Project*" reached a total of 1,058 students in Washington County through the 29 presentations given, compared to presentations offered to 579 students in the previous year. This is one statistic that BWSS is pleased to have seen an increase in, reaching 45% more students than the previous year. 580 of these individuals are students and faculty members of Montpelier schools.

BWSS provided community presentations to 699 individuals, reaching 79% more community members compared to last year's total of 145 individuals.

Advocates provided support for 271 plaintiffs during Final Relief from Abuse Hearings, compared to 214 plaintiffs last year, an increase of 21%.

Court Education Program was presented to 239 individuals, offering information to 6% more individuals.

A total of 1,700 people received direct services through our 24-hour toll free hotline, which is covered by trained staff and volunteers.

BWSS offered an on-going support group to the women at Dale, reaching 113 women. An additional evening support group was offered to community members, reaching a total of 5 women.

Our organization continues to rely heavily on the vast support of our board members and hotline, shelter, and community events volunteers. Our 17 dedicated and generous volunteers contributed over 8,000 hours to the work and operating of BWSS. 4 of BWSS's volunteers are residents of Montpelier.

Our services include:

- SHELTER: Emergency Shelter for women and children fleeing from domestic abuse
- SHELTER YOUTH PROGRAM: Available to children staying in shelter
- Toll Free 24-HOUR HOT LINE (1-877-543-9498)
- EMERGENCY, CIVIL and CRIMINAL COURT ADVOCACY
- SUPPORT GROUPS
- VIOLENCE-FREE RELATIONSHIP PROGRAM: Offered to middle and high school students across Washington County.
- EDUCATIONAL PRESENTATIONS: offered to civic organizations and businesses.
- INFORMATION AND REFERRAL: information about domestic violence and community resources, as well as individualized advocacy and referral to social service, legal, employment, counseling, and housing options.

The Washington County Youth Service Bureau Boys & Girls Club



*Is An Important Resource To The Residents
Of Montpelier*

During the past service year (July 1, 2005 – June 30, 2006) the Washington County Youth Service Bureau/ Boys & Girls Club (the Bureau) provided the following services to young people and family members in Montpelier:

- 232 Teens participated in the Basement Teen Center in Montpelier that provides supervised drop-in time, leadership opportunities, and a variety of activities.
- 135 Teens and other community members participated in special events sponsored by the Basement Teen Center.
- 2 Youths and Families were served by the Community Assistance Program that works with community groups to help youths avoid substance abuse or make connections with treatment services.
- 45 Youths and their Families were assisted by the Country Roads Program that works with runaway and homeless youths, and also provides crisis intervention and counseling for youths and families.
- 54 Teens were provided with Substance Abuse Counseling.
- 10 Family Members (8 teens & 2 children) participated in the Teen Parent Program that educates teens about the challenges of parenting at an early age; and helps teen parents and pregnant teens build parenting and life skills, continue their education, and create healthy homes.
- 33 Teens participated in the Transitional Living Program that helps homeless young people make the transition to independent living.
- 3 Teens were provided with information and referrals to services and activities through the Peer Outreach Program.
- 5 Community Members were provided with One-Time Counseling, Referral, or Information regarding general youth and family issues.
- 165 Community Members were served through the 33rd annual Community Thanksgiving Dinner organized by the Bureau (68 of these residents were provided with home-delivered meals).

Referrals to the Washington County Youth Service Bureau/ Boys & Girls Club come from parents, teachers and other school personnel, other area organizations, the Vermont Department of Social and Rehabilitative Services, the Vermont Department of Corrections, churches, police officers, and young people themselves. Many referrals are received through the agency's 24-Hour Crisis Response Service.

The Bureau is a private, non-profit, social service agency. All programs and services are funded by foundations, state government, federal government, Medicaid and other insurance, private donations, area towns, and fundraising activities such as Trees for Teens.

**For Information and Assistance Call
The Washington County Youth Service Bureau/
Boys & Girls Club
229-9151
24 Hours A Day – 7 Days A Week
Website: Youthservicebureau.info
E-mail: WCYSB@youthservicebureau.info**

The Basement Teen Center

The Basement Teen Center, located in the basement of Montpelier's City Hall, is a substance-free, adult-supervised space for teens to gather, attend workshops, learn leadership skills, and have fun. At the Basement, teens have snacks, cook, talk, play pool, listen to music, and participate in a wide variety of special activities.

The Basement is open from 3-6 pm Monday through Friday, and from 7-11 pm on Friday. In the past program year (July 1, 2005 - June 30, 2006):

- 232 Montpelier teens participated in Basement activities. 54% of the 430 individual teens who participated in the Teen Center were Montpelier residents.
- 140 activities were sponsored by the Basement. Examples of activities include free teen dinners; art projects; hiking trips; field trips within Vermont and to Montreal & New York; music jams; movie nights; overnight lock-ins; tobacco prevention programs; ski trips; community service projects such as Green Up Day; dances; coffee houses; pool tournaments ...and much more.
- 89 community volunteers donated time to lead activities, offer special events, or help staff drop-in time.
- 9 individual teens participated regularly in the Teen Advisory Council that provides peer leadership at the Basement and guides programming.
- Daily participation at drop-in time ranged from 15 to 45 teens.
- Teens made a total of 2,270 drop-in visits to the Basement.
- In the last year 160 teens also attended special events, such as concerts, at the Basement Teen Center.

Washington County Diversion Program



WHO WE ARE AND WHAT WE DO

- We are a local program that addresses unlawful behavior, supports victims of crime & promotes a healthy community.
- Court Diversion is the community alternative to court for first offenders in Washington County.
- Our volunteer boards hear both adult and juvenile cases referred from court by the state's attorney.
- We also administer the Alcohol Safety Program (ASP), a program created by the legislature in 2000 to deal with a crackdown in enforcement of underage drinking laws.

Our philosophy is that ordinary citizens who volunteer their time and energy are more effective in confronting those who have committed crimes than our court system can be, especially the first time an offender is charged with an illegal act. Our volunteers have the same perspective as those who are victimized by illegal acts, and they are committed to:

OUR GOALS, WHICH ARE TO:

- See that the victim is made whole to the extent possible through the offender's restitution, apology or service.
- See that the community is compensated through service by the offender for the harm it has suffered;
- Help the offender realize the true human consequences and impact of his or her actions; and
- Direct the offender toward activities that will increase his or her chances of being crime free in the future.

IN FY 06 (July 1, 2005 - June 30, 2006):

- We received 168 referrals to Diversion and 398 referrals to ASP, for a total of 566 clients served in the period.
- Our clients performed 7503 hours of community service to various non-profit organizations in this county, including but not limited to the Kellogg Hubbard Library, Montpelier Food Pantry, Heaton Woods Assisted Living, Hubbard Park, Washington County Youth Service Bureau, and local faith organizations and school systems..
- Restitution paid back to crime victims totaled \$8400, while donations to charities amounted to \$3845, which comes to \$12,245 for the year.

SINCE THE BEGINNING

Since Diversion's inception in this county in 1982, Diversion clients have successfully paid back their victims and the community for their offenses and have been given a fresh start with a clean record, with a total of 1334 crime victims having received compensation totaling over \$331,642.

FUNDING

As a community based, non-profit program and United Way Agency in FY 06, Diversion got 50% of its funds from the Attorney General's office, 32% from client fees, 6% from United Way and the remaining 12% from other local sources like towns and cities. Our total cost per case last year was \$275.00 for each of 566 referrals. That is hundreds of dollars less per case than any alternative where the offender goes to court.

Many thanks to the City of Montpelier for your consistent support for Diversion over the years.

We continue to need -- and deeply appreciate -- your assistance!

PO Box 1026 Montpelier, VT 05601
wcdp@comcast.net
802-828-0600

Central Vermont Adult Basic Education in Montpelier

Local Partnerships in Learning

Montpelier adults and youth over 16 years of age who want help learning basic reading, writing, math and English as another language may receive that help through a free program of instruction provided locally by Central Vermont Adult Basic Education. Students enrolled in the program also have the opportunity to study for their high school equivalency exam (GED) or for an alternative diploma.

Students and teachers meet in classes, one-to-one, and/or small group sessions to complete an individual learning program which suits the requirements of each student. This "school without walls" ties together basic literacy and math skills with practical interest areas. Helping children with homework, budgeting, filling out forms and applications, beginning computer skills, studying for a driver's permit or a Commercial Driving License, reading work related texts or writing reports are just a few of the many areas for which adults seek help.

Sixty Montpelier adults were enrolled in CVABE's free programs last year and twenty-three volunteers from the community helped make this education service accessible to everyone. Teachers at CVABE's Montpelier Learning Center on 58 Barre Street extend a warm welcome to all the residents of the city.

Central Vermont Adult Basic Education has served the people of Washington, Lamoille, and Orange County for forty years. For more information about Central Vermont Adult Basic Education programs, please contact:

Central Vermont Adult Basic Education
Montpelier Learning Center
58 Barre St. - Room 204
Montpelier, Vermont 05602
(802) 223-3403

~~~~~  
Central Vermont Adult Basic Education  
Barre Learning Center (and main office)  
46 Washington St.—Suite 100  
Barre, Vermont 05641  
(802) 476-4588

For information about CVABE's learning sites throughout Washington, Lamoille and Orange Counties, please call CVABE headquarters in Barre: (802) 476-4588.

## Central Vermont Community Action Council



Since 1965, the Central Vermont Community Action Council, Inc. has served low-income residents of Lamoille, Orange, and Washington Counties and nine communities in Windsor, Addison, and Rutland Counties. CVCAC's programs and services are designed to help families work toward better lives and to improve the overall quality of life in their communities. This year, CVCAC worked with 10,161 individuals in 5,231 households through Head Start/Early Head Start, our Child Care Food Program, Community Economic Development programs, Family/Community Support Services, Weatherization assistance, Crisis Fuel resources, and Community Action Motors.

In our most recently completed program year, Central Vermont Community Action helped 354 Montpelier households and 710 individuals with emergency assistance and comprehensive program services designed to teach important skills and help people access the resources they need to build better futures.

Here are some details of the types of CVCAC programs and services accessed by Montpelier residents this past year:

- 219 households with 528 individuals were provided with emergency services and referrals to address critical needs.
- 94 families used our Food Shelf when they couldn't afford to shop for food.
- 68 households with 195 family members used our Crisis Fuel program and were able to continue heating their homes.
- 41 households received free assistance with completing and filing taxes with the IRS receiving the full benefit of refunds, credits and rebates which were due.
- 40 community members received free health screenings and referrals through our mobile Wellness on Wheels program.
- 17 children participated in Head Start and Early Head Start programs that supported 27 additional family members.

- 12 homes were weatherized at no charge, 1 household had a faulty heating system repaired and 1 household had a system replaced altogether.
- 29 entrepreneurs received counseling and technical assistance on starting or expanding a business venture.
- 18 women received training, counseling and technical assistance to pursue their dreams of business ownership.
- 6 individuals learned financial literacy and began accruing assets toward a home purchase, education, or business.
- 1 family received a safe, reliable car from Community Action Motors allowing them to travel to work and to access many needed services.
- 2 local business owners received technical assistance and financing from Community Capital of Vermont when they couldn't access traditional bank business loans.

Central Vermont Community Action Council is supported in part by the towns we serve!

## Community Capital of Vermont

Community Capital of Vermont, formerly known as Central Vermont Revolving Loan Fund (CVRLF), provides flexible and creative financing that seeds business start-ups and fuels expansion, enabling business owners to build the sales, credit, and experience needed to secure full bank financing in the future. A community-based nonprofit lender, Community Capital serves qualified micro and small businesses, particularly those that are owned by or offer employment opportunities to low-to-moderate income individuals.

In 2005-2006, Community Capital expanded its small business lending services statewide. Now, any resident of Vermont can apply for Community Capital financing.

**Small Business Financing:** Community Capital offers three flexible commercial financing options to match the short-term, seasonal, and long-term borrowing needs of businesses: Steps to Success Microcredit Loan up to \$5,000, a Revolving Line of Credit up to \$25,000, and a Traditional Amortizing Business Loan up to \$50,000.

**Business Management Assistance:** In addition to offering financing, Community Capital also offers its borrowers Business Management Assistance which includes access to local consultants for hands-on business management and industry assistance. We also offer a Business Education Grant program which helps borrowers cover the cost of attending business workshops and trade shows to advance business success.

During the fiscal year, 110 individuals inquired with Community Capital about financing opportunities. Twenty-seven (27) applications were submitted for financing of which twenty-two (22) applications were approved. These loans went to twenty-one (21) entrepreneurs with a total loan value of \$497,800. Eleven (11) of those twenty-one businesses are startups. Businesses supported this year were located in Barre City (6), Montpelier (4), Waitsfield (4), Duxbury (1), Berlin

(1), Waterbury (1), Calais (1), Bethel (1), East Randolph (1), and Rochester (1).

Community Capital's loans and operations are funded by loan repayments, application fees, donations from private individuals, corporations, banks, as well as state and federal grants. Public grant sources include the Vermont Community Development Program (VCDP), the US Department of Housing and Urban Development, the US Department of Health and Human Services, and the US Department of Agriculture. In addition to operating its own loan funds, Community Capital manages loan funds for small business on behalf of East Montpelier, Barre Town, Barre City, and the Town of Huntington.

Community Capital is operated in partnership with the Central Vermont Community Action Council. Community Capital is managed by Emily Kaminsky, Fund Manager. Interested parties are encouraged to call Marian Boudreault at 479-1053, ext 219 to request a loan application and additional information. More information can also be obtained online at [www.cvcapital.org](http://www.cvcapital.org).

## Central Vermont Council on Aging



### Central Vermont Council on Aging *Empowering Seniors*

The Central Vermont Council on Aging (CVCOA) is a private, nonprofit organization that assists elders and adults with disabilities to remain independent as long as possible in their own homes and communities. The Council uses federal, state, and local funds to provide a variety of programs and services, either directly or under contract with local groups and organizations.

CVCOA requests funding from the communities it serves in order to support its Case Management Program. Case managers are trained to work with clients in their homes to assess needs and develop individualized care plans. By connecting them with public benefits programs and other community and state resources, case managers aid elders and adults with disabilities in making life choices. In the past fiscal year, 107 Montpelier residents received 764 hours in case management services. The case manager for Montpelier, Robin Bradley, can be reached at 476-2666.

Other services provided directly or under contract include information and assistance; community and home delivered meals; food stamp outreach; transportation to doctors, grocery stores, and a variety of essential destinations; legal services; health insurance counseling; home sharing; companionship; assistance with household tasks; nutrition education; caregiver support services and grants; successful aging initiatives; support for senior center activities; mental health services; and the Silver Voice newsletter. The Council involves a number of

community volunteers by hosting programs such as Neighbor to Neighbor AmeriCorps, Senior Companion, Home Share, and the Retired and Senior Volunteer Program (RSVP).

**More information on all Council initiatives can be obtained by calling the toll-free Senior Help Line at 1-800-642-5119. Please do not hesitate to call for more information and/or assistance.**

The Central Vermont Council on Aging recognizes and appreciates the valuable support for case management for central Vermont elders and adults with disabilities provided by the City of Montpelier.

## RSVP for Central Vermont and Northeast Kingdom and The Volunteer Center



The Retired and Senior Volunteer Program is a nationwide program for individuals to help meet community needs through meaningful use of their skills and knowledge in volunteer service to private non-profit organizations. RSVP and The Volunteer Center serves the Counties of Washington, Lamoille, Orleans, Caledonia, Essex and Orange.

During the fiscal year beginning July 1, 2005 and ending June 30, 2006, RSVP was able to involve 88 residents of Montpelier as RSVP volunteers. Those residents gave 6,961 hours of service to 33 organizations within the boundaries, or serving, the City of Montpelier. Organizations and services such as health clinics, food distribution centers, blood drawings, library service, schools, tax preparation and many, many more were enhanced by the participation of RSVP volunteers.

If one uses the State average wage, it means that RSVP volunteers donated the equivalent of \$109,009 of services to Montpelier area residents and organizations. This is proof that volunteers are valuable to our communities.

The Advisory Council, Staff and the participants at RSVP are thankful for the support received from the City of Montpelier. Anyone wishing to know more about us should call 828-4770, stop in to see us at our donated office space in Woodridge Nursing Home in Berlin, or visit our website at [www.volunteervt.com](http://www.volunteervt.com).

J. GUY ISABELLE, *Director*

## The Family Center of Washington County

....serving families in MONTPELIER

The Family Center of Washington County fosters the positive growth and development of young children and their families. The Family Center's array of services includes: infant & toddler, preschool and after school child care programs, playgroups for children from birth to five, parent education and outreach activities – for mothers and fathers, training for child care providers, assistance to parents in finding and paying for child care, planning and coordinating the Central Vermont Early Childhood Council's region-wide programs for parents as first teachers of their children.

Among the 866 individuals in Montpelier who benefited from the Family Center's programs and services from July 1, 2005 – June 30, 2006 were:

**\*56 children**, including children at-risk and those with disabilities, who attended **our nationally accredited Preschool**, run in conjunction with the Montpelier School District's Essential Early Education program.

**\*37 children** who received quality **after school care** in our **nationally accredited** program housed at Union Elementary School.

**\*4 children** cared for in our **nationally accredited, Infant/Toddler child care** program.

**\*124 children and 93 adults** who participated in various **Playgroups**. Playgroups are free, open to all families with children birth to five, and have no eligibility requirements. Children play with others in a safe, stimulating and nurturing environment. Parents talk to other parents, draw upon each other for support, learn new skills from Playgroup Facilitators and get information about community resources.

**\*106** who consulted our **Child Care and other Resource & Referral services**, received assistance in finding suitable child care to meet their needs, answered questions related to child care and child development, and received information about other community resources available for them.

**\*45** child care providers who consulted our **Provider Support services**, received monthly newsletters and training on a wide variety of topics through home visits, conferences and workshops.

**\*41** who received **assistance paying for child care**.

**\*187** children and adults who participated in our community events.

**\*5 individuals** who participated in **Parent Education Workshops**.

**\*106 individuals** who were served by one of our specialized **Home Visiting services**, providing parent and family education and support.

**\*25** community members and child care professionals

who planned local and regional **Early Childhood Council activities**.

**\*10 adults and 16 children** who participated in one of our **Support Groups**.

**\*11 children** who received **transportation assistance through our bus**.

We are grateful for the support shown by Montpelier voters. For more information about any of our programs, please contact Lee S. Lauber, Executive Director, at 828-8765, e-mail [familycenter@fcwcv.org](mailto:familycenter@fcwcv.org), or visit us on the web at [www.fcwcv.org](http://www.fcwcv.org).

**"...fostering the positive growth and development of young children and their families."**

## Community Services Montpelier Food Pantry

The Montpelier Food Pantry has been in operation since 1984. It was formed by the Clergy Association (later called the Interfaith Council) in response to a need for emergency food for individuals and families in the Montpelier area. The Food Pantry is now a more independent organization which has a board of directors. The Food Pantry still has close ties to the area churches and has many volunteers from these faith communities. The Food Pantry itself is non-denominational and offers food to anyone in our area who needs it.

Any one who desires to volunteer out of kindness and compassion is more than welcomed.

The Food Pantry is located in the basement of the Trinity Methodist Church and is open M-F 10-11.

It is unfortunate that the number of clients needing this assistance has grown over the years.

This year we had 1300 visits from individuals and families.

We provided the equivalent of 71,715 meals.

This Holiday season, we gave out 172 dinner boxes.

The Food Pantry is sustained totally by contributions and completely run by volunteers.

To the citizens of Montpelier and surrounding areas, Thank You for your continued support. We couldn't do this work without you!

## The Green Mountain Transit Agency



**T**he Green Mountain Transit Agency (GMTA) Board of Directors and staff wish to thank the taxpayers of the City of Montpelier for their continued support of GMTA public transportation service. The Green Mountain Transit Agency enhances the quality of life in Vermont by delivering safe, convenient and more environmentally efficient transportation solutions.

**City Commuter and Mid Day Route** travels between Montpelier and Barre City 20 times each weekday, and 16 times on Saturday. The deviated fixed route service allows travel to work, area businesses for shopping, and access to social and entertainment venues. All of which are key components to the economic and social vitality of a community. For FY06, GMTA served **18,531** riders for the City Commuter and **42,245** riders for the City Route Mid Day.

**The LINK Express** is a commuter service allowing transportation between Montpelier and Burlington during peak commuter hours. This service not only supports financial savings for the individual, but the initiative so many Vermonters are taking to improve our environment. For FY06, GMTA served **14,900** from Montpelier to Burlington, while CCTA served **16,973** from Burlington to Montpelier through the LINK Express service.

**The Waterbury Commuter** is a commuter service offering transportation between the Waterbury Senior Center and State Complex to key stops within Montpelier. Not only does the Waterbury Commuter provide service from Waterbury Center, but it also allows for connecting service with the Route 100 Stowe/Morrisville Commuter route. This service primarily supports those needing transportation to outside of residency work locations. In FY06, the Waterbury Commuter served **7,301** riders.

**Montpelier Hospital Hill Route** travels to Central Vermont Medical Center and the Berlin Mall 12 times each day Monday through Friday and 11 times on Saturdays. Through this service, we provide direct access to health care services at Central Vermont's premier health care facility, along with CVMC employee commuter transportation. By providing affordable and dependable transportation to CVMC, we support individual efforts to utilize preventative health care programs and prosper in their well-being. In addition to health care, we recognize the need to have daily transportation to key shopping locations to continue one's independence. The Hospital Hill route provides service to the Berlin Mall which offers access to a variety of shopping venues and encourages social activity. In FY06, GMTA served **23,256** riders (FY05 22,293 served) for the Montpelier Hospital Hill Route served.

**Capital Shuttle Service** provides two buses offering free shuttle service to the general public and supporting the travel

needs of the State Legislature. The service operates during the legislative session and allows the rider to travel around the city, whether for work, shopping or social activity, with stops at key locations. Though this service is primarily funded by the Agency of Transportation, a portion of funds received from the City of Montpelier helps to support the cost of operations. In FY06, The Capital Shuttle served **6,126** riders with free city service through the months of January and May.

**Elderly and Disabled Service** provides medical transportation service to those who qualify for either Medicaid, Elderly and Disabled funds, or both. We offer those in need the scheduling and payment of rides and provide service through volunteer drivers or bus and cab service. GMTA collaborates with area organizations, such as Montpelier Senior Housing, Project Independence and Central Vermont Council on Aging, to offer rides for medical treatment, meal site programs, senior center and shopping trips. GMTA not only provides the means of transportation, but also the administration and operational skills required to coordinate service. In FY06 GMTA provided Medicaid and Elderly and Disabled transportation service to **247** Montpelier residents totaling **10,545** one way trips.

**SnowCap Special** is designed as a commuter route providing service between the Capital District and the Sugarbush and Mad River Glen Ski Resorts. This service provides transportation to those in need for seasonal work, along with service for those needing access to area ski facilities in the winter season from the Capital District region. The Snow Cap runs from January through early April. Not only is the SnowCap beneficial to the residents of Montpelier, but it provides alternative modes of transportation for those visiting the capital. In FY06 GMTA provided service to **1,128** riders (FY05, 542 served) for the ski season months.

### **GMTA BOARD MEMBER**

Within this past year, GMTA established our first elected Board of Directors. Two of our respected officers, **Harold Garabedian** (GMTA Board Chair) and **Nancy Wasserman** (GMTA Board Treasurer), are both well-respected city officials for the City of Montpelier. We are grateful for Harold and Nancy's active board participation and strong leadership skills regarding not only the service needs for the City of Montpelier, but in the necessity of providing exceptional service within all communities in which GMTA serves.

### **VOLUNTEER DRIVERS**

GMTA wishes to thank Montpelier residents Randy Markham, Larry Kennison and Ben Washburne for their active participation in the GMTA Volunteer Driver program. The dedication and care they offer in support of the mission of GMTA is seen not just in our continuing success but by those whose lives we have touched.

For questions or additional service information, contact us at 802-223-7BUS or [www.gmtaride.org](http://www.gmtaride.org)

## Montpelier Veterans Council

The Montpelier Veterans Council annually holds parades on Memorial and Veterans Day. Other annual activities are to provide flags and grave markers for veterans' graves in Montpelier cemeteries prior to Memorial Day.

The Veterans Council also purchases flowers to decorate the entrances of local cemeteries to honor all veterans.

Contact Frank Hickory for more information.

FRANK HICKORY, *Treasurer*

## Community Development

### Vermont League of Cities and Towns



The Vermont League of Cities and Towns (VLCT) is a nonprofit, nonpartisan organization that is owned by its member municipalities and directed by a 13-member Board of Directors.

VLCT's mission is to serve and strengthen Vermont local government. All 246 Vermont cities and towns are members of VLCT, along with 147 other municipal entities, including villages and fire districts.

Vermonters use local government services, including highways, police, fire, recreation, libraries, sewer, and water, on a daily basis. In large part, volunteer elected and appointed municipal officials lead these local governments.

VLCT provides the following services to its member cities and towns, so that they may provide their citizens with quality services at affordable costs:

- Legal, consulting and education services. In the past year, VLCT responded to over 3000 inquiries for assistance from municipal officials. Our Municipal Assistance Center (MAC) conducted 15 workshops that attracted over 1200 people, as well as 15 on-site trainings. MAC distributed more than 200 handbooks to municipal officials and debuted a new, electronic Resource Library.
- Advocacy representation before the state and federal governments to ensure that municipalities have the resources and authority they need to serve their citizens. VLCT is a leader in the education finance debate, in land use discussions, and in securing revenues for town highway and bridge maintenance programs.
- Purchasing opportunities to provide needed services at the lowest cost. Examples include municipal employee health insurance and liability coverage for town operations. The VLCT Health Trust represents the most affordable option available to provide health insurance to municipal employees. The value of the VLCT Property and Casualty

Intermunicipal Fund (PACIF) to all our members is realized daily as members take advantage of loss prevention training and assistance, as well as reasonable insurance rates. These two trusts, with the addition of the VLCT Unemployment Trust, were responsible in 2006 for \$60 million in municipal tax dollars spent for insurance and risk management services.

Individuals interested in finding out more about the Vermont League of Cities and Towns, including reviewing its audited financial statements, can visit the VLCT website at [www.vlct.org](http://www.vlct.org).



### Central Vermont Economic Development Corporation

Although our unemployment rate continues to rank below the State and National averages, the economic vitality of Central Vermont also experiences the pressures of the ever-changing global economy. To address those pressures, The Central Vermont Economic Development Corporation (CVEDC) works diligently with the business community and the municipalities to identify solutions. We provide a suite of programs and services that include assisting existing businesses, assisting businesses planning an expansion; promoting our region to those businesses considering relocation to Vermont, and working on improving the infrastructure necessary for economic growth in Vermont. CVEDC has and will continue to work in partnership with all the Central Vermont municipalities, and community stakeholders to advance those initiatives identified by the Towns and Cities as important to their residents and the economic well-being of the community. The topics of energy, housing and workforce development remain top priorities for CVEDC.

As fuel costs continue to rise the topic of energy has become increasingly important. Although Vermont's electric costs are currently the most competitive in New England, the fact that the Hydro Quebec and Yankee Nuclear contracts will start to expire in 2010 presents the state with a significant challenge to identify its future power sources. CVEDC will work diligently with the business community and municipalities to address energy costs and supply.

The housing shortage also continues to be an issue in Central Vermont. The demand for housing exceeds the supply and our area employers report that their employees are having difficulty finding affordable housing. This challenge spans both the rental and ownership markets and all price-points. Working with our region's partners including the Central Vermont Chamber of Commerce, Community Action, the Central Vermont Regional

Planning Commission and the Central Vermont United Way a collaborative has been formed to address this issue as well as other pressing areas of concern for our region.

Workforce development is still at the forefront of CVEDC's efforts and we are working closely with area businesses and the Central Vermont Workforce Investment Board (WIB) on this issue. Partnering with the WIB, CVEDC has co-sponsored two Summits to identify the workforce training and corporate development needs in Central Vermont. Over 56 people attended the first Summit and based on the input given at the event, four sub-committees were formed to further investigate the areas that the summit participants asked to be explored. The second Summit reported out the findings and recommendations from the four sub-committees and also presented the results of a survey of businesses in our region. Those recommendations will be pursued as we continue to assist the business community with their workforce training needs.

CVEDC is also focusing on the issue of Telecom infrastructure. In order for our businesses to remain competitive in the global marketplace, telecommunications in Central Vermont must be strengthened. Our infrastructure must extend into our rural communities in order to maintain our viability and to preserve our landscape. Through our active Business/Municipal Visitation Program, CVEDC continues to assess our telecom needs and will look in the upcoming year to propose initiatives and partnerships that will address these issues.

We encourage you to visit our website at [www.centralvt.com/cvedc](http://www.centralvt.com/cvedc). One of the features is the ever expanding commercial/industrial sites data base. CVEDC will post all available commercial/office/industrial space for lease or sale that is submitted to us.

The Small Business Development Center Specialist, John Brennan, is co-located with CVEDC and continues to provide City of Montpelier residents with information and assistance regarding starting a new business or providing assistance to an existing business with marketing, financing or other information. In addition, the 'How to Start Your Own Business' seminars is offered on a monthly basis to the residents of Central Vermont.

We greatly appreciate the continued support given to the Central Vermont Economic Development Corporation by the City of Montpelier and we look forward to continuing and strengthening our relationship in the future.

## Central Vermont Regional Planning Commission

The Central Vermont Regional Planning Commission (CVRPC) is a consortium of 23 towns and cities in Washington County and western Orange County. CVRPC provides a forum in which municipalities work together to address regional issues and opportunities. It also offers its member communities professional assistance with local planning efforts through its experienced and knowledgeable staff, including amendments to Chapter 117, Vermont's Planning and

Development law. During this year, significant time was spent by staff working with member municipalities on the mechanics of implementing amendments made to Chapter 117 and updating flood hazard bylaws to meet the latest requirements of the National Flood Insurance Program.

The Commission also focused on implementing goals contained in the Regional Plan and the Regional Transportation Plan. The Commission's Transportation Advisory Committee continued to evaluate the regional inter-modal transportation needs and problems and make recommendations to the State Transportation Agency on projects that should be included in the Agency's five year capital program. The Commission was also involved in the review of regionally significant Act 250 development projects. CVRPC continues to work on the development of regional and local pre-disaster mitigation plans, population and housing growth projections, and review and approval of town plans as required by statute. CVRPC also completed assessments on three brownfield sites in the region and is looking for additional commercial/industrial sites that may be contaminated and would qualify for a brownfields assessment. As an outgrowth of the Central Vermont Economic Collaborative, CVRPC has been analyzing undeveloped parcels in proximity to existing sewer infrastructure to see if a greater housing density would be appropriate.

CVRPC assisted the City with flood hazard bylaws review, multi-modal transportation planning, natural resources planning, culvert inventory and traffic counts, Act 250 project review, fluvial geomorphology assessments of the Winooski River and North Branch, downtown circulation study, brownfield site assessments for the Salt Shed and Turntable Park, Safe Routes to School program, and provided administrative assistance to the Wrightsville Beach Recreation District of which Montpelier is a member.

CVRPC continues to work with local officials to provide GIS mapping, including planning maps for a variety of projects and municipal plans, bicycle and pedestrian path suitability maps, and maps of the region's natural resources. The Commission also provides model bylaws and assists municipalities in the administration of grants, particularly for the Vermont Community Development Program. Additional information on the Commission can be found at [www.centralvtplanning.org](http://www.centralvtplanning.org).

Thank you for your continued support. We look forward to another year of serving our member communities and the Central Vermont Region.

SUSAN M. SINCLAIR, *Executive Director*  
ED LARSON, *Commissioner*

## Central Vermont Solid Waste Management District

The Central Vermont Solid Waste Management District provides leadership, education, and services for residents and businesses in reducing and managing their

solid waste in order to protect public health and the environment to the greatest extent feasible. In response, the board of supervisors developed and adopted a Zero Waste Solid Waste Implementation Plan (SWIP) called *Working Toward Zero Waste*.

From July 1, 2005 through June 30, 2006, the District continued to implement its Five Year Workplan which identifies the activities and programs the District will undertake to set a solid foundation for reducing waste in the region.

With Zero Waste the goal is to strive to no longer produce “trash” which needs to be disposed of, but to instead utilize the materials as resources for the production of something new and needed. We encourage you to review our Solid Waste Implementation Plan and Five Year Plan documents. Please contact the District for a copy—802-229-9383 or comments@cvsmd.org.

Here are some of the highlights of the District’s FY 2006 program work. Our complete FY 2006 Annual Report is available on our Web site: [www.cvsmd.org](http://www.cvsmd.org).

- **Organics Diversion Programs**—With food waste comprising about 20% of the waste Vermonters produce every year, this wastestream is a critical one to tackle. In response, the District has developed a three-pronged approach to reaching the key sources of this waste: businesses/institutions, schools, and residents. During FY 2006, the 27 participants in the Business/Institution Organics Program diverted 428.67 tons of food waste to composting, while the seven K-12 schools in the School Organics Program diverted 44.7 tons of food waste to composting. The number of participants and amount diverted both continue to grow.
- The District’s Residential Organics Program aims to help residents manage their food waste right where it’s produced—at home. To this end, we piloted the first stage of a home food waste diversion program called the Bin & Cone Program with 91 households in two District member towns (Bradford and Chelsea) in FY 2006. The second stage of the pilot program is currently underway with 82 households in Calais and Middlesex.
- **Illegal Dumping Prevention**—15 former illegal dumpsites have been successfully cleaned and were officially “retired” from the Adopt-A-Site program in FY06. Another 15 sites are still being cleaned and monitored through the program.
- **Recycling**—During FY 2006, more than 1,101.7 tons of recyclables (paper, glass, aluminum cans, etc.) were collected at nine District run and/or underwritten Recycling Depots, in addition to 96.8 tons of tires; 169.8 tons of metal; 182.9 gallons of used antifreeze; 299 tons of cardboard; 3,113.6 gallons of used oil; and 1,257.6 tons of trash. Notable increases over FY05: 128 more tons of recyclables and 15 more tons of tires were recycled via the Depots.
- **Hazardous Waste**—857 households (266 more households than in FY05) and 29 businesses utilized the eight collections held in FY 2006, bringing 20.68 tons of gen-

eral hazardous waste to the collections—almost double the amount collected in FY05. Additional hazardous waste collected included 10 tons of latex paint; 11.8 tons of mixed paint; 5,098 pounds of batteries; and 9,782 linear ft. of fluorescent bulbs. Educational materials were distributed at the events in an effort to help residents reduce the quantity of hazardous materials used and disposed of in the region.

- **Green Up Day Grants**—20 member communities requested and received funding for Green Up Day activities through the Green Up Day Grant Program in FY 2006. Each town received \$225.
- **Electronics Collections**—The District collected 49.8 tons of electronics for recycling through an on-going collection at its Barre Town Recycling Depot, and special collections held in Bradford, Tunbridge, and Hardwick.
- **Web Site**—The District continued to increase the level of information available via its Web site in FY 2006, including detailed information for making home compost bins and business and member town waste reduction sections.

## Culture and Recreation

### Kellogg-Hubbard Library



Since the Kellogg-Hubbard completed its expansion in 2001, it has become what is known as a “third place” – not home, not work or school – but a place where people can go to meet their neighbors, read, catch up on paperwork, listen to a lecture, work on a resume, join a book group, and much more. With technology often keeping people more isolated from one another, it appears that the simple presence of a comfortable, friendly public space which is open to all has become increasingly important.

Kellogg-Hubbard is also an inspiring place. Each day, children flock here after school, leaving with armloads of books. It is where our youngest children learn to love reading, and it’s where people of all ages can engage in learning and in civic discussion.

The library is in the process of a financial restructuring that has posed a challenge for the library board, the staff, and our community. Our budget has been stretched by the need to keep such a busy library safe and secure, and in 2006 we had to close the library for two weeks in order to reduce expenses.

The library board has embarked on an ambitious three-year program to help the library reach financial sustainability. This plan includes cutting costs, increasing the library’s endowment for the next century, encouraging state funding for public libraries, and bringing our tax support to a sustainable level.

We have been heartened by the tremendous concern and support of the community as we tackle these financial challenges. Last summer, families on North Street held a yard sale in which the children took up a collection for the library. In December, a middle-school student and her mother organized a benefit fair

to support the Kellogg-Hubbard. People have opened their checkbooks, offered their services and their talents, attended our fundraising events, bought raffle tickets, and happily paid their library fines. It is the people in this community who make the library what it is!

**Library use by Montpelier Residents:**

Approximately 6,290 Montpelier residents have library cards, including about 1,300 children. In 2006, Montpelier residents borrowed over 106,000 items from the Kellogg-Hubbard. In addition, they brought their children to pre-school story times, attended classes and lectures, reserved meeting space, applied for jobs using library computers, met with their tutors, read the newspaper, picked up their children here after

school, and asked the librarians to find all kinds of information for them. We at the library are privileged to provide such a wide range of services to the people in our community and we thank you for your support!

What follows are the library's financial statements for the period ending September 30, 2006. Our year-end December 31, 2006 statements will be available at City Hall and the library prior to Town Meeting Day. Do not hesitate to contact Martin Hahn, the library's executive director, if you have questions about these statements:

KELLOGG-HUBBARD LIBRARY  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2006

EXHIBIT A

|                                         | ASSETS     |                     |
|-----------------------------------------|------------|---------------------|
| Cash - checking & petty cash            | \$ 103,870 |                     |
| Cash - money market                     | 124,896    |                     |
| Total cash and cash equivalents         |            | 228,766             |
| Investments, at market value            |            | 4,201,925           |
| Building, furniture and equipment       |            |                     |
| Building                                | 2,586,003  |                     |
| Furniture and equipment                 | 123,555    |                     |
| Bookmobile                              | 96,478     |                     |
| Accumulated depreciation                | (506,362)  |                     |
| Total building, furniture and equipment |            | 2,299,674           |
| Total assets                            |            | <u>\$ 6,730,365</u> |

LIABILITIES AND NET ASSETS

|                                                      |           |                     |
|------------------------------------------------------|-----------|---------------------|
| Liabilities                                          |           |                     |
| Accounts payable                                     | \$ 20,109 |                     |
| Accrued wages and withholdings                       | 9,275     |                     |
| Accrued compensated leave                            | 41,500    |                     |
| Unearned grant revenue                               | 7,000     |                     |
| Total liabilities                                    |           | <u>77,884</u>       |
| Net assets - unrestricted                            |           |                     |
| Designated - investment in property - beg. balance   | 2,375,906 |                     |
| Designated - investment in property - current period | (76,232)  |                     |
| Total designated - investment in property            |           | 2,299,674           |
| Designated - VCF - beg. balance                      | 2,427,935 |                     |
| Designated - VCF - current period                    | 206,905   |                     |
| Total designated - VCF                               |           | 2,634,840           |
| Undesignated - beg. balance                          | 1,774,293 |                     |
| Undesignated - current period                        | (72,022)  |                     |
| Total undesignated                                   |           | <u>1,702,271</u>    |
| Total net assets - unrestricted                      |           | 6,636,785           |
| Net assets - temporarily restricted - beg. balance   | 20,593    |                     |
| Net assets - temporarily restricted - current period | (4,897)   |                     |
| Total net assets - temporarily restricted            |           | 15,696              |
| Total net assets                                     |           | <u>6,652,481</u>    |
| Total liabilities and net assets                     |           | <u>\$ 6,730,365</u> |

KELLOGG-HUBBARD LIBRARY  
STATEMENT OF ACTIVITIES  
NINE MONTHS ENDED SEPTEMBER 30, 2006

EXHIBIT B

|                                           | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>        |
|-------------------------------------------|---------------------|-----------------------------------|---------------------|
| <b>REVENUES</b>                           |                     |                                   |                     |
| Investment distribution                   | \$ 204,390          | \$ -                              | \$ 204,390          |
| Contributions                             | 80,320              | -                                 | 80,320              |
| Bequests                                  | 20,055              | -                                 | 20,055              |
| City/Town contributions                   | 257,700             | -                                 | 257,700             |
| Program revenue and fees                  | 48,101              | -                                 | 48,101              |
| Grant revenue                             | 16,918              | 32,500                            | 49,418              |
| Interest income                           | 460                 | -                                 | 460                 |
| Miscellaneous                             | 6,233               | -                                 | 6,233               |
| Net assets released from restrictions     | <u>37,397</u>       | <u>(37,397)</u>                   | <u>-</u>            |
| Total revenues                            | <u>671,574</u>      | <u>(4,897)</u>                    | <u>666,677</u>      |
| <b>EXPENSES</b>                           |                     |                                   |                     |
| Bookmobile                                | 37,397              | -                                 | 37,397              |
| Books and programs                        | 44,652              | -                                 | 44,652              |
| General and administrative                | 46,752              | -                                 | 46,752              |
| Library staff                             | 404,824             | -                                 | 404,824             |
| Occupancy                                 | 69,172              | -                                 | 69,172              |
| Technology and communications             | <u>7,671</u>        | <u>-</u>                          | <u>7,671</u>        |
| Total expenses                            | <u>610,468</u>      | <u>-</u>                          | <u>610,468</u>      |
| <b>NET REVENUES OVER (UNDER) EXPENSES</b> | <u>61,106</u>       | <u>(4,897)</u>                    | <u>56,209</u>       |
| <b>NONOPERATING REVENUE (EXPENSES)</b>    |                     |                                   |                     |
| Investment income                         | 45,061              | -                                 | 45,061              |
| Investment management expenses            | (21,508)            | -                                 | (21,508)            |
| Gain (loss) on investments                | 254,614             | -                                 | 254,614             |
| Investment distribution to operating      | (204,390)           | -                                 | (204,390)           |
| Depreciation                              | <u>(76,232)</u>     | <u>-</u>                          | <u>(76,232)</u>     |
| Total nonoperating revenue (expenses)     | <u>(2,455)</u>      | <u>-</u>                          | <u>(2,455)</u>      |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>  | 58,651              | (4,897)                           | 53,754              |
| <b>NET ASSETS - BEG. OF PERIOD</b>        | <u>6,578,134</u>    | <u>20,593</u>                     | <u>6,598,727</u>    |
| <b>NET ASSETS - END OF PERIOD</b>         | <u>\$ 6,636,785</u> | <u>\$ 15,696</u>                  | <u>\$ 6,652,481</u> |

## Lost Nation Theater



In 2006, Lost Nation Theater, thanks to the tremendous support of the community and the support of the City of Montpelier, continued to produce a wealth of performance, education, and outreach programs, and make significant improvements to our home - City Hall Arts Center. We are confident that LNT will be here for many years.

### *The History:*

Kim Bent founded Lost Nation Theater in 1977 in Bristol, Vermont. The Company produced original work, which it toured through NYC, New England & Montreal and presented in its home-base: a loft space over a Pizza Parlor that Kim converted into a performance space. That space is still used for live performances today. Montpelier's Official Resident Professional Theater in residence at City Hall Arts Center since 1989, LNT has once again taken a vacant space and has helped transform it into a vital community-gathering center for theater, music, dances, civic and community events. Lost Nation Theater's work now includes musicals, a host of education and professional training programs, and many partnerships with social service and other arts organizations, within its now year-round season. In 1989, LNT's annual budget was under \$20,000. In 2006 its operating cash budget was approximately \$370,000 with an equal "in-kind" budget. The Company's annual economic contribution exceeds \$400,000 and donates more than \$25,000 per year in goods and services to the community.

### *2006 Highlights:*

In 2006, LNT shared its improved facility of Montpelier City Hall Arts Center with other groups initiating its inaugural WinterFest! LNT's WinterFest brought in NYC's Qwest Productions for sold-out performances of their tribute show to Langston Hughes — Lyrical Langston: His Muse for Music to celebrate Martin Luther King & Black History Month, partnering with the Anti-Racism Study Circle to foster discussion inspired by the show. The American Opera Theatre Project (a new VT performing arts collective) made their debut with a workshop production of Mark Bliztein's Regina; and LNT raised \$3000 for the Washington County Sexual Assault Crisis Team with its production of The Vagina Monologues. 2006 was LNT's "Made in Vermont" season as we featured three Vermont writers in our season: The world premiere of Mary Sue Price's Streets of Gold, featuring music by Robin & Linda Williams (played by Cold Country Bluegrass); Katherine Paterson's The Tale of the Mandarin Ducks; and the remounting of Kim Bent's Stone — celebrating the gritty story of Barre's Granite heritage.

Stone was once again a highlight of our year. Kim Bent and LNT received the Vermont History Society's inaugural Hathaway Prize; and a film adaptation was created with noted film-maker Jeff Farber and was released on DVD in October to great acclaim.

Our education programs continue to grow. LNT added a

week to its run of Romeo & Juliet in an attempt to serve all the interested schools and students. R&J alone served over 1500 students.

### *The Programs*

**Performances!** — Over 120 each year -- *featuring the best Vermont and "Imported" professionals*

- Six Mainstage Shows
- Children's Show
- *An Edgar Allan Poe & Fiends Halloween*
- Vermont Performers Showcase
- Vermont Playwrights' Circle
- Late Nite Cabaret
- Special Matinees for Students and Seniors

**Education!** — *Opportunities for all ages and Experience Levels*

- *Head Start Arts Partnership* — workshops for Head Start students up to 4 years old, their parents & siblings
- *Youth Theater Labs* — summer & winter-break day camps for ages 8-16
- *The Conservatory* — "full-immersion" training for high school students
- *The Elderhostel* — four weeks each year seniors from around the country come to central Vermont to study theater at LNT and enjoy the community; this program alone pumps over \$50,000 into the local economy
- Professional Theater Training Program—bridging academic & professional worlds
- *Will on Wheels* & other Workshop Programs—for elementary through college-level students
- Residencies & Mentorships

**Outreach!** — *A Professional Theater Committed to Community*

- Facility Management of City Hall Auditorium Arts Center — producing over 200 events each year
- Custodians of City Hall Auditorium
- Consultation, Referral, & Technical Support Services
- Mini-Performances to Nursing Homes, Assisted Living Facilities, Adult Day Cares, and Low-Income Children's Day Care programs
- Accessibility Initiatives — with Adult Basic Education, Women's Centered, Vermont Center for Independent Living, Heaton Woods and many more; plus ASL-interpreted and Audio-Described Performances, large-print programs, assisted listening systems, and reserved seating for those with physical challenges.
- Vermont Foodbank Partnership — standard discount on admission to anyone who brings a non-perishable food item for the Foodbank when they attend Lost Nation Theater
- Ticket Donations to non-profit arts, human service, education & other organizations
- Support for and participation in First Night — and other community-wide events & festivals

2006 LNT Board of Directors and Advisors

Kim Bent and Kathleen Keenan –*Producing Artistic Directors*

Dona Bate – *Outreach Development*

Burton Dunning – *Treasurer*

Lynne Hansen – *Special Projects*

Mitch Osiecki – *Volunteer Coordinator*

Ted Richards – *Secretary*

John Poeton – *Vice Chair*

Betty Lord — *Development*

Lola Aiken, Anita Ancel, Andrew Brewer, Robert Cole, Dave Cousins, John Fricke, Con Hogan, Mich Kabay, Betty Lord, Stephen McArthur, Edie Miller, Anthony Otis,

Jay White, Sue Zeller—*Staff & Volunteer Staff*

Tim Tavcar — *Public Relations & Box Office*

Dona Bate—*Bookkeeping Administration*

Jan Armstrong, Armstrongwebworks—*Website*

Robyn Osiecki, Osiecki Technical Services—*IT*

Hank Babcock—*Asst. Technical Director*

Amanda Menard—*Audience Services & Office*

*Management*

Pat Babcock – *Office Assistant*

Pat Keenan – *Asst to Producing Artistic Director*

Crystal Bousquet, Law Office of Anthony Otis – *Database Consultatnt*

Ursula Zeller, Louise Menard, Elaine & Rob McIntyre,

Pat Carstensen – *Mailing Specialists*

Joan Black, Judy Larson DiMario, Linda Henzel, Bob & Anne Johnson, Ron & Maggie Thompson – *Friends of Lost Nation Theater*



*Streets of Gold* – Photo by Kim Bent, LNT April, 2006.



*Romeo & Juliet* – Photo by Kim Bent, LNT September, 2006.



*Stone* – Photo by Karen Pike for the NY Times, LNT June, 2006.

## City Hall Arts Center



Lost Nation Theater is the facility manager for City Hall Arts Center. What does that mean? It means the Theater takes care of the day-to-day type maintenance of the Hall: changing light bulbs, washing the woodwork, small repairs to the plaster, tile floor, chairs and risers, cleaning the bathroom and making sure supplies are stocked, etc. – It also means helping renters plan their use of the Hall, determining what kind of technical support (lighting, staging, tables, additional electricity,) they will need, and arranging for qualified support staff when necessary.

In 2006, Lost Nation Theater again donated well over \$5000 worth of technical support and services to other users of City Hall Arts Center. The Theater also continues to make improvements to the Hall to make it as easy as possible for any user of the Hall to create an intimate environment, or create different areas in which to have “break-out” meetings.

*The schedule of activities in City Hall Arts Center in 2006:*

**January:** First Night; HS Band Concert, City Planning Commission Meeting; Sabin’s Pasture; CVMC screening/discussion of “*SuperSize Me*”; Second VT Republic Lecture/Dem

*WinterFest: Lyrical Langston!*

**February:** *WinterFest: Regina and Vagina Monologues*; violence against women discussion sessions; LNT Youth Theater Lab; Safe Water Advocates of Montpelier; VT Democratic Party;

**March:** Town Meeting and Voting; Vermont Youth Conservation Corps; VT Department of Education; Green Mountain Film Festival

**April:** Volunteer Day; LNT’s *Streets of Gold*

**May:** LNT’s *Laughing Wild*; Vermont Playwrights’ Circle Reading

**June:** LNT’s *Stone*; Late Nite Cabaret; Youth Theater Lab; Vermont Playwrights’ Circle Reading; MDCA Annual Meeting

**July:** LNT’s *Tale of the Mandarin Ducks*; Independence Day Parade prep; Late Nite Cabaret; Elderhostel Workshops; Youth Theater Lab; Vermont Playwrights’ Circle Reading

**August:** LNT’s *Something for Everyone – a Musical Tonight!*; Late Nite Cabaret; Elderhostel Workshops; Youth Theater Labs; Vermont Playwrights’ Circle Reading

**September:** LNT’s *Romeo & Juliet*; Tim Jennings and LeAnne Ponder;

Green Mountain Youth Orchestra; Vermont Alliance for Arts & Education Conference

**October:** LNT’s *Romeo & Juliet*; Will-on-Wheels; *Shakespeare Sings*; Elderhostel;

Hunger Mountain Coop Food & Wellness Fair; Americorp Volunteers;

VT Refugee Assistance – film screening & benefit

**November:** Voting; Green Mountain Youth Orchestra; Hunger Mountain Coop Annual Meeting

**December:** Peace & Justice Center training; VT Department of Education;

Steve Goldberg Productions: *Bright Wings of Despair*; Our House Holiday Craft Fair;

Marianne Lust, Theatre LTD’s *Night Fires* Solistice Celebration Performances;

Pete Sutherland & Friends; First Night

## T.W. Wood Gallery & Arts Center



The Board of Trustees of the T. W. Wood Gallery and Art Center provides the City with professional care of its art collection and a destination for art lovers, artists and tourists. While providing for the City’s Permanent Collection, we produce ten to twelve exhibitions each year. In addition, we have an annual Summer Art Camp for children aged 7 to 14, sponsor several art-oriented bus trips, artist talks and offer a place of calm and respite in a busy world.

The City can take pride in its stewardship which has nurtured and supported this Collection through the years. The collection is aging however and requires a level of care and storage which is increasingly expensive. Since we are located on the campus of Vermont College, we can’t ignore the fact that with the property being for sale our continued time in this space is in doubt. Presently, with the help of the community, we are looking at all of our options and being as proactive as possible. This has been a difficult year financially and we are doing all we can to raise awareness about our situation.

We are grateful that we have been able to contribute to the quality of life in Montpelier and hope to overcome our present difficulties. Thank you for giving us the opportunity to do all that we do for the City and its collection.

JOYCE MANDEVILLE, *Executive Director*

## Capital City Band

The Capital City Band had another successful summer season of ten free concerts held on the State House Lawn, and attended by enthusiastic audiences. The band plays a variety of show tunes, marches, popular numbers, old-time pieces, and other selections. Band membership is open to all who like to play. Total participants this summer was 57. Call 223-7069 for more information.

CAROLYN SILSBY, *Manager*

## North Branch Nature Center

The North Branch Nature Center (NBNC) is a private not-for-profit organization that provides natural science education to all ages. For the past 10 years, the nature center was a regional center of the Vermont Institute of Natural Science (VINS), but is now operating as a newly-independent nonprofit organization. Individuals or families can become charter members by making a donation to the North Branch Nature Center. The suggested donation is \$50, but contributions at any level are welcome.

### Your Door to the Outdoors

NBNC is dedicated to connecting people of all ages with the natural world. The nature center provides a wide variety of nature programs including summer and vacation day camps; programs for school groups and homeschoolers; nature walks, field trips and workshops for all ages; a regular preschool program series and much more. The nature center also offers a teen birding program, annual wildlife festivals and volunteer opportunities. To find out about upcoming programs, call us for a listing of calendar events or find us on the web at [www.NorthBranchNatureCenter.org](http://www.NorthBranchNatureCenter.org).

### Visitors Always Welcome!

Whether you're interested in a short hike on your lunch break, or would like to take a river walk with kids, the trails at the nature center are just the thing. There is a bridge crossing the river into the North Branch River Park, which has extended opportunities for hiking and exploring. We have a critter room with live turtles, salamanders, a tarantula and more. There is a guided trail brochure for the nature center's trail at the kiosk. If you'd like to explore more of Hubbard Park, there is a trail leading to the park just across the road from the parking lot. Trail maps of Hubbard Park and the North Branch River Park are available at NBNC.

### How to Find Us

We are located on Route 12 (713 Elm Street) in Montpelier, just 2 miles north of the intersection of State and Elm Street. Our Critter Room is open Monday through Friday, 9 am to 5 pm. Trails are open everyday. For more information call us at 229-6206 or visit our website at [www.NorthBranchNatureCenter.org](http://www.NorthBranchNatureCenter.org).

CHIP DARMSTADT, *Executive Director*

## Wrightsville Beach Recreation District

Recent investments to improve the Wrightsville Beach Day Use Area continue to pay off. Despite some flooding problems, the 2006 season witnessed record attendance and revenues for the Beach thanks to improved grounds and facilities and more recreation options. The District continued its popular canoeing and kayaking program, improved

and expanded hiking trails, and attended to its ambitious maintenance program. It also hosted a variety of day camps and community programs.

The Wrightsville Beach Day Use Area provides a low cost, high quality, and now diverse recreational experience for residents of our member towns (Montpelier, East Montpelier, Middlesex, and Worcester). It is widely used and appreciated by families, community groups, and visitors. The Board of Directors is committed to maintaining and improving the overall recreational experience for all beachgoers. This requires continuing investment in the facility for maintenance, operations and capital improvements even as operating costs continue to rise. The increased user fees resulting from facility improvements have allowed the District to freeze municipal dues assessments at \$.45 per capita for the 2007 season.

The following figures summarize the District's financial operations from January 1 through year end:

|                          |           |
|--------------------------|-----------|
| Revenue:                 |           |
| Washington Electric      | \$ 9,500  |
| Seasons passes/user fees | 15,067    |
| Municipal assessments    | 5,960     |
| Prior year's balance     | 8,700     |
| Total Revenue            | \$ 38,707 |
| Expenditures:            |           |
| Personnel                | \$ 18,229 |
| Maintenance              | 2,414     |
| Operating                | 4,287     |
| Total Expenditures       | \$24,940  |

The District's 2007 budget calls for revenues of \$37,725 and expenditures of \$34,592

The increase in expenditures reflects salary raises and more hours for the Beach Manager and staff, as well as planned maintenance projects and capital improvements, including repairing the entrance road and parking lot improvements.

The Board would like to thank the community for its continued support of Wrightsville Beach.

RICHARD MILLAR  
*Chair, Montpelier*

## Montpelier Community Connections

Community Connections, now beginning its 6<sup>th</sup> year offering quality out-of-school time programs for kids in Montpelier, Berlin, Calais, East Montpelier, Middlesex, and Worcester, served more than 1360 children last year. They participated in reading and homework clubs, computer, recreational activities, arts and crafts, having fun outdoors, snowboarding, canoeing, field trips, and more.

Community Connections served 132 children at Union



*Community Connections campers climbed Wheeler Mountain in the Northeast Kingdom last summer. Over 475 Montpelier youth participated in Community Connections afterschool and summer programs last year.*

Elementary School and 148 youth at Main Street Middle School through academically oriented and active afterschool programs from homework club, rocket science club, and international cooking, to Mad River rocketing (sledding), yoga, tracking in Hubbard Park, pumpkin carving, dodgeball, and indoor lacrosse.

At Montpelier High School, 195 students participated in afterschool and summer Community Connections programs including cooking, football and cricket on the statehouse lawn, ultimate Frisbee, dodgeball, sledding, snowboarding, Wild Onion literary magazine and welding. For the fifth straight summer a four-week field school was held at Montpelier High School. At Phun Physics summer field school, 17 high school students learned about physics by creating alternative energy machines from cut-up bicycles and batteries, and got high school credit as well!

The Community Connections PEP wellness program hosted several community events designed to get people moving. Over 350 community members participated in Stomp in the Park snowshoeing, Classroom Cup trail-walking, cross country skiing, unicycling, Nordic walking, bike safety fairs, wellness public forums and a showing and discussion of the film Super Size Me.

Race car rally, nature investigations, kayaking, hiking, dance, arts and crafts, herbal creations, Legos, biking, jewelry, film-making, rock & roll and Phun Physics are just some of the things kids did this summer at Community Connections summer camps. There were eight continual weeks of camps for elementary-aged children with two camp choices each week, as well as middle school camps including: road and mountain biking, film-making, jewelry, hiking, kayaking, herbal creations, Rock and Roll and Unique Vermont. 184 kids enjoyed the diverse camps where they learned new skills, were exposed to new things and made new friends.

In addition to out-of-school time programming, Community Connections spearheads key youth-mentoring initiatives. Our nine-year-old Girls First/Boyz First mentoring program now

has 31 pairs in the community-based program, another 14 in the school-based setting (including some high school peer mentors) and 38 Montpelier High School students in the PLAY peer mentoring program. Some of our pairs have been together for more than 5 years!

Our Youth Outreach Coordinator works with 31 out-of-school youth, and those who are at risk of dropping out of school, to explore alternative education options and employment opportunities, and guide them in making healthy life choices. Twenty-eight of them are in the Alternative Diploma Program and are working towards graduating high school.

It's the goal of Community Connections to ensure that programs are accessible to all families. Last year over \$162,000 of direct services were provided to Montpelier children through Community Connections. The City of Montpelier contributed \$5,000 and user fees totaled over \$15,200. The rest came from Community Connections grants.

A recent poll by The Afterschool Alliance found significant public support for afterschool programs. Eighty-two percent of voters agree that there should be some type of organized activity or safe place for children and teens to go after school every day that provides opportunities for them to learn. When told that kids in afterschool programs are less likely to get involved in criminal activity, use drugs or alcohol, become teen parents and drop out of school, 89% of voters say afterschool programs are very (66%) or somewhat (23%) important. "Voters know that afterschool programs keep kids safe, inspire them to learn and help working families," said Afterschool Alliance Executive Director Jodi Grant. "Americans recognize that these programs provide tremendous benefits. Too many students are alone, unsupervised and at risk when the school day ends."

We appreciate Montpelier's commitment to quality out-of-school time programming. For more information, please contact Coordinators Ben Cheney, at Montpelier High School, 225-8070, or [ben@mpsvt.org](mailto:ben@mpsvt.org) or Drew McNaughton, Main Street Middle School and Union Elementary Coordinator, 225-8678, or [drewm@mpsvt.org](mailto:drewm@mpsvt.org).

## Montpelier Community Justice Center

**Helping each other transform conflict and crime**

**T**he Montpelier Community Justice Center (MCJC) is now in its fourth year of operation. To quote a recent email we received, "(It) is beginning to reach its full potential and we are seeing the results in the community." In our quest to promote and provide restorative responses to conflict and crime in our community, we offer a variety of services made possible by various grants, municipal support, and the generous giving of time by many good people.

Services provided by the Justice Center during the past year include:

**Mediation of neighborhood disputes** – MCJC staff has helped six groups of neighbors communicate and work out

solutions to thorny problems that resulted from conflicting interests. Typical issues that result in complaints to the police or City officials include noise, encroachment, hostility, dogs, etc. Whether the case is self-referred or comes to us from the police or others, mediation brings parties together and structures communication so that people talk more productively and figure out for themselves the adjustments needed to become more harmonious neighbors.

*I rolled with the punches and hung in there . . . through the rough parts . . . and various solutions were explored, discarded, or refined . . . It did not cost me anything except time and I believe it was time well spent.*



*Kim Sturgis wins the MCJC Kayak Raffle*

**Conflict management services to area schools** – MCJC staff worked with administrators at several schools towards developing healthier school climates. The MCJC has provided ongoing direct technical assistance for a core group of students at Montpelier High School interested in starting a Student Restorative Panel. The MCJC facilitated a restorative conference at another area school for 20 people, including students, parents, and staff, in response to a serious multi-student conflict, resulting in renewed friendship and a resolve among the students to maintain peaceful relations.

*The best thing . . . was getting to meet all the girls, their parents and supporters and hearing everyone's perspective on the events. . . the outcome was well worth the time.*

**Conflict management resources for community issues** – MCJC staff and volunteers designed and facilitated a forum to educate the public and invite public input as the Planning Commission neared completion of the Proposed Zoning and Map Amendments for Montpelier. MCJC staff further assisted the Planning Commission and City Council in discussing their respective interests related to the Zoning Amendments.

The MCJC was asked to help manage the conversation between the Family Center of Washington County and the residents of the Sherwood Drive neighborhood after the Family Center applied to the Development Review Board for approval to operate on a property in that neighborhood. Staff and volun-

teers acted as intermediaries and facilitated a number of meetings over several months. The MCJC also assisted the City's Planning Department by conducting public education about the application process.

*I believe the MCJC provided a valuable public service that helped engage citizens in the planning and regulatory process.*

**Community based restorative response to crime** – The MCJC has been operating two Reparative Boards and is launching a third in January, 2007. Each Board is made up of four to six trained volunteers who meet with people who have been sentenced by the court for crimes such as DUI, retail theft, and fraud. The Board asks a person who offended to look at what happened in terms of the harm done to individuals and the community and asks the person to help devise a plan of activities aimed at deepening the understanding of the harm, making amends, and not repeating the offensive behavior. A written Reparative Agreement is generated and the person returns in 90 days to demonstrate completion. People affected by the offense are always invited to participate in the process at whatever level of comfort they choose, which can range from having no participation to submitting a written statement to direct participation at the meeting. Many people make amends by performing volunteer work in the community and a recent study has confirmed what previous studies have shown – that the restorative probation program “significantly reduces the likelihood of subsequent criminal offending compared to more traditional standard probations practices.”

*It felt good to accept the woman's apology.*

In a non-Reparative court ordered case, the MCJC assisted two victims to negotiate a restitution order with a person who had left the scene of an automobile accident. This negotiation took place in lieu of a court hearing.

*A 'human' face was placed on participants. Everyone involved got to ask questions and speak freely – not as in a courtroom.*

Five cases were referred to our youth pre-charge program, a program aimed at keeping young people out of the criminal justice system by responding to wrongdoing with a restorative approach.

The MCJC directs a Restorative Reentry Program designed to increase community safety as people transition from prison to supervised life in the community. Citizen volunteers serve on Circles of Support and Accountability (COSAs) with people reentering the community following incarceration for a serious and violent offense. With the intent of decreasing the likelihood of new victims, COSA volunteers form a relationship with the reentry participant to help him or her make the choices necessary to become self-sufficient, law-abiding citizens.

*Your program gives us a serious shot at success by providing support, resources and training to volunteers and offenders.*

**Education and training** – The MCJC co-sponsored the screening of the film *A Meeting With A Killer* at the Barre Opera House. This documentary presented the story of how a mother and daughter of a woman who was murdered ultimately met with the man who killed their loved one, and how this meeting furthered their healing.

The MCJC continuously recruits and trains new volunteers

for its reparative and restorative reentry programs. We offer workshops on a continuing and rotating basis on restorative justice, the experience of victims and offenders in the criminal justice system, the Reparative Board process, the operation of Circles of Support and Accountability, domestic violence, substance abuse, and honoring the victim in a restorative process.

*It feels almost too good to be true to have found this restorative justice program. I want to do the training. . .*

The MCJC Citizen Advisory Board raffled a kayak to support the MCJC's work with young people and in doing so had many opportunities to talk with community members about restorative justice. The curiosity, interest, and positive feedback confirmed our conviction that it is good to have a resource to help people communicate and create their own solutions to conflict, and that our community wants a system that requires people who have offended to look at and understand the effects of their offense while taking responsibility for making amends and not re-offending.

The rest of the story:

The MCJC currently has a staff of three – Yvonne Byrd, Executive Director; Karen Blazer, Programs Coordinator; and Judy Gibson, Caseworker. However, our volunteers are key to our ability to deliver so many of our services. Volunteers contribute in a myriad of ways. Some offer regular service on a Citizen Advisory Board, a Reentry Advisory Panel, Reparative Boards, and Circles of Support and Accountability while others have helped on an occasional or ongoing basis with special projects. We have also benefited from the pro bono work of professional mediators and facilitators in certain cases.

Active volunteers and community partners who generously gave of their time and talents during 2006 include Danielle Abrams, Kit Andrews, Vanessa Astacio, Marina Back, Lori Baker, Rain Banbury, June Bascom, Ariel Borgendale, Sarah Blakely, Betty Blouin, Tovar Cerulli, Judy Chalmer, Art Chickering, Jo Chickering, Paul Coates, Sheila Coniff, Cindy Cook, Jane Edwards, Tony Facos, Barbara Floersch, Allie Frances, Laura Gabriel, Bobbi Gagne, Judy Gibson, Paul Goldstein, John Gorczyk, Gisa Green, Eva Gumprecht, Beverly Hill, Andy Hooper, Mary Hooper, Doug Hoyt, Dick Jenney, Renee Kievit-Kylar, Rachel Lawler, Evan Meenan, Alfred Mills, Kathleen Moore, Alaya Morning, Joanne Pereira, Kim Raine, Steve Reynes, Britt Richarson, Dee Rollins, Tina Ruth, Jim Sheridan, Franklin Shiner, Glenn Sturgis, Shellie Swan, Mike Sweeney, Dan Towner, Connie Weems, Jody Whitaker, and Elizabeth Wigren.

*Why we are all here is that we volunteers feel the great truth about life is that we are in this life together.*

We hold a vision for the future of the MCJC that includes continuing the programs we have while creating a restorative community service program that enhances the value of community service performed as a part of making amends. However, our main goal is to be responsive to the priorities of our community in delivering our services and we welcome suggestions, questions, feedback, and volunteers. We are located in City Hall and can be reached at 223-9606, or by email at "mailto:mcjc@montpelier-vt.org" [mcjc@montpelier-vt.org](mailto:mcjc@montpelier-vt.org).

YVONNE BYRD, *Executive Director*

## Committees Appointed by City Council

### Conservation Commission

Kris Hammer, *Co-Chair*  
Paul Brown  
Kenneth Jones  
Stephan Syz  
Ken Matzner  
Christine Zachai, *Co-Chair*  
Roy Schiff  
Linda Henzel, *Alternate*  
Emma-Lynn Melvin, *Alternate*  
Geoff Beyer, *Parks Liason*

### Tree Board

John Snell, *Co-Chair*  
Jean Vissering  
Meredith Sumner  
Pinky Clark  
Wendy Blakeman, *Volunteer*  
John Van Deren, *Volunteer*  
Carol Naquin, *Co-Chair*  
Abby Colihan  
Bill Jordan  
Dave Wilcox, *Advisor*  
(1) *Vacancy*

### Design Review Committee

Margot George, *Chair*  
Eric Gilbertson  
Vicki Lane  
Stephen Everett  
Soren Pfeffer  
Guy Tapper, *Alternate*  
Daniel Richardson, *Alternate*

### Central Vermont Regional Planning Commission

Ed Larson, *Representative of the City of Montpelier*

### Montpelier Loan Fund Committee

Kim Phalen  
Stephen Klein  
Claude Stone

**Note: Please advise this office if you know of any alternative needs necessary for reading this report. Phone 223-9505.**

## Tax Exempt Parcels

| Property Owner                                                                 | Exempt Value         | Payment in Lieu of Taxes | Property Owner                                                                                         | Exempt Value | Payment in Lieu of Taxes              |
|--------------------------------------------------------------------------------|----------------------|--------------------------|--------------------------------------------------------------------------------------------------------|--------------|---------------------------------------|
| American Legion<br>21 Main Street                                              | 200,200              | --                       | Roman Catholic Diocese of VT<br>Rectory, 16 Barre Street<br>Church, 20 Barre Street<br>46 Barre Street | 4,701,293    | --                                    |
| Beth Jacob Synagogue<br>Harrison Avenue                                        | 80,000               | --                       | Shepherd of the Hills<br>Lutheran Church<br>115 Northfield St.                                         | 175,000      | --                                    |
| Bethany Church<br>Main Street                                                  | 2,546,795            | --                       | Social Security Building<br>School Street                                                              | 144,100      | --                                    |
| Cemeteries<br>Elm Street, Green Mount & Catholic                               | 230,400              | --                       | Trinity Methodist Church<br>of Montpelier, VT Inc.<br>Main Street                                      | 1,189,800    | --                                    |
| Central VT Memorial Civic Center<br>Gallison Hill Road                         | 358,900              | --                       | Union Institute<br>8 properties<br>College St., West St., Ridge St.,<br>Kemp Ave., East State St.      | 9,275,400    | --                                    |
| Central VT Solid Waste<br>Management District<br>137 Barre Street              | 110,700              | --                       | Unitarian Church<br>Main Street                                                                        | 905,000      | 50.00                                 |
| Christ Church – Episcopal<br>State Street<br>41 Summer St, Parsonage           | 1,188,400            | --                       | US Post Office<br>State Street                                                                         | 826,300      | --                                    |
| First Baptist Church<br>5 St. Paul Street<br>Church, School Street             | 610,000              | --                       | Vermont, State of<br>44 properties<br>State St., Court St., Baldwin St.,<br>Green Mt. Drive            | 99,111,600   | 184,000.00<br>441,183.00<br>57,971.73 |
| First Church of Christ<br>145 State Street                                     | 171,000              | --                       | VT Center for Independent Living<br>11 East State Street                                               | 482,400      | --                                    |
| Fisher, OM Home<br>149 Main Street                                             | 1,350,000            | --                       | VT Institute of Natural Science<br>713 Elm Street                                                      | 164,400      | --                                    |
| Kellogg Hubbard Library<br>135 Main Street                                     | 1,323,000            | --                       | VT Program for Quality in<br>Health Care Inc.                                                          | 170,000      | 1,200.00                              |
| Montpelier, City of<br>Other than schools<br>22 properties                     | 2,438,200            | --                       | Washington, County of<br>3 properties<br>State Street, Elm Street                                      | 1,392,900    | --                                    |
| Montpelier, City of<br>12 properties                                           | 2,367,400            | --                       | Washington County<br>Mental Health<br>7 Baldwin, 90 & 157 Barre Sts                                    | 369,900      | --                                    |
| Montpelier Elderly Housing Project<br>155 Main Street<br>120 Northfield Street | 1,702,000<br>440,000 | 9,580.53<br>2,900.00     | Washington County Railroad<br>(State) 6 properties<br>Barre St., Taylor St.                            | 180,000      | --                                    |
| Overseas Veterans (VFW)<br>Pioneer Street                                      | 437,100              | --                       |                                                                                                        |              |                                       |
| Resurrection Baptist Church<br>144 Elm St, 2 properties                        | 299,000              | --                       |                                                                                                        |              |                                       |

Note: Assessments are not current market values.

## Calendar Year 2006 Compensation

| Employee            | Department/Office          | 2006 Wage | Employee                 | Department/Office          | 2006 Wage |
|---------------------|----------------------------|-----------|--------------------------|----------------------------|-----------|
| ALDRIGHETTI, JANE   | Assessor/Building          | \$40,435  | HALLSMITH, GWENDOLYN*    | Planning & Development Dir | \$3,945   |
| ALEXANDER, NANCY    | Elections                  | \$519     | HAYDEN, DOROTHY          | Elections                  | \$281     |
| ALLEN, JAMES RILEY  | City Council               | \$167     | HAYDEN, GREGORY          | Fire                       | \$12,991  |
| AMARAL, MICHELLE    | Police                     | \$31,155  | HEALY, PATRICK           | Green Mount Cemetery       | \$45,784  |
| APGAR, ANDREW       | Police                     | \$41,669  | HECHMER, CARMEN SUZANNE  | Downtown Association       | \$6,192   |
| AUGUSTONI, ANNETTE  | Elections                  | \$65      | HIGGINS, THERESE         | Elections                  | \$65      |
| BAGG, SCOTT         | Police                     | \$38,201  | HIGHTER, MARGARET NORA   | Elections                  | \$195     |
| BAKER, STEVEN       | Public Works               | \$35,239  | HOOD, GEORGE             | Public Works               | \$35,000  |
| BALSEIRO, BARBARA   | Elections                  | \$65      | HOOPER, MARY             | City Council               | \$2,700   |
| BEYER, GEOFFREY     | Parks                      | \$41,147  | HOWARTH, CYNTHIA         | Fire Department            | \$395     |
| BILBREY, JULIAN     | Public Works               | \$15,208  | HOYT, CHARLOTTE*         | Clerk/Treasurer            | \$56,931  |
| BILODEAU, MICHAEL   | Public Works               | \$32,728  | HOYT, DOUGLAS*           | Police chief               | \$62,907  |
| BLAKE, HAROLD       | Public Works               | \$42,202  | HULL, DOUGLAS            | Public Works               | \$48,328  |
| BLATCHFORD, SHARON  | Finance                    | \$37,241  | HUNTSMAN, WILLIAM        | Fire                       | \$183     |
| BLAZER, KAREN       | Community Justice Ctr      | \$33,309  | HUOPPI, DANA             | Fire                       | \$55,736  |
| BLOUIN, TYSON       | Public Works               | \$34,475  | HUTCHINSON, JAMES        | Public Works               | \$56,456  |
| BOLDUC, MARGUERITE  | Clerk/Treasurer            | \$30,993  | JACKSON, WANDA           | Police                     | \$38,168  |
| BOUSQUET, JEFFREY   | Fire                       | \$10,985  | JASMAN, DOUGLAS          | Fire                       | \$45,651  |
| BOWERS, BETTY       | Elections                  | \$390     | JEWETT, ROBERT           | Public Works               | \$40,131  |
| BRESETTE, LORETTA   | Clerk/Treasurer            | \$32,405  | KNISLEY, MATTHEW         | Police                     | \$45,516  |
| BRESETTE, NICHOLAS  | Fire                       | \$34,163  | LADD, ERIC               | Public Works               | \$51,448  |
| BROOKS, FRANCIS     | Call Force                 | \$60      | LAMB, DURWARD            | Public Works               | \$62,982  |
| BROUGHTON, DARRELL  | City Hall                  | \$34,551  | LARRABEE, JACOB          | Fire                       | \$42,896  |
| BROWNELL, LUANN     | Police                     | \$37,888  | LARSON CYNTHIA           | Elections                  | \$6,804   |
| BYRD, S. YVONNE     | Community Justice Ctr Dir  | \$41,331  | LAW, TODD*               | Public Works Director      | \$52,960  |
| CAPELS, VALERIE     | Planning & Development Dir | \$46,309  | LEE, JAMES               | Public Works               | \$31,778  |
| CARLSON, LEROY      | Police                     | \$10,454  | LEE, JAYME               | Fire                       | \$35,538  |
| CELLEY, WILLIAM     | Public Works               | \$22,080  | LEE, RICHARD             | Green Mount Cemetery       | \$1,070   |
| CHARRON, PAUL       | Fire Department            | \$40,409  | LEWIS, NORMAN            | Fire Chief                 | \$26,684  |
| CHASE, Crystal      | Clerk/Treasurer            | \$25,260  | LONG, MICHAEL            | Police                     | \$9,147   |
| CLACK, JOAN         | Clerk/Treasurer            | \$11,084  | LUCENTI, SALVATORE       | Elections                  | \$260     |
| CLARK, MARY ALICE   | Police                     | \$6,870   | MACKEY, VIRGINIA         | Public Works               | \$38,781  |
| CLEVELAND, RICHARD  | Police                     | \$70,712  | MACRITCHIE, WILLIAM      | Fire                       | \$17      |
| CLICHE, ROLAND      | Public Works               | \$39,811  | MACURA, JOSHUA           | Police                     | \$38,882  |
| CLIFFORD, WILLIAM   | Fire                       | \$44,916  | MARANVILLE, CHARLES      | Fire                       | \$47      |
| COCHRAN, WADE       | Police                     | \$24,241  | MARINEAU, ANDREW         | Fire                       | \$1,660   |
| CODLING, DOLORES    | Public Works               | \$30,825  | MAROLD, GLEN             | Fire                       | \$34,034  |
| COFRIN, TABOR       | Public Works               | \$39,257  | MARSHALL, CAROLINE       | Police                     | \$33,377  |
| COHEN, BENJAMIN     | Police                     | \$46,580  | MARTEL, NEIL             | Police                     | \$62,867  |
| COLLETTE, DONNA     | Finance                    | \$25,995  | MARTIN, DAVID            | Police                     | \$2,289   |
| COMOLLI, STEPHEN    | Fire                       | \$60      | MARTIN, JOHN             | Police                     | \$66,190  |
| CONNEMAN, THOMAS    | Police                     | \$54,310  | MCARDLE, THOMAS          | Public Works               | \$55,896  |
| COWENS, NATHAN      | Public Works               | \$38,167  | MERCADANTE, MICHAEL      | Public Works               | \$29,103  |
| DANIELS, NICHOLAS   | Finance                    | \$13,535  | MERCIER, RONALD          | Public Works               | \$53,400  |
| DAY, SUZANNE        | Elections                  | \$130     | MOODY, MARK              | Police                     | \$51,175  |
| DURGIN, STEVEN      | Public Works               | \$35,551  | MOORE, GLENN             | Fire                       | \$38,486  |
| DUTIL, RICK         | Public Works               | \$31,280  | MOORE, THOMAS            | Fire                       | \$1,335   |
| EGGLESTON, LEON     | Fire                       | \$45,018  | NICHOLSON, HAROLD        | Fire                       | \$154     |
| ELLIS, FRANK        | Public Works               | \$43,251  | NIELSEN, CORBETT         | Elections                  | \$65      |
| FACOS, ANTHONY JOHN | Police                     | \$73,391  | NOLAN, STEPHEN           | Police                     | \$52,872  |
| FARNHAM, BRIAN      | Fire                       | \$36,090  | NORDENSON, ERIC          | Police                     | \$56,033  |
| FARNHAM, MICHAEL    | Public Works               | \$7,929   | OLSON, SHARON            | Police                     | \$42,463  |
| FISCHER, ROBERT     | Public Works               | \$48,977  | PAPINEAU, MICHAEL        | Public works               | \$39,390  |
| FISK, JOHN          | Public Works               | \$32,358  | PARRY, ALLAN             | Fire                       | \$50,643  |
| FRASER, WILLIAM*    | City Manager               | \$77,860  | PELLETIER, CHARLES       | Public Works               | \$58,477  |
| GALLUP, SANDRA*     | Finance Director           | \$52,276  | PEMBROKE, SHEILA         | Fire                       | \$35,949  |
| GAVIN, JAMES        | Police                     | \$61,374  | PEMBROKE HILL, BEVERLEE* | Asst City Manager/Tax      | \$60,681  |
| GIBSON, JUDITH      | Community Justice Ctr      | \$7,045   | PEPIN, BRENDA            | Elections                  | \$65      |
| GIDNEY, JANE        | Elections                  | \$65      | PITONYAK, SANDRA JUNE    | City Manager               | \$36,300  |
| GODIN, CONSTANCE    | Elections                  | \$260     | POTTER, MICHAEL          | Public Works               | \$36,371  |
| GOLONKA, THOMAS     | City Council               | \$1000    | POULIN, MARC             | Police                     | \$40,997  |
| GOSLANT, CHERYL     | Police                     | \$59,633  | POWERS, SCOTT            | Public Works               | \$37,082  |
| GOWANS, ROBERT      | Fire                       | \$53,604  | QUINN, JAMES             | Fire                       | \$32,330  |
| GRAY, STEPHEN       | Public Works Director      | \$1,0184  | REDMOND, PAULINE         | Elections                  | \$370     |
| GREEN, HELGARD GISA | Planning & Development     | \$36,588  | REED, CHRISTOPHER        | Fire                       | \$46,679  |
| GUY, EDWARD         | Public Works               | \$31,659  | RICHARDSON, GEORGE       | Public Works               | \$33,747  |

| <b>Employee</b>      | <b>Department/Office</b> | <b>2006 Wage</b> |
|----------------------|--------------------------|------------------|
| ROBERTS, DONALD      | Elections                | \$260            |
| ROBERTS, MARY        | Elections                | \$65             |
| ROLLINS, DELORES ANN | Community Justice Ctr    | \$18,113         |
| ROUSSEAU, FRANCES    | Fire                     | \$22,671         |
| RUBALCABA, STEVEN    | Public Works             | \$28,188         |
| RUGGLES, DANIEL      | Fire                     | \$19,058         |
| RUGGLES, DONALD      | Fire                     | \$934            |
| SCHARNBERG, ERIC     | Planning & Development   | \$17,128         |
| SCHNEIDER, GESUALDO* | Fire Chief               | \$53,835         |
| SEIFFERT, GEORGE     | Planning & Development   | \$42,634         |
| SHAW, RICHARD        | Police                   | \$9,774          |
| SHERIDAN, JAMES      | City Council             | \$1000           |
| SHERMAN, NANCY       | City Council             | \$1000           |
| SHOULDICE, HEATHER   | Downtown Association     | \$9,930          |
| SKEELS, FREDERICK    | Finance                  | \$45,176         |
| SMITH, DAVID         | Public Works             | \$594            |
| SMITH, GERALD        | Public Works             | \$40,538         |
| SMITH, LESLIE        | Public Works             | \$24,912         |
| SMITH, STEPHANIE     | Planning & Development   | \$38,790         |
| SNETSINGER, ROBERT   | Fire                     | \$22,168         |
| SWIGON, KATHLEEN     | Planning & Development   | \$13,996         |
| THEREAULT, GALEN     | Fire                     | \$30,320         |
| THURSTON, RICHARD    | Fire                     | \$1,770          |
| TILLINGHAST, MARK    | Fire                     | \$45,245         |
| UTTON, ANNETTE       | Police                   | \$34,800         |
| UTTON, MICHAEL       | Public Works             | \$39,518         |
| VAN COOPER, THOMAS   | Fire                     | \$278            |
| WASSERMAN, NANCY     | City Council             | \$1000           |
| WHITE, FRANCIS LEE   | Public Works             | \$37,582         |
| WILLIAMS, NANCY      | Downtown Association     | \$8,834          |
| WILSON, GEOFFREY     | Public Works             | \$49,143         |

\* Salaried employees do not receive compensation for hours worked beyond the normal work week. Compensation paid to non-salaried employees may include overtime pay.

Sullivan, Powers & Co, conducted an audit of the financial statements for the fiscal year ended June 30, 2006. They performed their audit in accordance with the auditing standards generally accepted in the United States of America. The following Management's Discussion and Analysis is an important section of the audit report.

The Management's Discussion and Analysis for the Year Ended June 30, 2006, is intended to be a readable, objective analysis of the City's financial activity during the year. It contains sections that include Financial Highlights, Net Assets,

Capital Assets and Debt Administration, as well as Economic Factors. Copies of the full Audit Report, with all Exhibits and Notes to the Financial Statements are available at the Finance Department at City Hall, located at 39 Main Street in Montpelier. The Audit Report is also available on the City's web site at <http://www.montpelier-vt.org/finance>. If you have questions or comments regarding this financial report, please call Sandy Gallup, City Finance Director at 223-9514.

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CITY OF MONTPELIER, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

Our discussion and analysis of the City of Montpelier, Vermont's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2006. Please read it in conjunction with the City's financial statements which begin on Exhibit A.

### **Financial Highlights**

#### *Government-Wide*

- The City's net assets increased by \$2,690,065 as a result of this year's operations. While net assets of the business-type activities decreased by \$167,210, or .8 percent, net assets of the governmental activities increased by \$2,857,275, or 35.4 percent.
- The cost of all of the City's programs was \$13,833,151 in fiscal year 2006 compared to \$12,538,043 in fiscal year 2005, which is approximately a 10 % increase.

#### *Fund Statements*

- During fiscal year 2006, the General Fund reported a net decrease in the fund balance of \$117,768, which was \$12,021 better than budget. The current year decrease in fund balance is mainly due to the planned use of reserves.
- The unreserved fund balance for the General Fund was \$291,159 and the reserved fund balances of the General Fund total \$557,143 as of June 30, 2006. The reserved balances are reserved for special projects or are not available for current expenditures.
- The Community Development Fund ended the year with a reserved fund balance of \$498,914, which was \$120,226 lower than the prior year fund balance of \$619,140. This fund balance is reserved by various sources for Community Development.
- The Capital Projects Fund ended the year with a fund balance of \$253,782, which was \$462,226 lower than the prior year fund balance of \$716,008. The reserved fund balance of \$242,751 is reserved by various sources for Capital Projects.
- Other nonmajor governmental funds ended the year with a fund balance of \$866,441, which was \$12,878 lower than the prior year fund balance of \$879,319. \$815,819 of this fund balance is reserved by various sources for various purposes.
- The Water Fund ended the year with net assets of \$9,368,769, which was \$17,775 lower than the prior year balance of \$9,386,544. Of the total net asset balance, \$9,580,900 is invested in property and equipment. This leaves an unrestricted deficit of \$212,131 to be recovered in future periods.

CITY OF MONTPELIER, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

- The Sewer Fund ended the year with net assets of \$10,174,445, which was \$140,507 lower than the prior year balance of \$10,314,952. Of the total net asset balance, \$10,236,112 is invested in property and equipment. This leaves an unrestricted deficit of \$61,667 to be recovered in future periods. A debt payment, due July 1, 2006, was paid in June 2006. If this payment had not been paid early, there would be an unrestricted surplus of \$109,585 for the Sewer Fund.
- The Parking Fund ended the year with net assets of \$224,685, which was \$8,928 lower than the prior year balance of \$233,613. Of the total net asset balance, \$321,946 is invested in property and equipment and \$41,220 is restricted for various projects. This leaves a deficit of \$138,481 to be recovered in future periods.

### **Using This Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Exhibits A and B) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on Exhibit C. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

#### *Reporting the City as a Whole*

Our analysis of the City as a whole begins on Exhibit A. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. You can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

CITY OF MONTPELIER, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, public works, and parks departments, and general administration. Property taxes, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sewer and parking are reported here.

*Reporting the City's Most Significant Funds*

Our analysis of the City's major funds begins on Exhibit C. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Housing and Urban Development). The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds on the exhibits that follow each financial statement.
- Proprietary funds – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

CITY OF MONTPELIER, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

*The City as an Agent*

The City is responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on Exhibit K. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**The City as a Whole**

The City's combined net assets increased by \$2,690,065 from a year ago – increasing from \$28,004,182 to \$30,694,247. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

Table 1  
Net Assets

|                                            | Governmental<br>Activities<br>2006 | Business-type<br>Activities<br>2006 | Total<br>Primary<br>Government<br>2006 | Governmental<br>Activities<br>2005 | Business-type<br>Activities<br>2005 | Total<br>Primary<br>Government<br>2005 |
|--------------------------------------------|------------------------------------|-------------------------------------|----------------------------------------|------------------------------------|-------------------------------------|----------------------------------------|
| Current and other assets                   | \$ 7,344,616                       | \$ 1,251,331                        | \$ 8,595,947                           | \$ 5,612,702                       | \$ 2,276,778                        | \$ 7,889,480                           |
| Capital assets                             | 10,854,972                         | 36,162,786                          | 47,017,758                             | 8,462,249                          | 36,446,613                          | 44,908,862                             |
| Total assets                               | 18,199,588                         | 37,414,117                          | 55,613,705                             | 14,074,951                         | 38,723,391                          | 52,798,342                             |
| Long term liabilities                      | 4,875,590                          | 17,498,251                          | 22,373,841                             | 5,288,088                          | 18,295,024                          | 23,583,112                             |
| Other liabilities                          | 2,397,650                          | 147,967                             | 2,545,617                              | 717,790                            | 493,258                             | 1,211,048                              |
| Total liabilities                          | 7,273,240                          | 17,646,218                          | 24,919,458                             | 6,005,878                          | 18,788,282                          | 24,794,160                             |
| Net assets:                                |                                    |                                     |                                        |                                    |                                     |                                        |
| Invested in capital assets,<br>net of debt | 6,527,630                          | 20,138,958                          | 26,666,588                             | 3,858,194                          | 19,817,346                          | 23,675,540                             |
| Restricted                                 | 4,334,545                          | 41,220                              | 4,375,765                              | 3,767,020                          | 41,220                              | 3,808,240                              |
| Unrestricted                               | 64,173                             | (412,279)                           | (348,106)                              | 443,859                            | 76,543                              | 520,402                                |
| Total net assets                           | \$ 10,926,348                      | \$ 19,767,899                       | \$ 30,694,247                          | \$ 8,069,073                       | \$ 19,935,109                       | \$ 28,004,182                          |

As noted earlier, net assets may serve over time to be a useful indicator of a government's financial position.

CITY OF MONTPELIER, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

Net assets of the City's governmental activities increased by 35.4% (\$8,069,073 compared to \$10,926,348). The increase is mainly due to the increase in capital grants. The net assets of our business-type activities decreased by .8 % (\$19,935,109 compared to \$19,767,899) in fiscal year 2006.

Table 2  
Change in Net Assets

|                                             | Governmental<br>Activities<br>2006 | Business-type<br>Activities<br>2006 | Total<br>Primary<br>Government<br>2006 | Governmental<br>Activities<br>2005 | Business-type<br>Activities<br>2005 | Total<br>Primary<br>Government<br>2005 |
|---------------------------------------------|------------------------------------|-------------------------------------|----------------------------------------|------------------------------------|-------------------------------------|----------------------------------------|
| <b>REVENUES</b>                             |                                    |                                     |                                        |                                    |                                     |                                        |
| Program revenues:                           |                                    |                                     |                                        |                                    |                                     |                                        |
| Charges for services                        | \$ 691,262                         | \$ 5,533,373                        | \$ 6,224,635                           | \$ 613,615                         | \$ 4,719,597                        | \$ 5,333,212                           |
| Operating grants                            | 1,275,557                          | 0                                   | 1,275,557                              | 675,781                            | 0                                   | 675,781                                |
| Capital grants                              | 2,602,686                          | 0                                   | 2,602,686                              | 279,026                            | 205,862                             | 484,888                                |
| General revenues:                           |                                    |                                     |                                        |                                    |                                     |                                        |
| Property taxes                              | 5,968,903                          | 0                                   | 5,968,903                              | 5,805,221                          | 0                                   | 5,805,221                              |
| Investment earnings                         | 67,994                             | 14,795                              | 82,789                                 | 85,214                             | 27,594                              | 112,808                                |
| Miscellaneous                               | 368,646                            | 0                                   | 368,646                                | 180,130                            | 0                                   | 180,130                                |
| <b>Total revenues</b>                       | <b>10,975,048</b>                  | <b>5,548,168</b>                    | <b>16,523,216</b>                      | <b>7,638,987</b>                   | <b>4,953,053</b>                    | <b>12,592,040</b>                      |
| <b>PROGRAM EXPENSES</b>                     |                                    |                                     |                                        |                                    |                                     |                                        |
| General government                          | 1,267,805                          | 0                                   | 1,267,805                              | 1,303,749                          | 0                                   | 1,303,749                              |
| Public safety                               | 3,423,300                          | 0                                   | 3,423,300                              | 3,174,183                          | 0                                   | 3,174,183                              |
| Highway and streets                         | 2,496,434                          | 0                                   | 2,496,434                              | 1,622,025                          | 0                                   | 1,622,025                              |
| Culture and recreation                      | 391,367                            | 0                                   | 391,367                                | 408,308                            | 0                                   | 408,308                                |
| Interest on long-term debt                  | 246,147                            | 0                                   | 246,147                                | 262,503                            | 0                                   | 262,503                                |
| Cemetery                                    | 173,315                            | 0                                   | 173,315                                | 156,504                            | 0                                   | 156,504                                |
| Community Development.                      | 120,605                            | 0                                   | 120,605                                | 81,204                             | 0                                   | 81,204                                 |
| Water                                       | 0                                  | 2,121,993                           | 2,121,993                              | 0                                  | 2,164,047                           | 2,164,047                              |
| Sewer                                       | 0                                  | 3,032,200                           | 3,032,200                              | 0                                  | 2,773,879                           | 2,773,879                              |
| Parking                                     | 0                                  | 559,985                             | 559,985                                | 0                                  | 591,641                             | 591,641                                |
| <b>Total program expenses</b>               | <b>8,118,973</b>                   | <b>5,714,178</b>                    | <b>13,833,151</b>                      | <b>7,008,476</b>                   | <b>5,529,567</b>                    | <b>12,538,043</b>                      |
| Excess before special item<br>and transfers | 2,856,075                          | (166,010)                           | 2,690,065                              | 630,511                            | (576,514)                           | 53,997                                 |
| Transfers                                   | 1,200                              | (1,200)                             | 0                                      | 8,000                              | (8,000)                             | 0                                      |
| Transfers                                   | 0                                  | 0                                   | 0                                      | 0                                  | 0                                   | 0                                      |
| <b>Increase in Net Assets</b>               | <b>\$ 2,857,275</b>                | <b>\$ (167,210)</b>                 | <b>\$ 2,690,065</b>                    | <b>\$ 638,511</b>                  | <b>\$ (584,514)</b>                 | <b>\$ 53,997</b>                       |

CITY OF MONTPELIER, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

Our analysis below separately considers the operations of governmental and business-type activities.

*Governmental Activities*

The City's tax rate increased to \$1.05 from \$1.03 per \$100 of assessed value from fiscal year 2005 to fiscal year 2006 for the general expenses.

Table 3 presents the cost of each of the City's seven largest programs – general, public safety, highway and streets, cultural and recreational, water, sewer and parking – as well as each program's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3

|                        | Governmental Activities |                       | Business Activities |                       | Governmental Activities |                       | Business Activities |                       |
|------------------------|-------------------------|-----------------------|---------------------|-----------------------|-------------------------|-----------------------|---------------------|-----------------------|
|                        | Total Cost              | Net Revenues          | Total Cost          | Net Revenues          | Total Cost              | Net Revenues          | Total Cost          | Net Revenues          |
|                        | of Services             | (Cost)<br>of Services | of Services         | (Cost)<br>of Services | of Services             | (Cost)<br>of Services | of Services         | (Cost)<br>of Services |
|                        | 2006                    | 2006                  | 2006                | 2006                  | 2005                    | 2005                  | 2005                | 2005                  |
| Public safety          | \$ 1,267,805            | \$ (918,007)          | \$ 0                | \$ 0                  | \$ 1,303,749            | \$ (972,515)          | \$ 0                | \$ 0                  |
| Highway and streets    | 3,423,300               | (2,634,537)           | 0                   | 0                     | 3,174,183               | (2,586,001)           | 0                   | 0                     |
| Culture and recreation | 2,496,434               | 145,667               | 0                   | 0                     | 1,622,025               | (1,120,362)           | 0                   | 0                     |
| Water                  | 391,367                 | (275,283)             | 0                   | 0                     | 408,308                 | (384,239)             | 0                   | 0                     |
| Sewer                  | 0                       | 0                     | 2,121,993           | (35,370)              | 0                       | 0                     | 2,164,047           | (461,549)             |
| Parking                | 0                       | 0                     | 3,032,200           | (146,507)             | 0                       | 0                     | 2,773,879           | (79,662)              |
| All others             | 0                       | 0                     | 559,985             | 1,072                 | 0                       | 0                     | 591,641             | (62,897)              |
| Totals                 | 540,067                 | 132,692               | 0                   | 0                     | 500,211                 | (376,937)             | 0                   | 0                     |
|                        | <u>\$ 8,118,973</u>     | <u>\$ (3,549,468)</u> | <u>\$ 5,714,178</u> | <u>\$ (180,805)</u>   | <u>\$ 7,008,476</u>     | <u>\$ (5,440,054)</u> | <u>\$ 5,529,567</u> | <u>\$ (604,108)</u>   |

**The City's Funds**

As the City completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$2,467,439, which is below last year's total of \$3,180,537. Included in this year's total change in fund balance is a decrease of \$117,768 in the City's General Fund; a decrease of \$120,226 in the Community Development Fund; and a decrease of \$462,226 in the Capital Projects Fund.

CITY OF MONTPELIER, VERMONT  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2006

*General Fund Budgetary Highlights*

Over the course of the year, the City Council receives monthly budget reports and monitors actual results compared to budget. Most notable revenues exceeding budget are Property taxes \$123,216, Police grants \$151,459, Fire/EMS grants \$75,569, Ambulance services \$52,813 and Rockslide Reimbursement Revenue \$51,209. Revenues that were lower than budget are Police fines and forfeitures \$20,482, Recording Fees \$17,426, and Fuel Sales \$19,626. Most notable expenditures exceeding budget are Department of Public Works \$72,830 for mainly the increase in fuel costs and salt and sand. Other expenditures that exceeded the budget are Finance Department salaries \$31,295, Resource officer \$68,108, which is offset by revenue, Retirement \$12,080 and Advertising for Department Head Positions \$8,687. Health Insurance premiums were \$36,557 less than budgeted due to lower than anticipated rate increases.

**Capital Asset and Debt Administration**

*Capital Assets*

At June 30, 2006, the City had \$47,017,758 compared to \$44,908,862 at June 30, 2005 invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines. (See Table 4 below) This amount represents a net increase (including additions and deductions) of \$2,770,829, over last year.

Table 4  
 Capital Assets at Year-End  
 (Net of Depreciation)

|                                       | Governmental<br>Activities<br>2006 | Business-type<br>Activities<br>2006 | Totals<br>2006      | Governmental<br>Activities<br>2005 | Business-type<br>Activities<br>2005 | Totals<br>2005      |
|---------------------------------------|------------------------------------|-------------------------------------|---------------------|------------------------------------|-------------------------------------|---------------------|
| Land                                  | \$ 591,550                         | \$ 250,672                          | \$ 842,222          | \$ 591,550                         | \$ 250,672                          | \$ 842,222          |
| Capital improvements<br>and equipment | 9,845,867                          | 35,795,326                          | 45,641,193          | 6,730,910                          | 34,944,966                          | 41,675,876          |
| Construction in progress              | 417,555                            | 116,788                             | 534,343             | 1,139,789                          | 1,250,975                           | 2,390,764           |
| Totals                                | <u>\$ 10,854,972</u>               | <u>\$ 36,162,786</u>                | <u>\$47,017,758</u> | <u>\$ 8,462,249</u>                | <u>\$ 36,446,613</u>                | <u>\$44,908,862</u> |

CITY OF MONTPELIER, VERMONT  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2006

This year's major additions included:

|                                     |                     |
|-------------------------------------|---------------------|
| Equipment and vehicles              | \$ 656,125          |
| Barre Street project                | 146,702             |
| Other improvements                  | 244,257             |
| Langdon Street Bridge - contributed | 168,224             |
| Infrastructure - rock wall          | 1,076,684           |
| Infrastructure - roads etc          | 800,812             |
| Water lines                         | 409,070             |
| Sewer improvements                  | 66,466              |
| Parking Meters                      | 13,195              |
|                                     | <u>\$ 3,581,535</u> |

The City's fiscal year 2007 governmental capital budget calls for it to spend \$6,500 less than the prior year's \$950,000 or \$943,500 for general governmental capital projects and debt of which debt service is approximately 65%.

*Long Term - Debt*

At June 30, 2006, the City had \$22,020,176 in bonds and notes outstanding versus \$23,241,126 on June 30, 2005 – a decrease of \$1,220,950 (5.5%) – as shown in Table 5.

Table 5  
 Outstanding Debt at Year-End

|                               | Balance<br>June 30, 2005 | Additions         | Payments              | Balance<br>June 30, 2006 |
|-------------------------------|--------------------------|-------------------|-----------------------|--------------------------|
| <b>Notes and bond payable</b> |                          |                   |                       |                          |
| Governmental Activities       | \$ 5,035,977             | \$ 15,639         | \$ (434,971)          | \$ 4,616,645             |
| Proprietary Funds             | 18,205,149               | 95,881            | (897,499)             | 17,403,531               |
| Totals                        | <u>\$ 23,241,126</u>     | <u>\$ 111,520</u> | <u>\$ (1,332,470)</u> | <u>\$ 22,020,176</u>     |

New debt resulted from a vehicle lease and Wastewater upgrades.

**Economic Factors and Next Year's Budgets and Rates**

The City's elected and appointed officials considered economic factors and the importance of maintaining the level of City services when setting the fiscal year 2007 budget, tax rates, and fees that will be charged for the business-type activities.

One of the economic factors is the unemployment in the City, which stands at 2.2% (August 2006) compared with 3.0% (August, 2005) a year ago. This compares with the State's unemployment rate in August 2006 of 3.7% and the national rate of 4.7% for the same month (seasonally adjusted). When adopting the budget for fiscal year 2007, the City took into account these indicators as well as increased home values which will result in a city wide reappraisal to be completed in the spring of 2007. There is an increase of 5 cents on

CITY OF MONTPELIER, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006

the tax rate or \$1.11 per assessed value for fiscal year 2006. Of this 5 cent increase, 4 cents is necessary to fund in the municipal budget. One cent is due to increases in ballot items for outside agencies which were approved by the voters.

Also, the Consumer Price Index and percent change over one year of 4.4% for the month of October, 2005 was reviewed during the budget process.

The City's General Fund fund balance is expected to increase in the fiscal year 2007 due to a General Fund repayment of a \$325,000 loan that was borrowed from the Water Fund in 2003.

As for the City's business-type activities, utility rates increased substantially in the fiscal year 2006. It is expected that utility rates will be adjusted annually due to increases in maintenance, chemical, fuel and electricity costs.

Current quarterly water rates are as follows: \$6.61 per 1,000 for the first 50,000 gallons, \$7.02 per 1,000 for the next 200,000 gallons, 11.38 per 1,000 for over \$250,000 gallons and a fixed charge for all accounts for meter reading, billing and other administrative service costs of \$19.50.

Current quarterly sewer rates are as follows: \$7.46 per 1,000 gallons of water used and a fixed charge for all for meter reading, billing and other administrative service costs of \$24.50.

**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Finance Office at the City of Montpelier, 39 Main Street, Suite 600, Montpelier, VT 05602.

# Other Financial Information

**Statement of Taxes (School and City), Sewer Benefit, Sewer Separation, (CSO) Charges Raised for Fiscal Year July 1, 2005- June 30, 2006**

**Taxes & Charges Billed**

|                                                 |                            |
|-------------------------------------------------|----------------------------|
| Real Estate/Personal Property                   | \$13,994,491               |
| Sewer Benefit/CSO                               | 551,265                    |
| Delinquent Taxes - Total<br>As of June 30, 2005 | 119,910                    |
| <b>TOTAL TAXES/ CHARGES</b>                     | <b><u>\$14,665,666</u></b> |

**Accounted For As Follows:**

|                                    |                            |
|------------------------------------|----------------------------|
| Collections/Adjustments/Abatements | \$14,555,756               |
| Delinquent as of June 30, 2006     | 109,910                    |
| <b>TOTAL TAXES/CHARGES</b>         | <b><u>\$14,665,666</u></b> |

**Statement of Taxes (School And City), Sewer Benefit, Sewer Separation, (CSO) Charges Raised for Fiscal Year July 1, 2006- June 30, 2007**

**Taxes & Charges Billed**

|                                                         |                            |
|---------------------------------------------------------|----------------------------|
| Real Estate/Personal Prop                               | \$14,969,080               |
| Sewer Benefit/CSO                                       | 554,310                    |
| Delinquent Taxes - Prior Yrs<br>As of December 31, 2006 | 33,537                     |
| <b>TOTAL TAXES/CHARGES</b>                              | <b><u>\$15,556,927</u></b> |

**Accounted For As Follows:**

|                            |                            |
|----------------------------|----------------------------|
| Collections as of 12/31/06 | \$ 7,886,677               |
| To Be Collected            | 7,670,250                  |
| <b>TOTAL TAXES/CHARGES</b> | <b><u>\$15,556,927</u></b> |

## 2006 City Meeting Results - MARCH 7, 2006

| POSITIONS                            | TERM                 | CANDIDATES              | VOTES | RESULTS |
|--------------------------------------|----------------------|-------------------------|-------|---------|
| Mayor                                | 2 Years              | Mary S. Hooper          | 1877  | Elected |
| Clerk                                | 3 Years              | Charlotte L. Hoyt       | 1882  | Elected |
| Treasurer                            | 3 Years              | Charlotte L. Hoyt       | 1848  | Elected |
| Auditor                              | 3 Years              | John C. Pratt           | 1408  | Elected |
|                                      |                      | Richard Sheir           | 1319  | Elected |
| Green Mount Cemetery<br>Commissioner | 5 Years              | Darragh M. Ellerson     | 1785  | Elected |
| Green Mount Cemetery<br>Commissioner | Unexpired<br>4 Years | David John Mullett      | 1685  | Elected |
| Green Mount Cemetery<br>Commissioner | Unexpired<br>3 Years | Kathleen T. Segar       | 1709  | Elected |
| Park Commissioner                    | 5 Years              | None                    |       |         |
| Park Commissioner                    | Unexpired<br>4 Years | Stephen Bosserman       | 1612  | Elected |
| School Commissioner                  | 3 Years              | Charles S. Phillips     | 1667  | Elected |
|                                      |                      | Carolyn Casagrande Herz | 1300  | Elected |
| Council Person                       | 2 Years              |                         |       |         |
| District 1                           |                      | T. Andrew Hooper        | 520   | Elected |
| District 2                           |                      | Nancy Sherman           | 648   | Elected |
| District 3                           |                      | Harold Garabedian       | 542   | Elected |

**ARTICLE 2.** Shall the voters appropriate the sum of \$5,666,190 for the payment of debts and current expenses of the City for carrying out any of the purposes of the Charter, plus payment of all state and county taxes and obligations imposed upon the City by law to finance the fiscal year July 1, 2006, to June 30, 2007? (Requested by the City Council)  
**APPROVED YES 1550 NO 621**

**ARTICLE 3.** Shall the voters appropriate the sum of \$13,472,674 necessary for the support of the public school system for the fiscal year July 1, 2006 to June 30, 2007? Local budget of \$13,472,674 plus grant budget of \$492,685, for a total school budget of \$13,965,359. (Requested by the School Board)  
**APPROVED YES 1289 NO 896**

**ARTICLE 4.** Shall the voters appropriate the sum of \$554,175 for the support of the Recreation Department for the fiscal year July 1, 2006 to June 30, 2007? (Requested by the School Board)  
**APPROVED YES 1610 NO 559**

**ARTICLE 5.** Shall the voters appropriate the sum of \$77,548 for the support of the Senior Citizens

Activity Center for the fiscal year July 1, 2006 to June 30, 2007? (Requested by the School Board)  
**APPROVED YES 1755 NO 430**

**ARTICLE 6.** Shall the voters appropriate the sum of \$2,700 as compensation to the Mayor for services for the fiscal year July 1, 2006 to June 30, 2007? (Requested by the City Council)  
**APPROVED YES 1739 NO 444**

**ARTICLE 7.** Shall the voters appropriate the sum of \$6,000 (\$1,000 each) as compensation to the Council Members for their services for the fiscal year July 1, 2006 to June 30, 2007? (Requested by the City Council)  
**APPROVED YES 1739 NO 442**

**ARTICLE 8.** Shall the voters appropriate the sum of \$7,300 (Chair \$1,300; others \$1,000 each) as compensation to the School Commissioners for their services for the fiscal year July 1, 2006 to June 30, 2007? (Requested by the School Board)  
**APPROVED YES 1594 NO 577**

**ARTICLE 9.** Shall the voters authorize the City Council to borrow a sum not to exceed \$380,000 for improvements to City Hall, and Department of Public Works Buildings including a generator, electrical wiring, fuel tank replacement, monitoring system, roof repairs and storage addition? If approved, bonds would be issued for a term of 20 years. With a 20 year bond, approximately \$13,837 would be required for the first year interest payment and approximately \$35,433 for the second year principal and interest payment and future payments declining each year as the principal is repaid. (Requested by the City Council)

**APPROVED YES 1437 NO 723**

**ARTICLE 10.** Shall the voters authorize the City Council to borrow a sum not to exceed \$485,000 for the City's share of the cost of improvements to the Langdon and Memorial Bridges which is estimated to be \$160,000, and to recast the Water Fund Loan for the Pioneer Bridge improvements as a refunding bond for \$325,000? If approved, bonds would be issued for a term of 20 years. With a 20 year bond, approximately \$17,702 would be required for the first year interest payment and approximately \$44,753 for the second year principal and interest payment and future payments declining each year as the principal is repaid. (Requested by the City Council)

**APPROVED YES 1532 NO 622**

**ARTICLE 11.** Shall the voters authorize the City Council to borrow a sum not to exceed \$1,200,000 for the City's share of the cost of cleanup and stabilization of the Elm Street Ledge and related repairs to the Elm and Cliff Street area which is estimated to be \$1,200,000? State and Federal funds may reduce the City's share of these improvements. If approved, bonds would be issued for a term of 20 years. With a 20 year bond, approximately \$43,597 would be required for the first year interest payment and approximately \$108,606 for the second year principal and interest payment and future payments declining each year as the principal is repaid. (Requested by the City Council)

**APPROVED YES 1574 NO 587**

**ARTICLE 12.** Shall the voters appropriate the sum of \$52,000 (equal to one cent on the tax rate)

to be placed in a special revenue account under the name of the Montpelier Housing Trust Fund? Such account, including interest and earnings thereon, shall be used exclusively by the City to award grants and loans to appropriate non-profit organizations to preserve, construct and rehabilitate dwelling units affordable to households with incomes less than or equal to 80% of median income (with a priority for homeownership units) and which are subject to covenants or restrictions that preserve their affordability for a minimum of 15 years. (Requested by the City Council)

**APPROVED YES 1305 NO 842**

**ARTICLE 13.** Shall the voters appropriate the sum of \$96,000 to be used by the Kellogg-Hubbard Library for the fiscal year July 1, 2006 to June 30, 2007? (This amount is in addition to the \$99,660 for library operations and the \$52,833.90 for library bond payment included in the City General Fund Budget, Article 2.) (By petition)

**APPROVED YES 1299 NO 878**

**ARTICLE 14.** Shall the sum appropriated for support of the public school system be increased by \$57,335 for the School Resource Officer Program at Union Elementary, Main Street Middle School and Montpelier High School for the fiscal year July 1, 2006 to June 30, 2007? (By petition)

**DEFEATED YES 1046 NO 1060**

**ARTICLE 15.** Shall the City discontinue the practice of fluoridating the water supply? (By petition, advisory only)

**DEFEATED YES 802 NO 1324**

**ARTICLE 16.** Shall the voters of the City of Montpelier instruct the Governor and our State Representatives and Senators to oppose:

any use of the State Education Fund for purposes that are outside the law's original intent to "make payments to school districts and supervisory unions for the support of education";

- the shifting of existing State General Fund expense obligations to the Education Fund; and

- the reduction of any existing State General Fund revenue support to the Education Fund?

(Requested by the City Council)

**APPROVED YES 1616 NO 418**

## School Superintendent's Report and School Commissioners' Budget



Teachers' efforts to improve the reading and mathematics performance of all Montpelier students produced excellent results last year. The percent of students achieving the Vermont standard in reading increased and moved closer to the School Board goal of matching the top ten school systems in the

state. In mathematics, the result was even better as Montpelier student performance reached the top ten.

The federal No Child Left Behind law requires schools to look at the performance of students in poverty as a group. When compared to the Vermont average, this group made remarkable progress last year. In both reading and math, Montpelier students exceeded the Vermont average by a substantial margin. In reading, the group reached the top ten and in mathematics, one short of the top ten. There is still much improvement needed, but Montpelier citizens can be proud of the diligence of the teachers and the gains of the students.

Service learning continues to be an essential and growing part of Montpelier education. Teachers use these projects as ways for students to learn about problem solving, to use their academic skills, and to

benefit the community. It is through this engagement that the youth of Montpelier not only prepare to take civic responsibilities, but actually take them and make a difference. It is our belief that service learning projects are vital to achieving the district mission.

Declining enrollment remains an issue this year, but projections show a leveling trend during the next several years.

The budget presented in this report allows the school district to continue the programs that are achieving excellent results, yet maintain a modest growth in per pupil cost. The budget proposal is an increase of 5.9% in per pupil cost and a local budget increase of 4.6%.

Over the last five years, the Montpelier per pupil cost has dropped from being the 56<sup>th</sup> highest out of 242 Vermont towns and cities to the 136<sup>th</sup>. The following pages provide you with more detail about the proposed budget, including charts to compare changes in the last three years and student-teacher ratios.

Respectfully,  
John Everitt, Superintendent

### **Mission**

We will inspire all students to master a core body of knowledge. We will promote the highest level of individual achievement. We will enable students to discover passion and excellence in learning that will sustain their confidence to act with courage. Our schools will be known by the children that emerge as capable, self-directed, and eager participants in the local, national, and world communities.

### **Values**

Student-centered education, excellence, affordability, passion, risk-taking.

### **Goals**

Students learn at the highest levels.  
Teachers excel.

The community and schools collaborate to support learning for everyone.

Three Year Comparison Provided by the Department of Education

Estimates

| Montpelier                                                                            | Act 68                            |                                   |                                   |                                    |
|---------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|
|                                                                                       | FY2005                            | FY2006                            | FY2007                            | FY2008                             |
| <b>Locally adopted budget</b>                                                         | \$12,514,735                      | \$12,845,958                      | \$13,472,674                      | \$14,150,759                       |
| Block grant paid by State to tech center +                                            | not applicable                    | not applicable                    | not applicable                    | not applicable                     |
| Special expenditures (federal dollars, restricted grants, etc.) +                     | \$604,416                         | \$591,540                         | \$492,685                         | \$507,217                          |
| <b>Locally warned budget</b>                                                          | <b>\$13,119,151</b>               | <b>\$13,437,498</b>               | <b>\$13,965,359</b>               | <b>\$14,657,976</b>                |
| 1. Separately warned article passed at town meeting +                                 | -                                 | \$61,214                          | \$57,335                          | -                                  |
| <b>Act 68 locally adopted or warned budget</b>                                        | <b>\$13,119,151</b>               | <b>\$13,498,712</b>               | <b>\$14,022,694</b>               | <b>\$14,657,976</b>                |
| Prior deficit reduction +                                                             |                                   |                                   |                                   |                                    |
| <b>Gross Act 68 Budget</b>                                                            | <b>\$13,119,151</b>               | <b>\$13,498,712</b>               | <b>\$14,022,694</b>               | <b>\$14,657,976</b>                |
| Local revenues +                                                                      | \$2,101,668                       | \$2,298,140                       | \$2,355,911                       | \$2,404,490                        |
| Capital debt aid +                                                                    | -                                 | -                                 | -                                 | -                                  |
| Special program revenues +                                                            | \$604,416                         | \$591,540                         | \$492,685                         | \$507,217                          |
| <b>Total revenues</b>                                                                 | <b>\$2,706,084</b>                | <b>\$2,889,680</b>                | <b>\$2,848,596</b>                | <b>\$2,911,707</b>                 |
| Fund raising, if any (included in line 15) -                                          | -                                 | -                                 | -                                 | -                                  |
| <b>Adjusted local revenues</b>                                                        | <b>\$2,706,084</b>                | <b>\$2,889,680</b>                | <b>\$2,848,596</b>                | <b>\$2,911,707</b>                 |
| <b>Education Spending (Act 68 definition)</b>                                         | <b>\$10,413,067</b>               | <b>\$10,609,041</b>               | <b>\$11,174,098</b>               | <b>\$11,746,269</b>                |
| Equalized Pupils                                                                      | 1,113.35                          | 1,074.38                          | 1,065.87                          | 1,058.39                           |
| <b>Education Spending per Equalized Pupil</b>                                         | <b>\$9,353</b>                    | <b>\$9,875</b>                    | <b>\$10,484</b>                   | <b>\$11,098</b>                    |
| Less eligible construction costs (or P&I) per equalized pupil -                       | 283.64                            | 279.90                            | 265.89                            | 258.49                             |
| Excess Spending per Equalized Pupil over threshold (if any) +                         | \$10,889                          | \$11,347                          | \$11,728                          | \$12,575                           |
| Per pupil figure used for calculating District Adjustment                             | \$9,353                           | \$9,875                           | \$10,484                          | \$11,098                           |
| <b>District spending adjustment (minimum of 100%)</b><br><b>(\$11,098 / \$7,736)</b>  | 137.543%<br>\$6,800               | 141.571%<br>\$6,975               | 143.022%<br>\$7,330               | 143.46%<br>7736*                   |
| <b>Anticipated homestead tax rate, equalized</b><br><b>(143.46% x \$0.90)</b>         | \$1.444<br><i>based on \$1.05</i> | \$1.444<br><i>based on \$1.02</i> | \$1.359<br><i>based on \$0.95</i> | \$1.291<br><i>based on \$0.90*</i> |
| <b>Common Level of Appraisal (CLA)</b>                                                | 102.58%                           | 92.96%                            | 82.96%                            | 70.94%                             |
| <b>Estimated homestead tax rate, actual</b><br><b>(\$1.291% / 70.94%)</b>             | \$1.408<br><i>based on \$1.05</i> | \$1.553<br><i>based on \$1.02</i> | \$1.638<br><i>based on \$0.95</i> | \$1.820<br><i>based on \$0.90*</i> |
| <b>Household Income Percentage for income sensitivity</b><br><b>(143.46% x 1.80%)</b> | 2.61%<br><i>based on 1.9%</i>     | 2.62%<br><i>based on 1.85%</i>    | 2.57%<br><i>based on 1.80%</i>    | 2.58%<br><i>based on 1.80%*</i>    |

\* Subject to Legislative approval

Comparative Data for Cost-Effectiveness  
18 V.S.A. § 165(a)(2)(K)

FY2006 School Level Data

| Cohort Description                   | Fiscal year school enrollment (2005-2006) | Cohort Rank (1=best) |               |                    |                                   |                   |                     |                       |
|--------------------------------------|-------------------------------------------|----------------------|---------------|--------------------|-----------------------------------|-------------------|---------------------|-----------------------|
|                                      |                                           | Grades Offered       | Enrollment    | Total Expenditures | Total Administrative Expenditures | Sp. Term Fee Rate | Sp. Admin. Fee Rate | Total Admin. Fee Rate |
| Waters School                        | K-5                                       | 113                  | 37.9          | 27.9               | 4.00                              | 11.75             | 392.00              | 34.40                 |
| Northbury School                     | K-5                                       | 171                  | 37.9          | 27.9               | 4.00                              | 11.75             | 392.00              | 34.40                 |
| St. Ann's Catholic Elementary School | K-5                                       | 174                  | 37.9          | 27.9               | 4.00                              | 11.75             | 392.00              | 34.40                 |
| <b>Union Elementary School</b>       | <b>K-5</b>                                | <b>392</b>           | <b>34.40</b>  | <b>4.00</b>        | <b>11.40</b>                      | <b>392.00</b>     | <b>34.40</b>        |                       |
| East Ferrisburgh School              | K-5                                       | 147                  | 34.5          | 4.00               | 11.7                              | 392.00            | 34.40               |                       |
| East Ferrisburgh School              | K-5                                       | 144                  | 34.5          | 4.00               | 11.7                              | 392.00            | 34.40               |                       |
| Highgate School (public charter)     | K-5                                       | 87                   | 34.5          | 4.00               | 11.7                              | 392.00            | 34.40               |                       |
| <b>Averaged SCHOOL cohort data</b>   |                                           |                      | <b>416.28</b> | <b>33.46</b>       | <b>4.00</b>                       | <b>12.44</b>      | <b>238.76</b>       | <b>16.87</b>          |

| Cohort Description                 | Fiscal year school enrollment (2005-2006) | Cohort Rank (1=best) |               |                    |                                   |                   |                     |                       |
|------------------------------------|-------------------------------------------|----------------------|---------------|--------------------|-----------------------------------|-------------------|---------------------|-----------------------|
|                                    |                                           | Grades Offered       | Enrollment    | Total Expenditures | Total Administrative Expenditures | Sp. Term Fee Rate | Sp. Admin. Fee Rate | Total Admin. Fee Rate |
| Harwood Union Middle School (MS)   | 6-8                                       | 114                  | 25.70         | 1.00               | 9.01                              | 237.00            | 25.70               |                       |
| Woodland Middle School             | 6-8                                       | 150                  | 25.70         | 1.00               | 9.01                              | 237.00            | 25.70               |                       |
| Windsor Union Middle School        | 6-8                                       | 117                  | 25.70         | 1.00               | 9.01                              | 237.00            | 25.70               |                       |
| <b>Main Street School</b>          | <b>6-8</b>                                | <b>232</b>           | <b>25.70</b>  | <b>1.00</b>        | <b>9.01</b>                       | <b>237.00</b>     | <b>25.70</b>        |                       |
| Woodland Middle School             | 6-8                                       | 201                  | 25.70         | 1.00               | 9.01                              | 237.00            | 25.70               |                       |
| Windsor Union Middle School        | 6-8                                       | 214                  | 25.70         | 1.00               | 9.01                              | 237.00            | 25.70               |                       |
| Windsor Union Middle School        | 6-8                                       | 211                  | 25.70         | 1.00               | 9.01                              | 237.00            | 25.70               |                       |
| <b>Averaged SCHOOL cohort data</b> |                                           |                      | <b>333.68</b> | <b>30.23</b>       | <b>4.73</b>                       | <b>14.05</b>      | <b>193.38</b>       | <b>17.61</b>          |

| Cohort Description                 | School year school enrollment (2005-2006) | Cohort Rank (1=best) |               |                    |                                   |                   |                     |                       |
|------------------------------------|-------------------------------------------|----------------------|---------------|--------------------|-----------------------------------|-------------------|---------------------|-----------------------|
|                                    |                                           | Grades Offered       | Enrollment    | Total Expenditures | Total Administrative Expenditures | Sp. Term Fee Rate | Sp. Admin. Fee Rate | Total Admin. Fee Rate |
| East Ferrisburgh (EA)              | 9-12                                      | 472                  | 58.35         | 3.28               | 13.08                             | 733.02            | 57.91               |                       |
| Ferrisburgh (EA)                   | 9-12                                      | 444                  | 58.35         | 3.28               | 13.08                             | 733.02            | 57.91               |                       |
| Windsor Union (MS) (EA)            | 9-12                                      | 401                  | 58.35         | 3.28               | 13.08                             | 733.02            | 57.91               |                       |
| <b>Montpelier High School</b>      | <b>9-12</b>                               | <b>430</b>           | <b>58.35</b>  | <b>3.28</b>        | <b>13.26</b>                      | <b>430.00</b>     | <b>38.30</b>        |                       |
| Springfield (EA)                   | 9-12                                      | 140                  | 58.35         | 3.28               | 13.08                             | 733.02            | 57.91               |                       |
| East Ferrisburgh (EA)              | 9-12                                      | 333                  | 58.35         | 3.28               | 13.08                             | 733.02            | 57.91               |                       |
| Windsor Union (EA)                 | 9-12                                      | 174                  | 58.35         | 3.28               | 13.08                             | 733.02            | 57.91               |                       |
| <b>Averaged SCHOOL cohort data</b> |                                           |                      | <b>783.26</b> | <b>58.35</b>       | <b>3.28</b>                       | <b>13.08</b>      | <b>733.02</b>       | <b>57.91</b>          |

School District: Montpelier  
LCA ID: 1157B

Spending per pupil includes all school district expenditures for a fiscal year and year-to-year increases may have occurred within these figures.

FY2005 School District Data

| Cohort Description                                  | K-12 school district enrollment (2005-2006) | Total Expenditures |                    | Current Expenditures per pupil (EXCLUDING fixed costs of 2005) |                    |
|-----------------------------------------------------|---------------------------------------------|--------------------|--------------------|----------------------------------------------------------------|--------------------|
|                                                     |                                             | Total Expenditures | Spending per pupil | Total Expenditures                                             | Spending per pupil |
| School district data (local union or public school) |                                             |                    |                    |                                                                |                    |
| 1. District                                         | PK-12                                       | 11,111             | \$1,111            |                                                                |                    |
| 2. District                                         | PK-12                                       | 11,111             | \$1,111            |                                                                |                    |
| 3. District                                         | PK-12                                       | 11,111             | \$1,111            |                                                                |                    |
| <b>Montpelier</b>                                   | <b>K-12</b>                                 | <b>1,026.27</b>    | <b>\$10,296</b>    |                                                                |                    |
| 4. District                                         | PK-12                                       | 11,111             | \$1,111            |                                                                |                    |
| 5. District                                         | PK-12                                       | 11,111             | \$1,111            |                                                                |                    |
| 6. District                                         | PK-12                                       | 11,111             | \$1,111            |                                                                |                    |
| <b>Averaged SCHOOL DISTRICT cohort data</b>         |                                             |                    | <b>878.57</b>      | <b>\$9,067</b>                                                 |                    |

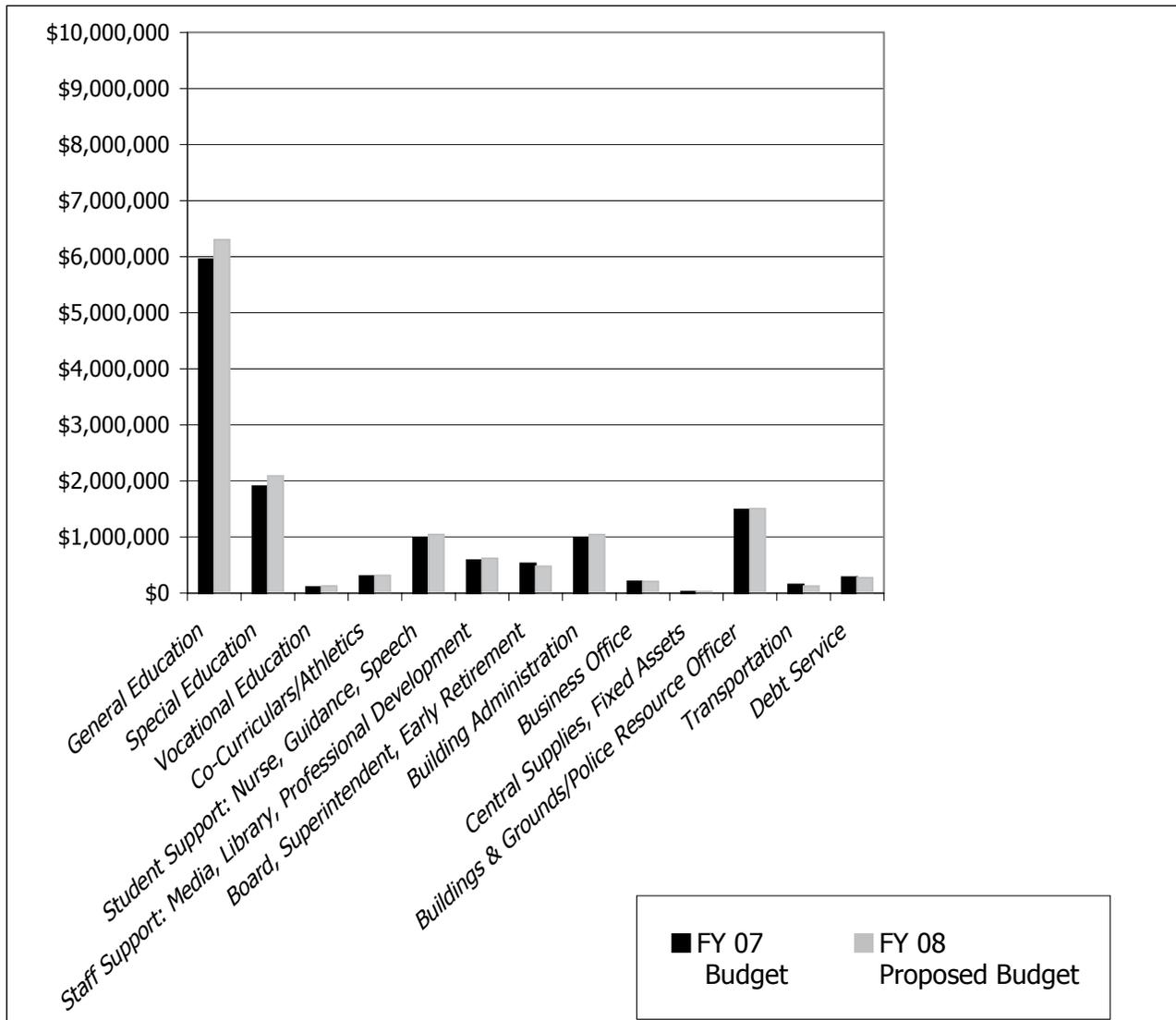
FY2007 Municipal School District Data

Town School District data (resident PK-12 students publicly funded)

| LCA ID | School District | Equipped per                |                                   | Total        |                         |
|--------|-----------------|-----------------------------|-----------------------------------|--------------|-------------------------|
|        |                 | Spending per Equipped Pupil | Equivalent Expenditures per Pupil | Expenditures | Equivalent Expenditures |
| T113   | Montpelier      | \$9,494                     | \$1,315                           | \$7,949      | \$1,174                 |

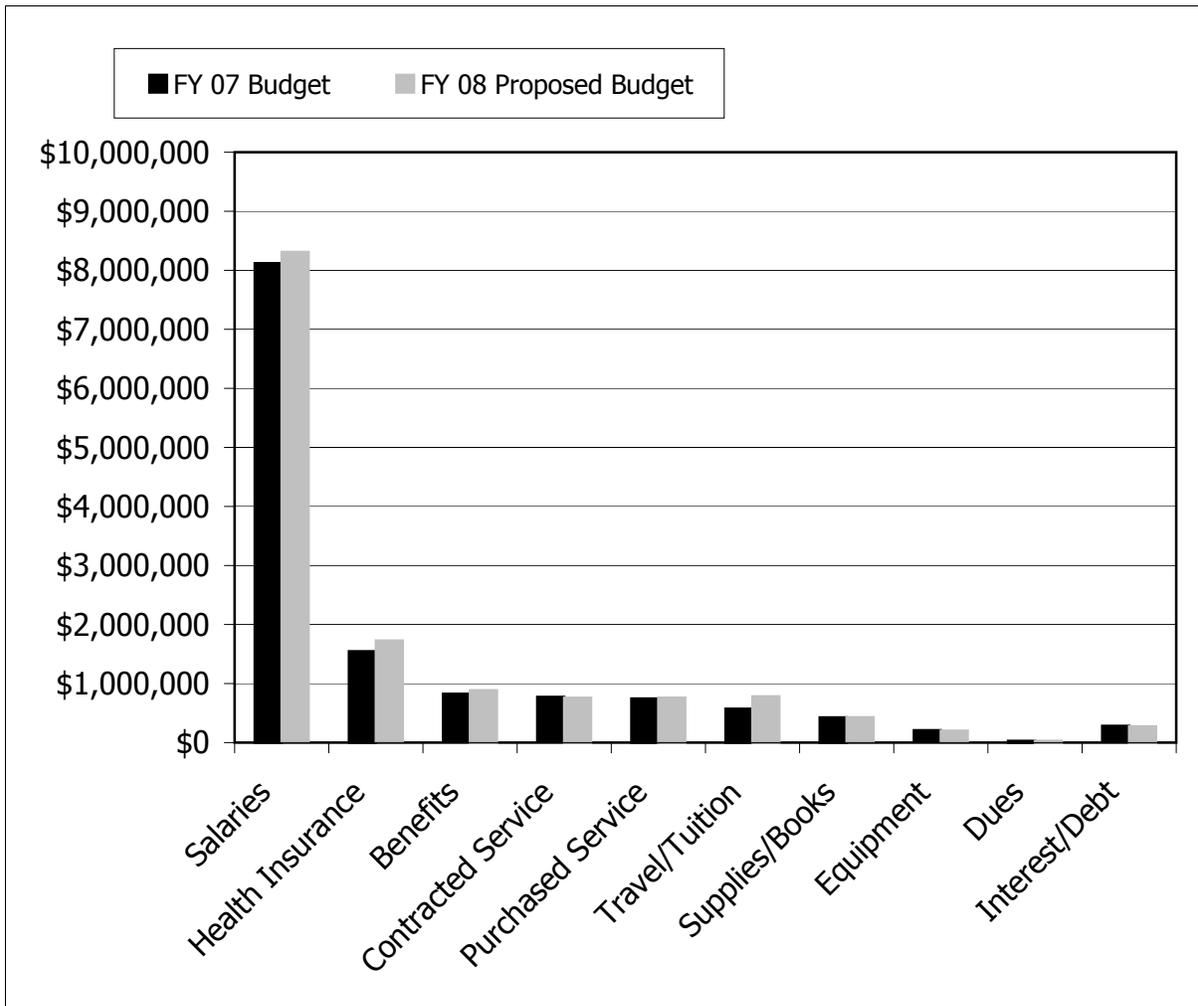
# Budget Overview FY08 - Program Analysis

| Program                                                 | FY 07 Budget        | FY 08 Proposed Budget | Dollar Increase/Decrease | Percent Increase/Decrease |
|---------------------------------------------------------|---------------------|-----------------------|--------------------------|---------------------------|
| General Education                                       | \$5,954,769         | \$6,301,522           | \$346,753                | 5.82%                     |
| Special Education                                       | 1,906,418           | 2,088,292             | 181,874                  | 9.54%                     |
| Vocational Education                                    | 106,656             | 125,775               | 19,119                   | 17.93%                    |
| Co-Curriculars/Athletics                                | 303,066             | 314,248               | 11,182                   | 3.69%                     |
| Student Support: Nurse, Guidance, Speech                | 991,121             | 1,044,424             | 53,303                   | 5.38%                     |
| Staff Support: Media, Library, Professional Development | 587,525             | 620,101               | 32,576                   | 5.54%                     |
| Board, Superintendent, Early Retirement                 | 528,196             | 478,292               | -49,904                  | -9.45%                    |
| Building Administration                                 | 993,705             | 1,042,382             | 48,677                   | 4.90%                     |
| Business Office                                         | 207,791             | 206,543               | -1,248                   | -0.60%                    |
| Central Supplies, Fixed Assets                          | 24,394              | 24,994                | 600                      | 2.46%                     |
| Buildings & Grounds/Police Resource Officer             | 1,490,718           | 1,506,103             | 15,385                   | 1.03%                     |
| Transportation                                          | 152,247             | 124,292               | -27,955                  | -18.36%                   |
| Debt Service                                            | 283,403             | 273,791               | -9,612                   | -3.39%                    |
| <b>Total General Fund</b>                               | <b>\$13,530,009</b> | <b>\$14,150,759</b>   | <b>\$620,750</b>         | <b>4.59%</b>              |
| <b>Total Grant Funds</b>                                | <b>\$492,685</b>    | <b>\$507,217</b>      | <b>\$14,532</b>          | <b>2.95%</b>              |
| <b>Total General and Grant Funds</b>                    | <b>\$14,022,694</b> | <b>\$14,657,976</b>   | <b>\$635,282</b>         | <b>4.53%</b>              |



# Category Analysis Budget FY08

| Category                             | FY 07 Budget        | FY 08 Proposed Budget | Dollar Increase/Decrease | Percent Increase/Decrease |
|--------------------------------------|---------------------|-----------------------|--------------------------|---------------------------|
| Salaries                             | \$8,119,315         | \$8,309,029           | \$189,714                | 2.34%                     |
| Health Insurance                     | 1,546,394           | 1,728,097             | 181,703                  | 11.75%                    |
| Benefits                             | 826,700             | 885,337               | 58,637                   | 7.09%                     |
| Contracted Service                   | 772,894             | 758,108               | (14,786)                 | -1.91%                    |
| Purchased Service                    | 745,640             | 758,969               | 13,329                   | 1.79%                     |
| Travel/Tuition                       | 572,981             | 782,022               | 209,041                  | 36.48%                    |
| Supplies/Books                       | 426,168             | 426,846               | 678                      | 0.16%                     |
| Equipment                            | 208,551             | 200,377               | (8,174)                  | -3.92%                    |
| Dues                                 | 27,963              | 28,183                | 220                      | 0.79%                     |
| Interest/Debt                        | 283,403             | 273,791               | (9,612)                  | -3.39%                    |
| <b>Total General Fund</b>            | <b>\$13,530,009</b> | <b>\$14,150,759</b>   | <b>\$620,750</b>         | <b>4.59%</b>              |
| <b>Total Grant Funds</b>             | <b>\$492,685</b>    | <b>\$507,217</b>      | <b>\$14,532</b>          | <b>2.95%</b>              |
| <b>Total General and Grant Funds</b> | <b>\$14,022,694</b> | <b>\$14,657,976</b>   | <b>\$635,282</b>         | <b>4.53%</b>              |



# Budget Summary FY08

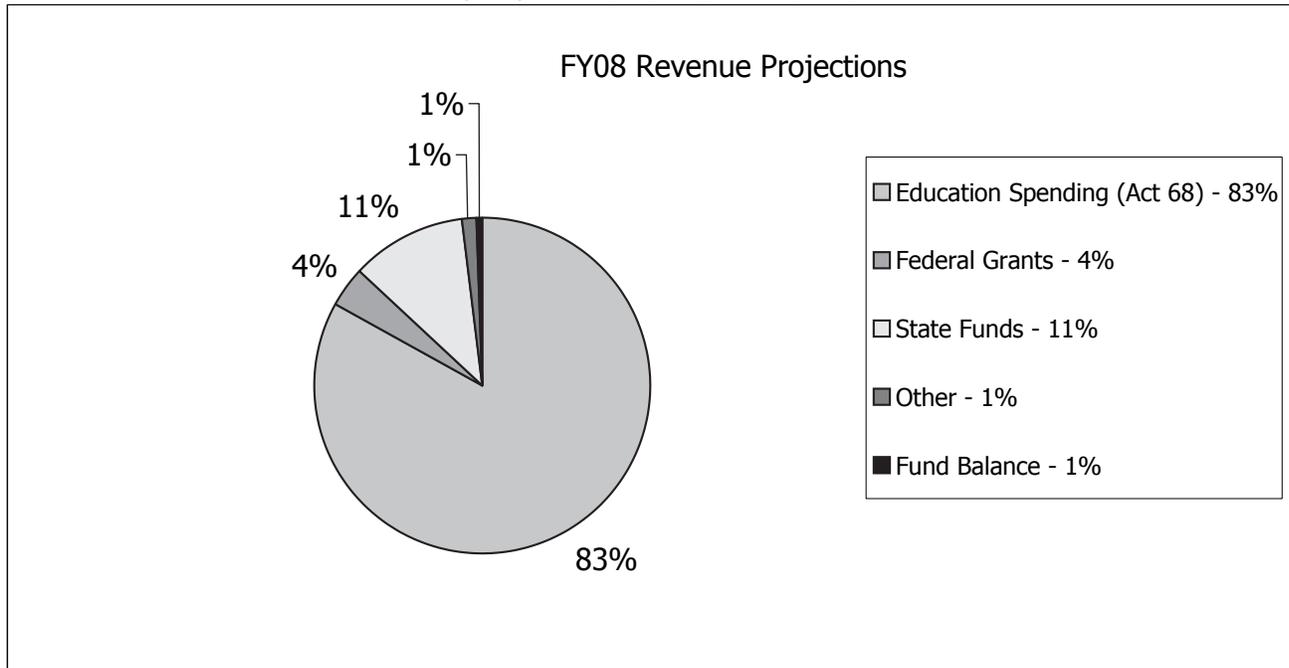
| <b>Program</b>                     | <b>FY 07<br/>Budget</b> | <b>FY08<br/>Proposed<br/>Budget</b> | <b>Dollar<br/>Increase/<br/>Decrease</b> | <b>Percent<br/>Increase/<br/>Decrease</b> |
|------------------------------------|-------------------------|-------------------------------------|------------------------------------------|-------------------------------------------|
| General Fund                       | 449,844                 | 476,445                             | 26,601                                   | 5.91%                                     |
| Multiple Pathways                  | 100,459                 | 130,112                             | 29,653                                   | 29.52%                                    |
| Art                                | 225,060                 | 240,753                             | 15,693                                   | 6.97%                                     |
| Business Education                 | 13,076                  | 10,992                              | -2,084                                   | -15.94%                                   |
| Driver Education                   | 75,516                  | 82,975                              | 7,459                                    | 9.88%                                     |
| English (7-12)                     | 315,812                 | 335,940                             | 20,128                                   | 6.37%                                     |
| Foreign Language                   | 366,438                 | 389,263                             | 22,825                                   | 6.23%                                     |
| Home Economics                     | 71,938                  | 75,956                              | 4,018                                    | 5.59%                                     |
| Tech Education                     | 71,696                  | 76,506                              | 4,810                                    | 6.71%                                     |
| Math                               | 281,701                 | 298,247                             | 16,546                                   | 5.87%                                     |
| Music                              | 311,211                 | 319,961                             | 8,750                                    | 2.81%                                     |
| Science                            | 328,612                 | 367,840                             | 39,228                                   | 11.94%                                    |
| Social Studies                     | 287,212                 | 313,533                             | 26,321                                   | 9.16%                                     |
| Physical Education                 | 330,359                 | 331,787                             | 1,428                                    | 0.43%                                     |
| Health                             | 21,018                  | 29,902                              | 8,884                                    | 42.27%                                    |
| Title 1 - Reading and Math Support | 307,222                 | 324,095                             | 16,873                                   | 5.49%                                     |
| Kindergarten                       | 185,472                 | 185,577                             | 105                                      | 0.06%                                     |
| Multi-Age (Grades 1 & 2)           | 362,473                 | 0                                   | -362,473                                 | -100.00%                                  |
| Grade 1                            | 0                       | 215,246                             | 215,246                                  | 100.00%                                   |
| Grade 2                            | 0                       | 231,725                             | 231,725                                  | 100.00%                                   |
| Grade 3                            | 191,381                 | 189,320                             | -2,061                                   | -1.08%                                    |
| Grade 4                            | 192,008                 | 198,688                             | 6,680                                    | 3.48%                                     |
| Grade 5                            | 247,564                 | 210,662                             | -36,902                                  | -14.91%                                   |
| Grade 6                            | 279,864                 | 238,721                             | -41,143                                  | -14.70%                                   |
| UES Science/SS                     | 3,860                   | 3,960                               | 100                                      | 2.59%                                     |
| Computer Technology                | 224,767                 | 227,922                             | 3,155                                    | 1.40%                                     |
| Theater                            | 0                       | 0                                   | 0                                        | 0.00%                                     |
| Dance                              | 21,179                  | 22,501                              | 1,322                                    | 6.24%                                     |
| 504 Accommodations                 | 2,161                   | 2,000                               | -161                                     | -7.45%                                    |
| ESL                                | 179,722                 | 235,323                             | 55,601                                   | 30.94%                                    |
| Regular Education Support          | 8,872                   | 18,704                              | 9,832                                    | 110.82%                                   |
| Team Fusion (Grades 7 & 8)         | 99,069                  | 106,611                             | 7,542                                    | 7.61%                                     |
| Team Synergy (Grades 7 & 8)        | 148,043                 | 173,136                             | 25,093                                   | 16.95%                                    |
| Team Sirius (Grades 7 & 8)         | 251,160                 | 237,119                             | -14,041                                  | -5.59%                                    |
| Special Education Tuition          | 77,400                  | 278,000                             | 200,600                                  | 259.17%                                   |
| Idea B - Special Education         | 40,000                  | 52,000                              | 12,000                                   | 30.00%                                    |
| Special Education                  | 1,050,607               | 943,736                             | -106,871                                 | -10.17%                                   |
| Special Education IA's             | 738,411                 | 814,556                             | 76,145                                   | 10.31%                                    |
| Vocational Education               | 106,656                 | 125,775                             | 19,119                                   | 17.93%                                    |
| Co-Curriculars/Athletics           | 303,066                 | 314,248                             | 11,182                                   | 3.69%                                     |

# Budget Summary FY08

| Program                          | FY 07<br>Budget     | FY08<br>Proposed<br>Budget | Dollar<br>Increase/<br>Decrease | Percent<br>Increase/<br>Decrease |
|----------------------------------|---------------------|----------------------------|---------------------------------|----------------------------------|
| Guidance                         | 352,970             | 382,390                    | 29,420                          | 8.33%                            |
| Student Support                  | 0                   | 0                          | 0                               | 0.00%                            |
| Student Records                  | 60,870              | 66,665                     | 5,795                           | 9.52%                            |
| Nurses                           | 147,729             | 164,199                    | 16,470                          | 11.15%                           |
| Physical Therapy                 | 27,200              | 27,200                     | 0                               | 0.00%                            |
| Occupational Therapy             | 65,800              | 67,800                     | 2,000                           | 3.04%                            |
| Evaluations/Psychologist         | 79,988              | 45,000                     | -34,988                         | -43.74%                          |
| Speech/Language                  | 239,271             | 273,413                    | 34,142                          | 14.27%                           |
| Ed Support                       | 7,843               | 8,157                      | 314                             | 4.00%                            |
| Graduation/Assemblies            | 9,450               | 9,600                      | 150                             | 1.59%                            |
| Curriculum Coordinator           | 77,925              | 79,887                     | 1,962                           | 2.52%                            |
| Inservice                        | 24,000              | 30,000                     | 6,000                           | 25.00%                           |
| Long Range Planning              | 0                   | 0                          | 0                               | 0.00%                            |
| Professional Development         | 0                   | 0                          | 0                               | 0.00%                            |
| Library                          | 198,657             | 208,364                    | 9,707                           | 4.89%                            |
| Media                            | 3,000               | 3,600                      | 600                             | 20.00%                           |
| Technology                       | 283,943             | 298,250                    | 14,307                          | 5.04%                            |
| School Board                     | 11,508              | 12,888                     | 1,380                           | 11.99%                           |
| Early Retirement                 | 13,343              | 13,343                     | 0                               | 0.00%                            |
| Legal                            | 25,000              | 25,000                     | 0                               | 0.00%                            |
| Audit                            | 9,800               | 10,020                     | 220                             | 2.24%                            |
| Insurance                        | 154,684             | 175,679                    | 20,995                          | 13.57%                           |
| Superintendent's Office          | 313,861             | 241,362                    | -72,499                         | -23.10%                          |
| Principal's Office               | 821,402             | 841,154                    | 19,752                          | 2.40%                            |
| Special Education Administration | 172,303             | 201,228                    | 28,925                          | 16.79%                           |
| Business Office                  | 207,791             | 206,543                    | -1,248                          | -0.60%                           |
| Fixed Asset                      | 795                 | 795                        | 0                               | 0.00%                            |
| Central Supplies                 | 23,599              | 24,199                     | 600                             | 2.54%                            |
| Buildings & Grounds              | 1,414,384           | 1,437,878                  | 23,494                          | 1.66%                            |
| Crossing Guards                  | 18,999              | 29,788                     | 10,789                          | 56.79%                           |
| School Resource Officer          | 57,335              | 38,437                     | -18,898                         | -32.96%                          |
| Special Ed Transportation        | 25,000              | 20,896                     | -4,104                          | -16.42%                          |
| Transportation                   | 127,247             | 103,396                    | -23,851                         | -18.74%                          |
| Debt Service                     | 283,403             | 273,791                    | -9,612                          | -3.39%                           |
| <b>TOTAL LOCAL BUDGET</b>        | <b>\$13,530,009</b> | <b>\$14,150,759</b>        | <b>\$620,750</b>                | <b>4.59%</b>                     |
| <b>Other Grant Funds</b>         | <b>\$492,685</b>    | <b>\$507,217</b>           | <b>\$14,532</b>                 | <b>2.95%</b>                     |
| <b>TOTAL BUDGET</b>              | <b>\$14,022,694</b> | <b>\$14,657,976</b>        | <b>\$635,282</b>                | <b>4.53%</b>                     |

# Revenue Projections FY08

| Revenue                                | FY07<br>Budget      | FY08<br>Proposed    | Difference       | Explanation                                                                                     |
|----------------------------------------|---------------------|---------------------|------------------|-------------------------------------------------------------------------------------------------|
| Education Spending (Act 68 definition) | 11,174,098          | 11,746,269          | 572,171          | Amount from state to fund education spending.                                                   |
| Title 1 Grant                          | 307,222             | 324,095             | 16,873           | Federal funds for remedial programs. Use of carry forward for FY06.                             |
| Special Ed Intensive                   | 989,824             | 1,028,422           | 38,598           | State special education funding estimated at 57% for reimbursement of costs exceeding grants.   |
| Special Ed Block Grant                 | 324,577             | 340,408             | 15,831           | State provides sum of money based on enrollment and core special ed staffing.                   |
| Special Ed Extraordinary               | -                   | 108,000             | 108,000          | State provides sum of money for extraordinary costs.                                            |
| IDEA B Grant                           | 243,514             | 249,440             | 5,926            | Reflects change over last years funding.                                                        |
| Tuition                                | 107,200             | 99,000              | (8,200)          | Tuition estimate from other LEA's and private sources.                                          |
| Rentals                                | 40,000              | 40,000              | -                | Income received for use of facilities including \$23,500 in rental from Senior Citizens Center. |
| Vocational Transportation              | 10,920              | 12,080              | 1,160            | State reimbursement for transportation expenses.                                                |
| Driver Education                       | 6,500               | 6,600               | 100              | State reimbursement for driver education expenses.                                              |
| Miscellaneous                          | 5,000               | 5,000               | -                | Miscellaneous revenue and donations received.                                                   |
| Transportation Aid                     | 53,735              | 54,809              | 1,074            | State reimbursement for K-12 transportation expenses (50%)                                      |
| Revenue from City of Montpelier        | -                   | 7,500               | 7,500            | Revenue received for services provided to the city.                                             |
| Interest                               | 40,000              | 50,000              | 10,000           | Anticipated interest earned for FY08                                                            |
| Financial Software Reserve             | 26,563              | -                   | (26,563)         | Money reserved for financial software, but not needed, used to reduce taxes.                    |
| Balance Forward                        | 200,856             | 79,136              | (121,720)        | Fund balance for tax reduction, capital improvements, and equipment.                            |
| <b>Total General Fund</b>              | <b>\$13,530,009</b> | <b>\$14,150,759</b> | <b>\$620,750</b> | <b>4.59%</b>                                                                                    |
| <b>Other Grant Funds</b>               | <b>\$492,685</b>    | <b>\$507,217</b>    | <b>\$14,532</b>  | <b>2.95%</b>                                                                                    |
| <b>Total General and Grant Funds</b>   | <b>\$14,022,694</b> | <b>\$14,657,976</b> | <b>\$635,282</b> | <b>4.53%</b>                                                                                    |



## Salaries for 2006 -- Montpelier School District

Salaries include all School, Senior Citizen Center, and Recreation Department employees. These include substitute teachers and instructional assistants, other temporary employees, and Recreation Department summer camp and pool employees.

|                            |         |                               |        |                            |        |
|----------------------------|---------|-------------------------------|--------|----------------------------|--------|
| Danielle A. Abrams         | \$1,573 | Buffy Boyce                   | 480    | Jean L. Commito            | 53,020 |
| Susan R. Abrams            | 61,130  | Susan Jane Boyer              | 74,331 | Carol M. Conley            | 7,172  |
| Brett M. Acebo             | 13,021  | Rhonda M. Brace               | 7,686  | Michael J. Conley          | 12,797 |
| Ellen L. Adams             | 4,748   | Anthony W. Braman             | 180    | Carrie S. Cook             | 38,720 |
| Blanche E. Adamski         | 1,603   | Erin M. Bresette              | 16,021 | George A. Cook             | 41,680 |
| Jennifer L. Aither         | 10,867  | Margaret E. Brigham           | 15,341 | Kristin L. Cook            | 3,330  |
| David C. Aja               | 48,235  | Matthew D. Brittenham         | 35,891 | Meredith F. Cox            | 2,100  |
| Patrick J. Aldrich         | 2,004   | Francis K. Brooks             | 6,584  | John C. Craig              | 300    |
| Suzanne Kennedy Aldrich    | 1,000   | Robin C. Brooks               | 10,562 | Mary Creeden               | 55,234 |
| Karen K. Alexander         | 25,252  | Nancy Ann Brown               | 49,403 | Collin M. Crowther         | 2,046  |
| Daniel J. Anderson         | 1,000   | Adrienne M. Brownlee          | 2,705  | Suzanne J. Da Via          | 42,515 |
| Debra S. Anderson          | 11,848  | Eryn E. Brownlee              | 1,718  | Beth Damon                 | 300    |
| Pamela J. Arnold           | 36,500  | Cindy P. Bubrowski            | 17,449 | Joseph B. Davidian         | 2,282  |
| Troy G. Arnold             | 1,520   | William H. Bugbee             | 8,943  | Richard Davidian           | 52,525 |
| Tyler M. Aten              | 1,714   | Ryan V. Burhans               | 12,076 | Charles H. Davis           | 27,447 |
| Barbara J. Austin-Hutchins | 59,099  | Janet G. Burke                | 15,531 | Gabriele A. Davis          | 55,222 |
| Sandra L. Badger           | 7,846   | Olga C. Burns                 | 2,751  | Matthew J. Davis           | 513    |
| Roxie L. Bador             | 19,856  | William G. Burrell            | 39,850 | Anne M. Day                | 20,477 |
| Sabrina E. Bador           | 10,733  | Kristie W. Bush               | 55,046 | Suzanne Day                | 3,955  |
| Michael R. Baginski        | 51,595  | Lindsey R. Bush               | 540    | Laura A. Delcore           | 12,272 |
| Eric R. Bagley             | 2,245   | Kathryn Bushey                | 1,564  | Elizabeth A. Dellipriscoli | 1,827  |
| Diane Baker                | 29,400  | Reed A. Bushey                | 453    | Jill B. Dellipriscoli      | 725    |
| Linda M. Baker             | 53,955  | Cathleen Butterfield-Heitmann | 47,375 | John M. Dellipriscoli      | 1,994  |
| Linda D. Ball              | 532     | Susan S. Buttura              | 57,293 | Anne F. Devaughn           | 671    |
| John D. Balzanelli         | 8,350   | Jo-ann L. Buzzi               | 23,589 | Floyd C. Dickinson         | 1,377  |
| Robert G. Banfield         | 2,069   | Esther M. Byam                | 10,298 | Elizabeth F. Dodd          | 60     |
| Sally E. Barrett           | 9,090   | Richard B. Campbell           | 11,343 | Rose Musarra Doyle         | 3,885  |
| Kaitlin E. Barry           | 201     | Dorothy N. Canas              | 300    | Stephanie J. Drew          | 46,025 |
| Jeanne D. Bataille         | 15,996  | Phillip B. Carr               | 15,375 | Kay L. Du Moulin           | 17,163 |
| John H. Bate               | 50,036  | Julie K. Carter               | 53,947 | Rebecca J. Dube            | 9,079  |
| Gretchen H. Baumgardner    | 7,266   | Carolyn S. Casagrande         | 750    | Diana M. Duke              | 12,968 |
| Linda C. Beaupre           | 53,185  | Duane Lyman Castle            | 40,587 | Laura A. Dunn              | 6,600  |
| Susan N. Beem              | 43,835  | Sandal W. Cate                | 37,119 | Mikaela O. Dunn            | 343    |
| Valerie W. Belanger        | 30,911  | Guy Mark Catlin               | 4,545  | Kylee J. Duplessis         | 2,534  |
| Douglas M. Belisle         | 2,168   | Catherine S. Cattier          | 6,856  | Sharyn E. Duplessis        | 16,858 |
| Julia Bellen               | 22,317  | Toni L. Ceckler               | 55,995 | Richard T. Durkee, Jr.     | 912    |
| Lila M. Bennett            | 210     | Elizabeth A. Chase            | 2,263  | Christina A. Ebersole      | 5,250  |
| Linda L. Berger            | 4,441   | Nancy F. Chase                | 28,663 | Bradford W. Edwards        | 35,226 |
| Timothy R. Bertram         | 910     | Myles G. Chater               | 39,086 | Jane S. Edwards            | 360    |
| Josee C. Bevington         | 17,662  | Debora A. Cherington          | 10,672 | Jennifer S. Ellis          | 13,021 |
| Amanda J. Bevins           | 5,320   | Chantelle C. Chouinard        | 2,156  | Sarah L. Emmons            | 1,268  |
| Julie M. Bevins            | 32,938  | Aldo M. Ciampi, Jr.           | 3,480  | Elizabeth V. England       | 650    |
| Catharine F. Bishop        | 326     | Arthur S. Clark               | 6,011  | Emme D. Erdossy            | 39,566 |
| Darryl F. Bloom            | 49,155  | Sheila Cleary                 | 6,892  | Peter Evans                | 78,963 |
| Valerie Bluhm              | 1,150   | J. Peter Cobb                 | 2,398  | John W. Everitt            | 91,817 |
| Brenda L. Bolio            | 23,580  | Dena T. Cody                  | 39,915 | Sylvia A. Fagin            | 35,765 |
| Sarah E. Bolton            | 300     | Barbara H. Colf               | 57,760 | Alan H. Faircloth          | 22,078 |
| Melissa L. Boreanaz        | 13,548  | Eric H. Collier               | 13,568 | Peter A. Farrell           | 500    |
| Ariel G. Borgendale        | 2,063   | Patricia D. Collier           | 50,655 | Richard J. Favreau         | 228    |
| Andrea J. Bottiggi         | 2,213   | George R. Collier, Jr.        | 21,568 | Tyler Ferland              | 1,612  |
| Richard H. Bousquet        | 3,300   | Paul Collins                  | 3,110  | Joyce G. Ferris            | 14,359 |
| Peggy E. Bowen             | 6,366   | Judy U. Colombo               | 29,877 | Elizabeth H. Field         | 24,709 |

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|                              |        |                         |        |                            |        |
|------------------------------|--------|-------------------------|--------|----------------------------|--------|
| Noah J. Fink                 | 2,267  | Michael Healy           | 26,563 | Richard T. Lachapelle      | 41,870 |
| Paulette Fiorentino-Robinson | 3,650  | Michelle J. Hebert      | 9,880  | Candace C. Lacroix         | 31,379 |
| Barbara Fisk                 | 14,995 | Katherine J. Heim       | 1,610  | Jacquette R. Landrum       | 3,232  |
| Joan H. Fitch                | 32,868 | Kelly Henzl             | 675    | Matthew J. Lane            | 360    |
| Geoffrey M. Fitzgerald       | 1,410  | Laticia B. Hequembourg  | 60     | Katherine H. Langlois      | 6,012  |
| Bonnie S. Flanagan           | 4,900  | Mona Hersey             | 300    | Zoe M. Lasden-Lyman        | 1,566  |
| Lois E. Flanders             | 17,385 | Debra A. Hickey         | 39,475 | Margaret L. Lawson         | 2,342  |
| Rosa Flores                  | 5,350  | Sandra N. Hill          | 2,050  | George P. Leal             | 19,992 |
| Jamie C.L. Fournier          | 3,154  | Terence L. Hodgdon      | 47,300 | Allison G. Leene           | 24,720 |
| Margaret H. Franzen          | 350    | Kara J. Holden          | 345    | Patrick S. Leene           | 1,852  |
| Anne O. Fraser               | 8,917  | John H. Hollar          | 1,300  | Russell C. Leete           | 35,891 |
| Kara M. Fredrickson          | 23,774 | Ruth A. Holmes          | 2,240  | Mary Catharine R. Lefebvre | 25,266 |
| William C. French            | 9,987  | Cynthia C. Hooker       | 28,630 | Bernard C. Leno            | 3,380  |
| Carolyn Friberg              | 58,560 | Flinda J. Horton        | 1,114  | Cathy S. Lerner            | 58,010 |
| Gaia Fried                   | 2,960  | Lindsay J. Hosmer       | 13,971 | Regina M. Librizzi         | 70     |
| Laura H. Gabriel             | 2,758  | Jennifer W. Howard      | 49,309 | Lynn F. Lindley            | 45     |
| Brian J. Gallagher           | 46,702 | Jonathan Howell         | 1,275  | Cynthia S. Little          | 60     |
| Evan H. Gannon               | 1,784  | Mary Hoyne              | 7,350  | Kimberly S. Little         | 60     |
| Tanina M. Garabedian         | 18,142 | Jeannette G. Hull       | 15,018 | Mary L. Lobello            | 20,709 |
| Roberta Gardner              | 6,683  | Regina L. Hunt          | 1,000  | Heather A. Lockwood        | 1,033  |
| Debra S. Garrett             | 24,712 | Debbi Hutchings         | 330    | Debra G. Lord              | 31,330 |
| Patricia H. Gaston           | 50,450 | Linda L. Hutchins       | 24,695 | Debra Lorinovich           | 35,387 |
| J. Gregory Gerdel            | 3,301  | Eve R. Jacobs-Carnahan  | 1,000  | Donald R. Lorinovich       | 66,384 |
| Glenn Gershaneck             | 1,000  | Elizabeth A. Jameson    | 12,070 | Ruth K. Lovald             | 65     |
| Paula E. Gervia              | 41,206 | Jeffrey W. Jarrad       | 44,850 | Dorothy Lowry              | 150    |
| Katherine A. Gibson          | 360    | Jacqueline Jenny        | 7,136  | Kari L. Luce               | 1,130  |
| Chrsitine E. Gibson-Davis    | 8,223  | Deborah Johnson-Surwilo | 25,428 | Timothy J. Luce            | 29,931 |
| Jane Gidney                  | 53     | Carey A. Johnston       | 3,495  | Alicia L. Lyford           | 40,452 |
| Theresa A. Giffin            | 53,038 | Gary Jones              | 3,548  | Jennifer A. Lyford         | 3,347  |
| Sandra E. Gilbert            | 60     | Richard Kagle           | 30     | Linda C. Macdonald         | 57,591 |
| Corey A. Gile                | 3,908  | Rebecca D. Karnedy      | 1,610  | Carole W. Macintyre        | 420    |
| Charlotte B. Gilruth         | 280    | Charlotte M. Karr       | 297    | Elise R. Mack              | 22,839 |
| Phillip Girouard             | 304    | Kathy M. Karr           | 2,809  | Pamela Macy                | 2,800  |
| Hilary L. Giroux             | 2,160  | Mark E.W. Kaufman       | 1,398  | Patricia M. Magoon         | 54,330 |
| William A. Gochberg          | 150    | Beverly M. Keck         | 450    | Joseph Mahr                | 4,910  |
| Maria A. Gomez               | 3,858  | William T. Keck         | 53,135 | Charles E. Maranville      | 6,940  |
| Diana C. Goodell             | 5,539  | Charles R. Keinath      | 1,654  | Dennis Maranville          | 39,284 |
| Linda L. Goodell             | 35,710 | Jennifer L. Kelley      | 1,050  | Shawn L. Maranville        | 9,068  |
| Jason P. Gorczyk             | 2,083  | Windy L. Kelley         | 41,318 | Randall L. Markham         | 903    |
| Gail P. Gorman               | 50,489 | Nancy R. Kennedy        | 4,953  | Adena B. Martin            | 300    |
| Eleanor M. Gowans            | 3,152  | Richard A. Kennison     | 27,552 | Nathan J. Martin           | 120    |
| Emily G. Goyette             | 19,419 | Douglas M. Kerin        | 10,479 | Austin A. Martineau        | 721    |
| Heather R. Gratton           | 467    | Theresa G. Kessler      | 70     | Kolby L. Martineau         | 642    |
| Nanette M. Grey              | 1,778  | Jenna Kidney            | 1,085  | Norma L. Maurice           | 23,852 |
| Gary M. Griffith             | 51,300 | Kimberly J. Kidney      | 18,190 | Robert C. Maurice          | 26,232 |
| Colin A. Gunn                | 4,150  | William D. Kidney       | 330    | Mary B. Maxfield           | 14,489 |
| Cory G. Gustafson            | 1,266  | Jill L. Kilian          | 8,950  | Susan L. Maywood           | 51,095 |
| Sarah G. Guyette             | 11,980 | Amy L. Kimball          | 39,045 | Kerrin A. McCadden         | 42,175 |
| Kimberly A. Hagen            | 60     | Carolyn S. Kiniry       | 41,318 | Collin P. McCarthy         | 4,226  |
| Janice Halford               | 3,410  | Sarah E. Knauss         | 13,691 | Dana McCarthy              | 1,773  |
| Cynthia Hall                 | 640    | Daniel M. Koenemann     | 2,504  | James B. McCarthy          | 2,255  |
| Sarah A. Halpine             | 34,012 | Karlynn C. Koenemann    | 7,033  | Lucinda B. McCloud         | 14,538 |
| Elizabeth K. Hammond         | 37,793 | Mark E. Koenemann       | 2,079  | Ryan T. McCormick          | 120    |
| Roberta A. Harold            | 3,214  | Mathew J. Koenemann     | 1,947  | Jonathan E. McDonald       | 45,375 |
| Audrey Hassard               | 18,336 | Ronda J. Kowalkowski    | 120    | Kyle A. McDonald           | 8,891  |
| Emily Hassard                | 1,354  | Pamela A. Krausz        | 10,880 | Margaret A. McGill         | 2,908  |

|                            |        |                         |        |                           |        |
|----------------------------|--------|-------------------------|--------|---------------------------|--------|
| David C. McGraw            | 61,130 | Kristy S. Parke         | 17,647 | Mary Ellen Seaver-Reid    | 47,512 |
| Jody B. McGraw             | 56,031 | Joslin A. Parker        | 740    | Michael L. Segale         | 1,698  |
| Jo A. McKay                | 6,184  | Melissa M. Parker       | 33,683 | Ellen C. Selkowitz        | 56,703 |
| Laura McKinstry            | 13,627 | Sheila Paterson         | 30,993 | Ben J. Shadis             | 5,799  |
| Brendan N. McLane          | 40,266 | Mary S. Paulman         | 6,635  | James Shea                | 753    |
| Matthew B. McLane          | 45,086 | Kayla M. Pearce         | 1,439  | Alexandra Shear           | 34,499 |
| Arne T. McMullen           | 43,715 | Brooke Pearson          | 15,017 | Susan D. Shedd            | 6,460  |
| David B. McMullen          | 4,690  | Edward F. Pelkey        | 22,154 | Michelle A. Shepardson    | 42,221 |
| Marianne McNamara          | 49,184 | Sonya L. Pelski         | 1,654  | Martha Sherman            | 55,971 |
| Stephen A. Mears           | 57,983 | Abby S. Pepin           | 10,743 | Ellen A. Sholk            | 47,334 |
| Mary Mello                 | 59,918 | Virginia A. Perantoni   | 22,887 | Sara M. Silva             | 315    |
| Barbara A. Merrill         | 2,442  | Pascale Philibert       | 12,561 | Laura K. Singer           | 38,007 |
| Mary E. Messier            | 3,283  | Charles S. Phillips     | 6,760  | Edmund G. Skea            | 55,384 |
| Heather J. Michaud         | 36,422 | Courtney R. Phillips    | 546    | Lara B. Slesar            | 37,290 |
| Julie J. Michaud           | 14,327 | Hannah B. Phillips      | 2,484  | James A. Slinkman         | 1,377  |
| Jason P. Miles             | 47,584 | Katrina K. Phillips     | 14,197 | Karen J. Smereka          | 28,457 |
| Brian A. Miller            | 15,388 | Melissa J. Pierce       | 34,109 | Ellen Smillie             | 1,965  |
| Damariscotta C. Miller     | 1,290  | Patricia A. Pierce      | 65     | Andra A. Smith            | 30,272 |
| Karl S. Miller             | 200    | Sharon L. Pine          | 31,740 | David G. Smith            | 6,795  |
| Daniel M. Miller-Arsenault | 42,064 | Heather M. Pipino       | 3,859  | Richard T. Smith          | 1,205  |
| Paul M. Mills-Brown        | 873    | Michelle Pitzner        | 3,383  | Brenda V. Snetsinger      | 4,926  |
| Judy A. Milstein           | 15,983 | Donna R. Pletzer        | 4,609  | Frances K. Solin          | 53,955 |
| Susan M. Monmaney          | 37,920 | Marie J. Polchies       | 80     | Rebecca M. Soulia         | 4,928  |
| Carlos E. Montero          | 12,819 | Nancy C. Post           | 8,284  | Janice M. Spooner         | 9,054  |
| Troy D. Moock              | 718    | Irene Poulin-Farrar     | 54,287 | Sara J. Sprunk            | 420    |
| Elizabeth A. Moody         | 40,650 | Pamela S. Powers        | 25,500 | Sarah Squier              | 42,515 |
| Donald L. Morgan           | 28,388 | Kerri B. Pulsifer       | 12,061 | Barbara A. Stalling       | 483    |
| Gomer W. Morgan            | 34,441 | Nancy G. Reagan         | 35,365 | Joan A. Stander           | 4,788  |
| James G. Morley            | 48,745 | Dorothy A. Redmond      | 14,786 | Fred V. Stapenhorst       | 5,763  |
| Deborah L. Morris          | 255    | Mary C. Redmond         | 54,916 | Susan Steinhurst          | 17,722 |
| Shirley R. Morse           | 20,653 | Jane Ann Reese-Scott    | 41,211 | Jean B. Stetter           | 4,337  |
| Richard F. Mosher          | 3,503  | Eric S. Reiss           | 887    | Carley Stevens-McLaughlin | 7,645  |
| Melissa A. Muller-Moore    | 2,014  | Mark S. Remick          | 32,004 | Diana L. Stone            | 49,665 |
| Christine L. Murphy        | 13,910 | Lynn M. Ribolini        | 19,539 | Elizabeth A. Strobell     | 20,098 |
| Cynthia A. Murphy          | 43,945 | Rachael Rice            | 120    | Kalyn Surprise            | 3,882  |
| Erin J. Murphy             | 300    | Robin L. Ricker-Lumsden | 15,365 | Sandra E. Surrell         | 14,489 |
| Henry O. Murray            | 12,379 | Anita W. Rogers         | 162    | Joseph T. Sweeney         | 54,972 |
| Andrea H. Myotte           | 36,696 | Eli S. Rosenberg        | 47,079 | Elizabeth J. Swenson      | 15,277 |
| Carole J. Naquin           | 15,838 | Kara S. Rosenberg       | 608    | Ernest L. Swenson         | 1,966  |
| Ann L. Nelson              | 41,300 | Neil W. Rosenblad       | 45,433 | Richard W. Swenson        | 510    |
| David M. Nelson            | 3,300  | Vincent L. Rossano      | 62,394 | Lynn M. Talamini          | 60     |
| John L. Nelson-Miles       | 13,861 | Cynthia E. Rossi        | 68,138 | Peter F. Talbot           | 697    |
| Deborah A. New             | 9,157  | Daniel M. Roy           | 1,638  | Donald H. Taylor          | 39,538 |
| Elizabeth L. Nicholson     | 57,450 | Katherine M. Rumley     | 2,339  | Christine A. Terry        | 52,555 |
| Linda Normandeau           | 600    | Kelsey J. Rumley        | 1,521  | Cheryl Ann Tetreault      | 9,443  |
| Mark S. Novin              | 1,840  | Marijke Russo           | 29,356 | Kimberly C. Tewksbury     | 25,720 |
| Salih Numanovic            | 28,118 | Stuart F. Russo-Savage  | 47,632 | David R. Thomas           | 1,574  |
| Carlyle M. Nunn            | 25,490 | Thomas J. Sabo, Jr.     | 40,150 | Joy E. Thomas             | 18,243 |
| Frank W. Nutter Jr.        | 1,954  | Ginger A. Salas         | 998    | Kali A. Thomas            | 170    |
| Anne M. O'Donnell          | 30     | Joseph P. Salerno       | 981    | Allison N. Thompson       | 2,108  |
| Patrick J. O'Sullivan      | 42,085 | Cara L. Sargent         | 180    | James D. Thompson         | 44,354 |
| James N. Olmsted           | 12,620 | Geoffrey C. Sather      | 52,442 | Peggy A. Thompson         | 15,228 |
| Warren Ostler              | 36,914 | Carolyn R. Satre        | 42,515 | Donald Roy Thresher       | 47,682 |
| Elisa R. Otter             | 1,810  | Nicolle J. Schaeffer    | 120    | Diana M. Tierney          | 15,671 |
| Nina Z. Otter              | 300    | David Andrew Scott      | 40,962 | Jerry E. Tillotson        | 42,579 |
| Becky B. Palic             | 60     | Holly V. Scudder-Chase  | 55,639 | Molly C. Tonino           | 60     |

|                          |        |
|--------------------------|--------|
| Katharine B. Trautz      | 3,112  |
| Martha J. Tucker         | 84,881 |
| Dianne A. Turenne        | 14,128 |
| Alyssa K. Turley         | 794    |
| Christopher A. Turley    | 2,069  |
| Peter A. Turley          | 1,997  |
| Shirley C. Turner        | 315    |
| Lorraine M. Utton        | 37,199 |
| Anne F. Vachon           | 1,075  |
| Nancy C. Vachon          | 14,758 |
| Thomas H. Van Meter      | 1,890  |
| Brenda M. VanDzura       | 650    |
| Rosana Vestuti           | 8,768  |
| Doris C. Viens           | 28,138 |
| Katherine Vincent-Poller | 240    |
| David J. Voss            | 150    |
| Sylvia E. Walker         | 2,083  |
| Anne E. Watson           | 35,365 |
| Wendy C. Watson          | 2,291  |
| Peter G. Watt            | 2,790  |
| Nancy A. Webb            | 11,828 |
| Patricia M. Welsh        | 18,227 |
| Juliana V. Westcott      | 1,208  |
| Daniel H. Wetmore        | 6,683  |
| Tonya L. Wheel           | 41,636 |
| Thurman L. Wilder        | 1,551  |
| Marybeth M. Wilhelm      | 120    |
| Emily A. Wrigley         | 5,176  |
| Virginia Q. Zahner       | 49,161 |

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AUDIT REPORT  
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September 14, 2006

Board of School Commissioners  
Montpelier Public School System  
35 Barre Street  
Montpelier, Vermont 05602

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Montpelier Public School System as of and for the year ended June 30, 2006, which collectively comprise the Montpelier Public School System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Montpelier Public School System's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Montpelier Public School System as of June 30, 2006, and the respective changes in financial position, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 14, 2006 on our consideration of Montpelier Public School System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of preparation and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Montpelier Public School System's basic financial statements. The accompanying other non-major governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statement. The accompanying other non-major governmental fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Roderic A. Sherman & Company*

**MONTPELIER PUBLIC SCHOOL SYSTEM  
MONTPELIER, VERMONT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006  
UNAUDITED**

**Introduction**

This discussion and analysis of the Montpelier Public School System's financial performance provides an overall review of the School System's financial activities for the fiscal year ended June 30, 2006. This is the fourth report prepared by the School System's financial administrators in order to comply with the requirements of GASB 34 (Governmental Accounting Standards Board Statement # 34). A comparative analysis of government-wide data is presented. The intent of this discussion and analysis is to look at the School System's financial performance as a whole; readers should also review the basic financial statements and reports to enhance their understanding of the School System's financial status and performance.

**Financial Highlights**

Key financial highlights for fiscal year 2006 are as follows:

- The school district had \$15,430,745 in expenses related to government activities in 2006 compared to \$14,715,744 in 2005. The increase in expenses from 2005 to 2006 was due to instructional costs and the facility improvements costs not incurred in the prior year. General revenues (primarily property taxes, grants and entitlements) of \$11,199,779 in 2006 compared to \$10,949,697 in 2005 provide the majority of funds to operate these programs. This represents 73 percent of all revenues in 2006 and 74 percent in 2005.
- Net assets of governmental activities decreased by \$98,912 in 2006 compared to an increase of \$230,419 in 2005.

**Using the Basic Financial Statements**

This annual report consists of a series of financial statements, and notes to those statements. These statements are organized so that the reader can understand the Montpelier Public School System as a financial whole, or as an entire operating entity.

The statement of net assets and statement of activities provide information about activities of the whole School System, presenting both an aggregate view of the School System's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School System's most significant funds with all other nonmajor funds presented in total in a single column. For the Montpelier Public School System, the General Fund and Senior Citizen Fund are the most significant funds.

**Reporting the School System as a Whole**

**Statement of Net Assets and Statement of Activities**

While this report contains the large number of funds used by the School System to provide programs and activities, the view of the School System as a whole looks at financial transactions and asks the question, "How did we do financially during fiscal year 2006?" The statement of net assets and the statement of

**MONTPELIER PUBLIC SCHOOL SYSTEM  
MONTPELIER, VERMONT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006**

**UNAUDITED**  
(Continued)

activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting systems used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the School System's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the School System has improved or diminished for the School System as a whole. The cause of this change may be the result of many factors, some financial and some not. Non-financial factors include the School System's property tax base, current laws regarding taxation for public education in the State of Vermont, facility conditions, required educational programs, and other factors.

Under GASB 34 statement of net assets and the statement of activities, are divided into two distinct kinds of activities:

**Governmental Activities** - All of the School System's programs and services are reported here including instruction, support services, operation and maintenance of plant, bus, transportation, extracurricular activities, recreation and senior citizen's services.

**Business Activities** - This service is provided on a charge for good and services basis to recover all of the expenses of the good or services provided.

At the present time, the School System does not operate any enterprise funds, and thus there is no reporting about any such activities.

**Reporting the School System's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the School System's major funds. The School System uses many funds to account for multitude of financial transactions. However, these fund financial statements focus on the School System's most significant funds. The School System's major governmental funds are the General Fund and the Senior Citizen Fund.

**Governmental Funds**

All of the School System's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left, if any, at fiscal year end for spending in future periods as authorized. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the School System's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements.

MONTPELIER PUBLIC SCHOOL SYSTEM  
MONTPELIER, VERMONT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006  
UNAUDITED  
(Continued)

The School System as a Whole

The perspective of the statement of net assets is of the School System as a whole. Table 1 provides a summary of the School System's net assets for 2006 and 2005.

**Table 1**  
**Net Assets**  
(in thousands of dollars)

|                                                 | Governmental<br>Activities<br>2006 | Governmental<br>Activities<br>2005 |
|-------------------------------------------------|------------------------------------|------------------------------------|
| <b>Assets:</b>                                  |                                    |                                    |
| Current and Other Assets                        | \$ 2,380                           | \$ 2,163                           |
| Capital assets - Net                            | 6,587                              | 6,456                              |
| Total Assets                                    | <u>9,007</u>                       | <u>8,619</u>                       |
| <b>Liabilities:</b>                             |                                    |                                    |
| Current and Other Liabilities                   | 1,317                              | 1,326                              |
| Long-Term Liabilities                           | 2,553                              | 2,003                              |
| Total Liabilities                               | <u>3,870</u>                       | <u>3,329</u>                       |
| <b>Net Assets:</b>                              |                                    |                                    |
| Invested and Capital Assets Net of Related Debt | 4,356                              | 4,296                              |
| Restricted                                      | 298                                | 282                                |
| Unrestricted (Deficit)                          | 537                                | 713                                |
| Total Net Assets                                | <u>\$ 5,191</u>                    | <u>\$ 5,290</u>                    |

Net assets of the School System's governmental activities decreased by \$98,912 from 2005 to 2006.

MONTPELIER PUBLIC SCHOOL SYSTEM  
MONTPELIER, VERMONT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006  
UNAUDITED  
(Continued)

Table 2 reflects the net assets for the fiscal years 2006 and 2005

|                                                | Governmental<br>Activities<br>2006 | Governmental<br>Activities<br>2005 |
|------------------------------------------------|------------------------------------|------------------------------------|
| <b>Revenues:</b>                               |                                    |                                    |
| <b>Program Revenues:</b>                       |                                    |                                    |
| Charges for Services and Sales                 | \$ 774                             | \$ 924                             |
| Operating Grants and contributions             | 3,358                              | 3,045                              |
| Capital Grants and contributions               | 0                                  | 28                                 |
| Total Program Revenues                         | <u>4,132</u>                       | <u>3,997</u>                       |
| <b>General Revenues:</b>                       |                                    |                                    |
| Property Taxes                                 | 565                                | 542                                |
| Grants not Restricted to Specific Programs     | 10,539                             | 10,326                             |
| Interest Income                                | 89                                 | 68                                 |
| Miscellaneous                                  | 7                                  | 24                                 |
| Total General Revenues                         | <u>11,200</u>                      | <u>10,949</u>                      |
| Total Revenues                                 | <u>15,332</u>                      | <u>14,946</u>                      |
| <b>Program Expenses:</b>                       |                                    |                                    |
| Instruction                                    | 8,494                              | 7,964                              |
| <b>Support Services:</b>                       |                                    |                                    |
| Students and Instructional Staff               | 1,008                              | 1,514                              |
| Board of Education, Administration, and Fiscal | 1,012                              | 1,507                              |
| Operation and Maintenance of Plant             | 1,305                              | 1,211                              |
| Public Transportation                          | 160                                | 158                                |
| Central                                        | 18                                 | 46                                 |
| Depreciation                                   | 202                                | 197                                |
| Interest on Debt                               | 117                                | 123                                |
| Grant Programs                                 | 447                                | 438                                |
| Food Service Program                           | 447                                | 458                                |
| Recreation Program                             | 709                                | 688                                |
| Senior Citizen Program                         | 150                                | 163                                |
| Other                                          | 302                                | 269                                |
| Total Expenses                                 | <u>15,431</u>                      | <u>14,716</u>                      |
| Increase (Decrease) in Net Assets              | <u>\$ (99)</u>                     | <u>\$ 230</u>                      |

**MONTPELIER PUBLIC SCHOOL SYSTEM  
MONTPELIER, VERMONT**

**MANAGEMENTS DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006  
UNAUDITED  
(Continued)**

**Governmental Activities**

The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. Table 3, for governmental activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state entitlements.

**Table 3  
Governmental Activities  
(in thousands of dollars)**

|                                                | Total Cost of Services |                  | Net Cost of Services |                  |
|------------------------------------------------|------------------------|------------------|----------------------|------------------|
|                                                | 2006                   | 2006             | 2005                 | 2005             |
| Instruction                                    | \$ 8,494               | \$ 6,907         | \$ 7,904             | \$ 6,606         |
| Support Services:                              |                        |                  |                      |                  |
| Student and Instructional Staff                | 1,508                  | 1,508            | 1,514                | 1,514            |
| Board of Education, Administration, and Fiscal | 1,512                  | 1,509            | 1,507                | 1,504            |
| Operation and Maintenance of Plant             | 1,365                  | 1,309            | 1,211                | 1,066            |
| Pupil Transportation                           | 160                    | 97               | 158                  | 91               |
| Central                                        | 38                     | 18               | 46                   | 46               |
| Depreciation                                   | 202                    | 202              | 197                  | 197              |
| Interest on Debt                               | 117                    | 117              | 123                  | 123              |
| Grant Programs                                 | 447                    | 0                | 438                  | 0                |
| Food Service                                   | 447                    | 0                | 456                  | 8                |
| Recreation Program                             | 709                    | 507              | 688                  | 492              |
| Senior Citizen Program                         | 150                    | 70               | 153                  | 72               |
| Other                                          | 302                    | 0                | 250                  | 0                |
| <b>Total Expenses</b>                          | <b>\$ 15,431</b>       | <b>\$ 11,298</b> | <b>\$ 14,716</b>     | <b>\$ 10,719</b> |

The School System's dependence upon general revenues for governmental activities is apparent. Over 70 percent of instructional activities for 2006 and 70 percent for 2005 are supported through general revenues. For all governmental activities general revenues support is 73 percent for 2006 and 73 percent for 2005. The community, as a whole, is the primary source of support for Montpelier Public School System students.

**MONTPELIER PUBLIC SCHOOLS  
MONTPELIER, VERMONT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006  
UNAUDITED  
(Continued)**

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2006, the School System had \$6,681,343 invested in capital assets, all in governmental activities.

Table 4 reflects fiscal year 2006 and 2005 balances.

**Table 4  
Capital Assets at June 30  
(Net of Depreciation)  
(In thousands of dollars)**

|                                     | Governmental<br>Activities<br>2006 | Governmental<br>Activities<br>2005 |
|-------------------------------------|------------------------------------|------------------------------------|
| Land and Land Improvements          | \$ 72                              | \$ 77                              |
| Buildings and Building Improvements | 6,034                              | 6,187                              |
| Machinery and Equipment             | 150                                | 140                                |
| Equipment under Capital Lease       | 28                                 | 40                                 |
| Vehicles                            | 34                                 | 12                                 |
| <b>Construction in Progress</b>     | <u>363</u>                         | <u>0</u>                           |
| <b>Totals</b>                       | <u>\$ 6,581</u>                    | <u>\$ 6,456</u>                    |

The primary increases in capital assets for governmental activities is a result of the acoustical ceiling tile and new stage curtains at Union Elementary School. Other purchases include a new truck for the district and a new phone system for Central Office. The District also incurred \$363,000 of construction in progress cost related to its energy efficiency project. Depreciation expense for 2006 reduced net capital assets by \$202,479.

**Debt**

At June 30, 2006, the School System has \$1,950,000 in two outstanding bonds – one for the addition and renovation project at Union School and the addition and renovation at the High School and Main Street. Bond principal and interest are being paid from the General Fund.

At June 30, 2006, the school system has \$757,541 of capital lease obligations for building improvements and computer equipment.

**MONTPELIER PUBLIC SCHOOL SYSTEM  
MONTPELIER, VERMONT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006  
UNAUDITED  
(Continued)**

**The School System's Funds**

The School System's funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of \$16,095,166 in 2006 compared to \$14,946,163 in 2005 and expenditures and other financing uses of \$15,907,703 in 2006 compared to \$14,889,898 in 2005. Total governmental fund balances increased \$187,463 in 2006. This was primarily due to \$382,145 of unexpended proceeds of long-term debt issued for energy efficiency projects offset by an excess of expenditures over revenues of \$194,682. An excess of expenditures over revenues of \$355,423 had been budgeted.

**General Fund Budgeting Highlights**

The School System's budget is prepared according to the requirements of Vermont law, the municipal charter and School System policy. The most significant budgeted fund is the General Fund. The operating budget includes proposed expenditures and estimated revenues. On behalf payments for licensed educators retirement paid by the state are not budgeted.

The school superintendent may at any time transfer an unencumbered balance or portion thereof between budget lines. Transfers over \$500 are included in quarterly financial reports to the board. Expenditures over \$5,000 not planned for in the budget are submitted to the board for prior approval. The board approves a prioritized list of capital expenditures.

For the General Fund, on a budgetary basis final revenues and other financing sources, in the amount of \$13,852,233 were above original budgeted revenues, in the amount of \$1,275,484. Of this \$1,275,484 difference, most was due to issuance of general long-term debt to finance facility improvements and revenues from the State of Vermont for special education. The School System received \$10,658,502 of general support grants from the State Education Fund. Property taxpayers in the City of Montpelier contributed \$7,942,012 to the Education Fund.

Expenditures and other financing uses were budgeted at \$12,932,172 while actual expenditures were \$13,674,080. The major difference comes from costs associated with facility improvements and special education.

General Fund revenues were more than expenditures by \$178,153, compared to a budgeted deficiency of \$355,423.

**MONTPELIER PUBLIC SCHOOL SYSTEM  
MONTPELIER, VERMONT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006  
UNAUDITED  
(Continued)**

**Current Issues**

Enrollment in the Montpelier School System appears to be stabilizing at about 1050 students in Grades Kindergarten through 12.

One continuing focus is improving facilities, with a special focus on heating needs and energy efficiency. The School System has entered into a performance contract, authorized in Vermont Statutes Annotated Title 16, §3448f, with the Honeywell Corporation to improve the heating systems in all three of the schools. Honeywell designed a set of improvement measures that are guaranteed to improve the comfort level in the buildings as well as reduce energy costs. The construction work began in June, 2006 and is scheduled to be completed by January, 2007. The district entered into a 10-year lease to repay the cost of construction. The contract with Honeywell Corporation includes a guarantee that energy cost savings will at least equal the lease payments.

The 2006-2007 General Fund budget of \$13,472,674 plus other grant funds of \$492,885 totaled \$13,965,359. A separate article totaling \$57,335 was approved for the support of the Police Resource Officer. This budget includes staff reductions and other expenditure reductions mostly due to declining enrollments and program reviews. The general fund budget is \$622,837 more than the 2005-2006 budget of \$12,907,172 (other grant funds totaled \$591,540).

**Contacting the School System's Financial Management**

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the School System's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Cynthia Rossi, Business Manager, or John Everitt, Superintendent, Montpelier Public School System, 58 Barre Street, Montpelier, Vermont 05602.

MONTEPELIER PUBLIC SCHOOL SYSTEM  
STATEMENT OF NET ASSETS  
JUNE 30, 2006

|                                                         | <u>Governmental<br/>Activities</u> |
|---------------------------------------------------------|------------------------------------|
| <b>ASSETS</b>                                           |                                    |
| Cash                                                    | \$ 1,837,593                       |
| Investments                                             | 236,164                            |
| Accounts receivable                                     | 17,729                             |
| Due from other governments                              | 277,954                            |
| Inventory                                               | 10,137                             |
| Capital assets (net)                                    | <u>6,681,343</u>                   |
| Total Assets                                            | <u>9,060,920</u>                   |
| <b>LIABILITIES</b>                                      |                                    |
| Accounts payable                                        | 8,541                              |
| Accrued salaries and fringe benefits                    | 1,018,278                          |
| Accrued interest payable                                | 16,203                             |
| Deferred revenue                                        | 68,095                             |
| Noncurrent Liabilities:                                 |                                    |
| Bonds payable due within one year                       | 185,100                            |
| Leases payable due within one year                      | 7,656                              |
| Employee termination benefits due within one year       | 13,343                             |
| Employee termination benefits due in more than one year | 38,146                             |
| Bonds payable due in more than one year                 | 1,765,000                          |
| Leases payable due in more than one year                | <u>749,885</u>                     |
| Total Liabilities                                       | <u>3,870,147</u>                   |
| <b>Net Assets</b>                                       |                                    |
| Invested in capital assets, net of related debt         | 4,355,947                          |
| Restricted for:                                         |                                    |
| Senior citizen program                                  | 176,746                            |
| Food service program                                    | 31,498                             |
| Unrestricted                                            | <u>536,582</u>                     |
| Total Net Assets                                        | <u>\$ 5,190,773</u>                |

MONTPELIER PUBLIC SCHOOL SYSTEM  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006

EXHIBIT 2

|                                      | Expenses             | Program Revenues    |                                    |                                  | Total                  |
|--------------------------------------|----------------------|---------------------|------------------------------------|----------------------------------|------------------------|
|                                      |                      | Charges for Service | Operating Grants and Contributions | Capital Grants and Contributions |                        |
| <b>Governmental Activities:</b>      |                      |                     |                                    |                                  |                        |
| <b>Instruction:</b>                  |                      |                     |                                    |                                  |                        |
| Regular                              | \$ 5,564,362         | \$ 133,400          | \$ 386,143                         | \$ 0                             | \$ (5,044,819)         |
| Special education                    | 2,481,356            | 0                   | 1,936,179                          | 0                                | (545,177)              |
| Vocational                           | 94,415               | 0                   | 70,734                             | 0                                | (23,681)               |
| Co-curricular                        | 353,686              | 0                   | 0                                  | 0                                | (353,686)              |
| <b>Support Services:</b>             |                      |                     |                                    |                                  |                        |
| Students                             | 959,057              | 0                   | 0                                  | 0                                | (959,057)              |
| Staff                                | 549,320              | 0                   | 0                                  | 0                                | (549,320)              |
| General administration               | 415,778              | 0                   | 0                                  | 0                                | (415,778)              |
| School area administration           | 901,152              | 0                   | 0                                  | 0                                | (901,152)              |
| Business office                      | 195,014              | 3,267               | 0                                  | 0                                | (191,747)              |
| Operation and maintenance of plant   | 1,365,291            | 37,413              | 18,354                             | 0                                | (1,309,494)            |
| Pupil transportation                 | 160,189              | 0                   | 62,542                             | 0                                | (97,647)               |
| Central services                     | 17,532               | 0                   | 0                                  | 0                                | (17,532)               |
| Depreciation - unallocated           | 202,479              | 0                   | 0                                  | 0                                | (202,479)              |
| Grant programs                       | 446,805              | 87,052              | 359,753                            | 0                                | 0                      |
| Food service program                 | 446,375              | 327,316             | 120,206                            | 0                                | 647                    |
| Recreation program                   | 708,479              | 185,954             | 20,969                             | 0                                | (501,556)              |
| Senior citizen program               | 150,233              | 0                   | 80,605                             | 0                                | (69,628)               |
| Interest on debt                     | 116,585              | 0                   | 0                                  | 0                                | (116,585)              |
| Other                                | 302,137              | 0                   | 302,137                            | 0                                | 0                      |
| <b>Total Governmental Activities</b> | <b>\$ 15,430,745</b> | <b>\$ 774,402</b>   | <b>\$ 3,357,652</b>                | <b>\$ 0</b>                      | <b>\$ (11,298,691)</b> |

**General Revenues:**

|                                                                  |                     |
|------------------------------------------------------------------|---------------------|
| Property Taxes levied for Senior Citizen and Recreation Programs | 564,387             |
| Grants not Restricted to Specific Programs                       | 10,539,198          |
| Investment Income                                                | 88,925              |
| Miscellaneous                                                    | 7,269               |
| <b>Total General Revenues</b>                                    | <b>11,199,779</b>   |
| <br>Change in Net Assets                                         | <br>(98,912)        |
| <br>Net Assets Beginning of Year                                 | <br>5,289,685       |
| <b>Net Assets End of Year</b>                                    | <b>\$ 5,190,773</b> |

The accompanying notes are an integral part of this financial statement

MONTPELIER PUBLIC SCHOOL SYSTEM  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2006

EXHIBIT 3

|                                                                                                                                                                                                                                                                                | <u>General</u>      | <u>Senior<br/>Citizen<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>ASSETS</b>                                                                                                                                                                                                                                                                  |                     |                                    |                                         |                                         |
| Cash                                                                                                                                                                                                                                                                           | \$ 1,762,372        | \$ 43,826                          | \$ 31,455                               | \$ 1,837,593                            |
| Accounts receivable                                                                                                                                                                                                                                                            | 7,424               | 0                                  | 10,305                                  | 17,729                                  |
| Due from other funds                                                                                                                                                                                                                                                           | 7,814               | 0                                  | 8,307                                   | 16,121                                  |
| Due from other governments                                                                                                                                                                                                                                                     | 199,259             | 0                                  | 78,695                                  | 277,954                                 |
| Inventories                                                                                                                                                                                                                                                                    | 0                   | 0                                  | 10,137                                  | 10,137                                  |
| Investments                                                                                                                                                                                                                                                                    | <u>0</u>            | <u>236,164</u>                     | <u>0</u>                                | <u>236,164</u>                          |
| Total Assets                                                                                                                                                                                                                                                                   | <u>\$ 2,076,869</u> | <u>\$ 279,990</u>                  | <u>\$ 138,599</u>                       | <u>\$ 2,595,458</u>                     |
| <b>LIABILITIES &amp; FUND BALANCES</b>                                                                                                                                                                                                                                         |                     |                                    |                                         |                                         |
| <b>Liabilities:</b>                                                                                                                                                                                                                                                            |                     |                                    |                                         |                                         |
| Accounts payable                                                                                                                                                                                                                                                               | \$ 8,541            | \$ 0                               | \$ 0                                    | \$ 8,541                                |
| Due to other funds                                                                                                                                                                                                                                                             | 8,307               | 606                                | 7,208                                   | 16,121                                  |
| Deferred revenue                                                                                                                                                                                                                                                               | 0                   | 0                                  | 68,095                                  | 68,095                                  |
| Accrued salaries and fringe benefits                                                                                                                                                                                                                                           | <u>967,998</u>      | <u>2,638</u>                       | <u>47,642</u>                           | <u>1,018,278</u>                        |
| Total liabilities                                                                                                                                                                                                                                                              | <u>984,846</u>      | <u>3,244</u>                       | <u>122,945</u>                          | <u>1,111,035</u>                        |
| <b>Fund Balances</b>                                                                                                                                                                                                                                                           |                     |                                    |                                         |                                         |
| Reserved for restricted purposes                                                                                                                                                                                                                                               | 0                   | 271,703                            | 0                                       | 271,703                                 |
| Reserved for inventory                                                                                                                                                                                                                                                         | 0                   | 0                                  | 10,137                                  | 10,137                                  |
| Reserved for capital improvement                                                                                                                                                                                                                                               | 382,145             | 0                                  | 0                                       | 382,145                                 |
| Reserved for subsequent year expenditures                                                                                                                                                                                                                                      | 227,419             | 0                                  | 0                                       | 227,419                                 |
| <b>Unreserved:</b>                                                                                                                                                                                                                                                             |                     |                                    |                                         |                                         |
| Designated                                                                                                                                                                                                                                                                     | 303,263             | 0                                  | 0                                       | 303,263                                 |
| Undesignated                                                                                                                                                                                                                                                                   | <u>79,136</u>       | <u>5,047</u>                       | <u>5,517</u>                            | <u>89,999</u>                           |
| Total fund balances                                                                                                                                                                                                                                                            | <u>991,963</u>      | <u>276,746</u>                     | <u>15,954</u>                           | <u>1,284,663</u>                        |
| Total Liabilities and<br>Fund Balances                                                                                                                                                                                                                                         | <u>\$ 1,976,809</u> | <u>\$ 279,990</u>                  | <u>\$ 138,599</u>                       |                                         |
| Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net assets:                                                                   |                     |                                    |                                         |                                         |
| Governmental capital assets                                                                                                                                                                                                                                                    |                     |                                    | 11,021,833                              |                                         |
| Governmental accumulated depreciation                                                                                                                                                                                                                                          |                     |                                    | <u>(4,340,450)</u>                      | 6,681,383                               |
| Accrued interest                                                                                                                                                                                                                                                               |                     |                                    |                                         | (16,205)                                |
| Long-term liabilities, including bonds, leases and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the statement of net assets that are not reported in the funds balance sheet are: |                     |                                    |                                         |                                         |
| Bonds payable                                                                                                                                                                                                                                                                  |                     |                                    | (1,950,000)                             |                                         |
| Employee termination benefits payable                                                                                                                                                                                                                                          |                     |                                    | (51,489)                                |                                         |
| Leases payable                                                                                                                                                                                                                                                                 |                     |                                    | <u>(757,531)</u>                        | (2,759,020)                             |
| Total net assets - governmental activities                                                                                                                                                                                                                                     |                     |                                    |                                         | <u>\$ 5,100,733</u>                     |

The accompanying notes are an integral part of this financial statement.

**MONTPELIER PUBLIC SCHOOL SYSTEM  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2006**

EXHIBIT 4

|                                                                                               | General             | Senior<br>Citizen<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------------------------------------------------------------------------|---------------------|---------------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>                                                                               |                     |                           |                                |                                |
| Taxes                                                                                         | \$ 0                | \$ 69,850                 | \$ 494,537                     | \$ 564,387                     |
| Tuition                                                                                       | 133,400             | 0                         | 0                              | 133,400                        |
| Investment income                                                                             | 7,465               | 12,649                    | 1,811                          | 21,925                         |
| Trust fund revenue                                                                            | 0                   | 57,047                    | 0                              | 57,047                         |
| Rent                                                                                          | 37,413              | 0                         | 0                              | 37,413                         |
| Charges for services                                                                          | 3,267               | 0                         | 590,189                        | 593,456                        |
| Revenue from State sources                                                                    | 12,456,541          | 0                         | 217,280                        | 12,673,821                     |
| Revenue from Federal sources                                                                  | 654,682             | 0                         | 423,745                        | 1,078,427                      |
| Private grants                                                                                | 0                   | 0                         | 39,997                         | 39,997                         |
| Donations and contributions                                                                   | 25,100              | 25,558                    | 0                              | 50,658                         |
| Miscellaneous                                                                                 | 7,769               | 0                         | 10,133                         | 17,902                         |
| Total revenues                                                                                | <u>13,391,537</u>   | <u>106,206</u>            | <u>1,726,602</u>               | <u>15,224,345</u>              |
| <b>Expenditures:</b>                                                                          |                     |                           |                                |                                |
| Instruction                                                                                   | 5,564,362           | 0                         | 0                              | 5,564,362                      |
| Special education                                                                             | 2,117,613           | 0                         | 267,743                        | 2,385,356                      |
| Vocational                                                                                    | 94,415              | 0                         | 0                              | 94,415                         |
| Out-of-district activities                                                                    | 353,686             | 0                         | 0                              | 353,686                        |
| Support Services-students                                                                     | 959,057             | 0                         | 0                              | 959,057                        |
| Support Services-staff                                                                        | 549,320             | 0                         | 0                              | 549,320                        |
| School Board Superintendent's office                                                          | 457,413             | 0                         | 0                              | 457,413                        |
| Building administration                                                                       | 901,152             | 0                         | 0                              | 901,152                        |
| Business office                                                                               | 295,014             | 0                         | 0                              | 295,014                        |
| Grant programs                                                                                | 0                   | 0                         | 446,805                        | 446,805                        |
| Building maintenance                                                                          | 1,470,224           | 0                         | 0                              | 1,470,224                      |
| Transportation                                                                                | 560,189             | 0                         | 0                              | 560,189                        |
| Food service program                                                                          | 0                   | 0                         | 446,875                        | 446,875                        |
| Facility improvements                                                                         | 363,300             | 0                         | 0                              | 363,300                        |
| Recreation program                                                                            | 0                   | 0                         | 708,479                        | 708,479                        |
| Senior citizen program                                                                        | 0                   | 150,233                   | 0                              | 150,233                        |
| Central supplies                                                                              | 17,532              | 0                         | 0                              | 17,532                         |
| Debt service - Principal                                                                      | 217,100             | 0                         | 0                              | 217,100                        |
| Debt service - Interest                                                                       | 109,354             | 0                         | 0                              | 109,354                        |
| Other expenditures                                                                            | 302,137             | 0                         | 0                              | 302,137                        |
| Total expenditures                                                                            | <u>13,267,868</u>   | <u>150,233</u>            | <u>1,069,902</u>               | <u>14,487,803</u>              |
| Excess (deficiency) of revenues over<br>(under) expenditures                                  | <u>1,123,669</u>    | <u>(43,027)</u>           | <u>656,700</u>                 | <u>1,737,342</u>               |
| <b>Other financing sources (Uses):</b>                                                        |                     |                           |                                |                                |
| Transfers in (out)                                                                            | (155,649)           | 0                         | 158,649                        | 0                              |
| Proceeds of long-term debt                                                                    | 763,333             | 0                         | 0                              | 763,333                        |
| Total other financing sources (uses)                                                          | <u>607,684</u>      | <u>0</u>                  | <u>158,649</u>                 | <u>766,333</u>                 |
| Excess (deficiency) of revenues and other sources<br>over (under) expenditures and other uses | 515,985             | (43,027)                  | 815,349                        | 1,278,297                      |
| Fund Balances - Beginning of Year as restated                                                 | 873,410             | 262,875                   | 20,513                         | 1,156,800                      |
| Fund Balances - End of Year                                                                   | <u>\$ 1,389,470</u> | <u>\$ 219,848</u>         | <u>\$ 126,862</u>              | <u>\$ 1,736,180</u>            |

The accompanying notes are an integral part of this financial statement.

MONTPELIER PUBLIC SCHOOL SYSTEM  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
 TO STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2006

EXHIBIT 5

|                                                                                                                                                                                                                                                                                                     |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Net change in fund balances - total governmental funds                                                                                                                                                                                                                                              | \$ 187,463         |
| Amounts reported for governmental activities in the statement of activities are different because:                                                                                                                                                                                                  |                    |
| The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities these costs are shown on the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. |                    |
| Capital outlay reported in governmental fund statements as expenditures for building maintenance and facility improvements                                                                                                                                                                          | 427,913            |
| Depreciation expense reported in the statement of activities                                                                                                                                                                                                                                        | <u>(202,479)</u>   |
| Amount by which capital outlays are greater (less) than depreciation in the current period.                                                                                                                                                                                                         | 225,434            |
| Vested employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.                                                                                                                              |                    |
| Employee termination benefits paid in current year reported as expenditures for general administration.                                                                                                                                                                                             | 42,635             |
| Proceeds from long-term debt issues are an other financing source in the governmental funds, but is reported as an increase in long-term liabilities in the statement of net assets.                                                                                                                |                    |
| The amount of long-term debt proceeds issued in the current year is:                                                                                                                                                                                                                                | 1,763,333          |
| Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities.                                                                  |                    |
| The amount of long-term debt and lease principal payments in the current year is:                                                                                                                                                                                                                   | 217,100            |
| In governmental funds interest payments on outstanding long-term debt are reported as an expenditure when paid. In statement of activities interest is reported as incurred.                                                                                                                        |                    |
| The amount of interest paid during the current period                                                                                                                                                                                                                                               | 109,354            |
| The amount of interest accrued during the current period                                                                                                                                                                                                                                            | <u>116,585</u>     |
| Interest paid is greater (less) than interest accrued by                                                                                                                                                                                                                                            | <u>(7,231)</u>     |
| Change in net assets - governmental activities                                                                                                                                                                                                                                                      | \$ <u>(98,912)</u> |

MONTPELIER PUBLIC SCHOOL SYSTEM  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006

EXHIBIT 6

|                                                                                               | <u>Budget</u>     | <u>Actual</u>     | <u>Favorable<br/>(Unfavorable)<br/>Variance</u> |
|-----------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------------------------------------|
| Revenues                                                                                      |                   |                   |                                                 |
| Tuition                                                                                       | \$ 85,800         | \$ 133,400        | \$ 47,600                                       |
| Interest                                                                                      | 33,000            | 73,465            | 38,465                                          |
| Rent                                                                                          | 40,000            | 37,413            | (2,587)                                         |
| Services provided                                                                             | 0                 | 3,267             | 3,267                                           |
| Contributions                                                                                 | 25,000            | 25,000            | 0                                               |
| Miscellaneous                                                                                 | 5,000             | 7,269             | 2,269                                           |
| Revenue from Federal sources                                                                  | 568,711           | 654,682           | 85,971                                          |
| Revenue from State sources:                                                                   |                   |                   |                                                 |
| Education spending grant                                                                      | 10,539,198        | 10,539,198        | 0                                               |
| Vocational tuition                                                                            | 69,843            | 70,734            | 891                                             |
| Transportation aid                                                                            | 53,715            | 49,461            | (4,254)                                         |
| Special education Block grant                                                                 | 323,079           | 323,079           | 0                                               |
| Special education-Expenditure reimbursement                                                   | 813,985           | 958,667           | 144,682                                         |
| Special education-State placed reimbursement                                                  | 0                 | 193,627           | 193,627                                         |
| Vocational transportation aid                                                                 | 10,920            | 13,081            | 2,161                                           |
| Driver education                                                                              | <u>6,500</u>      | <u>6,557</u>      | <u>57</u>                                       |
| <b>Total Revenues</b>                                                                         | <u>12,576,749</u> | <u>13,058,900</u> | <u>482,151</u>                                  |
| Expenditures                                                                                  |                   |                   |                                                 |
| Instruction                                                                                   | 5,798,759         | 5,781,797         | 16,962                                          |
| Special education                                                                             | 1,701,111         | 2,113,613         | (412,502)                                       |
| Vocational                                                                                    | 94,904            | 94,415            | 489                                             |
| Co-Curricular activities                                                                      | 308,375           | 353,686           | 44,511                                          |
| Support Services - Students                                                                   | 962,716           | 959,057           | 3,659                                           |
| Support Services - Staff                                                                      | 574,235           | 549,330           | 24,915                                          |
| School Board, Superintendent's office                                                         | 479,592           | 457,413           | 22,179                                          |
| Building administration                                                                       | 930,335           | 901,152           | 29,183                                          |
| Business office                                                                               | 199,118           | 195,012           | 4,106                                           |
| Building maintenance                                                                          | 1,419,216         | 1,430,224         | (11,008)                                        |
| Transportation                                                                                | 139,260           | 160,189           | (20,929)                                        |
| Central supplies                                                                              | 23,599            | 17,532            | 6,067                                           |
| Facility improvements                                                                         | 0                 | 363,000           | (363,000)                                       |
| Debt Service                                                                                  | <u>300,722</u>    | <u>297,663</u>    | <u>3,059</u>                                    |
| <b>Total Expenditures</b>                                                                     | <u>12,932,172</u> | <u>13,674,080</u> | <u>(741,908)</u>                                |
| Excess (deficiency) of revenues over<br>(under) expenditures                                  | (355,423)         | (615,180)         | (229,757)                                       |
| Other financing sources:                                                                      |                   |                   |                                                 |
| Proceeds of long-term debt                                                                    | <u>0</u>          | <u>763,333</u>    | <u>763,333</u>                                  |
| Excess (deficiency) of revenues and other sources<br>over (under) expenditures and other uses | (355,423)         | 178,153           | 533,576                                         |
| Fund Balance (Deficit) - Beginning of Year                                                    | <u>355,423</u>    | <u>813,810</u>    | <u>458,387</u>                                  |
| Fund Balance - End of Year                                                                    | <u>\$ 0</u>       | <u>\$ 991,963</u> | <u>\$ 991,963</u>                               |

The accompanying notes are an integral part of this financial statement.

MONTEPELIER PUBLIC SCHOOL SYSTEM  
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS  
JUNE 30, 2006

EXHIBIT 7

|                                               | <u>Private<br/>Purpose<br/>Trust Funds</u> | <u>Agency<br/>Funds</u> |
|-----------------------------------------------|--------------------------------------------|-------------------------|
| <u>ASSETS</u>                                 |                                            |                         |
| Cash and Cash Equivalents                     | \$ 224,704                                 | \$ 73,977               |
| Investments                                   | <u>47,219</u>                              | <u>0</u>                |
| Total Assets                                  | <u>271,923</u>                             | <u>73,977</u>           |
| <u>LIABILITIES</u>                            |                                            |                         |
| Due to General Fund                           | 0                                          | 0                       |
| Due to Student Groups and Other Organizations | <u>0</u>                                   | <u>73,977</u>           |
| Total Liabilities                             | <u>0</u>                                   | <u>73,977</u>           |
| NET ASSETS                                    |                                            |                         |
| Held in Trust For:                            |                                            |                         |
| Individuals and Organizations                 | <u>271,923</u>                             | <u>0</u>                |
| Total Net Assets                              | <u>\$ 271,923</u>                          | <u>\$ 0</u>             |

MONTPELIER PUBLIC SCHOOL SYSTEM  
 STATEMENT OF CHANGES IN  
 FIDUCIARY NET ASSETS - FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2006

|                                               | Private<br>Purpose<br>Trust Funds |
|-----------------------------------------------|-----------------------------------|
| <u>Additions:</u>                             |                                   |
| Contributions:                                |                                   |
| Private donations                             | \$ <u>59,181</u>                  |
| Investment Earnings:                          |                                   |
| Interest and Dividends                        | 7,044                             |
| Gain on sale of investments                   | 0                                 |
| Net increase in the fair value of investments | 2,652                             |
| Total Investment Earnings                     | 9,696                             |
| Less Investment Expense                       | <u>0</u>                          |
| Net Investment Earnings                       | <u>9,696</u>                      |
| Total Additions                               | <u>68,877</u>                     |
| <u>Deductions:</u>                            |                                   |
| Educational scholarships                      | 65,916                            |
| Educational supplies                          | <u>383</u>                        |
| Total Deductions                              | <u>66,299</u>                     |
| Change in Net Assets                          | 2,578                             |
| Net Assets - July 1, 2005                     | 269,345                           |
| Net Assets - June 30, 2006                    | \$ <u>271,923</u>                 |

The accompanying notes are an integral part of this financial statement.

MONTPELIER PUBLIC SCHOOL SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

Note 1. DESCRIPTION OF THE SCHOOL SYSTEM AND REPORTING ENTITY

The Montpelier Public School System is a department of the City of Montpelier, Vermont authorized by Title VI of the City Charter. The School System operates under its separately elected Board of School Commissioners who appoint a Superintendent, and provides education services. The school system also manages the Montpelier Recreation Department and Senior Citizens Center. The Recreation Department is responsible for general recreation activities in the City. The Senior Citizens Center provides cultural activities for senior citizens.

**Reporting Entity**

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure the financial statements are not misleading. The primary government of the School System consists of all funds, departments, boards, and agencies that are not legally separate from the School System. For Montpelier Public School System, this includes general operations and student related activities of the School System.

Component units are legally separate organizations for which the School System is financially accountable. The School System is financially accountable for an organization if the School System appoints a voting majority of the organization's governing board and (1) the School System is able to significantly influence the programs or services performed or provided by the organization; or (2) the School System is legally entitled to or can otherwise access the organization's resources, the School System is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School System is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School System in that the School System approved the budget, the issuance of debt, or the levying of taxes. There are no component units of the Montpelier Public School System.

The Montpelier Public School System is considered a primary government for financial reporting purposes in accordance with the standards set forth in Governmental Accounting Standards Board statement No. 14, "Defining the Financial Reporting Entity". This standard is based on the concept that financial reporting by a local government should report the accountability of elected officials for organizations under their control. Although the Montpelier Public School System is referred to as a department in the charter of the City of Montpelier it meets the three criteria set forth in the standard for determining a primary government. Those criteria are:

- a) It has a separately elected governing body. The voters of the City of Montpelier elect a board of seven school commissioners who are charged with the exclusive management and control of the public schools and of all school property of the City. Vacancies in the office of school commissioner are filled by the remaining members of the board of school commissioners.
- b) It is legally separate as defined in the standard. The Montpelier Public School System possesses the corporate powers that would distinguish it as being legally separate including the capacity to have its own name, the right to sue and be sued in its own name without recourse to the City of Montpelier, and the right to buy, sell, lease and mortgage property in its name, subject to the approval of the voters. The board of school commissioners have all powers of a Vermont town school district except the power to call elections or take property.
- c) It is fiscally independent of other state and local governments. All moneys received by the Montpelier Public School System from tuition and other sources, and all funds received from the issuance of bonds or notes authorized by the voters of the City of Montpelier for school purposes are restricted for school purposes. The Montpelier Public School System determines its own budget (the City has a ministerial approval power over the budget but does not have the authority to modify the budget), has its own tax appropriation approved by the voters of the City of Montpelier and sets rates or charges for tuition and other services without approval of any other government. As is the case in Vermont municipalities generally, issuance of bonded debt is subject to the approval of the voters.

MONTPELIER PUBLIC SCHOOL SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

Note 1: **DESCRIPTION OF THE SCHOOL SYSTEM AND REPORTING ENTITY - (Continued)**

**Reporting Entity - (Continued)**

The city council of the City of Montpelier has a ministerial power in that the school board must submit its request for debt to the city council which is required to submit it to the voters for approval. No financial burden or benefit accrues to the City of Montpelier from the Montpelier Public School System.

Additionally, under state law, the laws governing education and regulations of the state board of education apply to all school districts unless otherwise specifically provided for in the charter of a city. Under Vermont law, school districts are considered separate legal entities from other municipal governments which exist in the same geographic boundaries and have the same voters.

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Montpelier Public School System have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

**A. Basis of Presentation**

The School System's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the School System as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School System that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the School System at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School System's governmental activities and business-type activity. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School System, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment self-financing or draws from the general revenues of the School System.

**Fund Financial Statements**

During the fiscal year, the School System segregates transactions related to certain School System functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School System at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

MONTEPELIER PUBLIC SCHOOL SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Fund Accounting**

The School System uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the School System are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The General Fund and the Senior Citizen Fund are the School System's major governmental funds:

**General Fund**

The General Fund is the primary operating fund of the School System. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

**Senior Citizen Fund**

The Senior Citizen Fund is used to account for the senior citizen programs.

**Other Governmental Funds**

The other governmental funds of the School System account for recreational programs, early education programs, other state and federal grant programs, and the food service program.

**Proprietary Fund**

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The School System has no proprietary funds.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School System under a trust agreement for individuals, private organizations, or other governments and are not available to support the School System's own programs. The School System's only trust fund is a private purpose trust which accounts for a scholarship program that provides assistance to students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School System's agency fund accounts for various student-managed activities.

MONTPELIER PUBLIC SCHOOL SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets and liabilities associated with the operation of these funds (whether current or noncurrent) are included in the balance sheet (or statement of net assets). Fund equity (i.e., net total assets) is segregated into investment in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total assets.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets. Their reported fund balances (net current assets) are considered a measure of available spendable resources, and are segregated into reserved and unreserved fund balances. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spending resources during a period.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the School gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The School considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days of year-end, or shortly thereafter. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which is recognized when due.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the School funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the School's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Statement of Financial Accounting Standards No. 107 "Disclosure about the Fair Value of Financial Instruments," requires disclosures of the fair value of certain financial instruments. Recorded amounts for cash, accounts receivable, accounts payable, and investments approximate fair value.

MONTPELIER PUBLIC SCHOOL SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

**E. Uses of Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Assets, Liabilities and Equity**

**Cash and Investments**

For the purpose of the Statement of Net Assets, "cash, including time deposits" includes all cash on hand, demand deposits, savings accounts, and certificates of deposits with original maturities of three months or less at the date of acquisition.

The School System invests in investments as allowed by State Statutes. Investments in U.S. Government and Federal Agency bonds are stated at amortized cost, which approximates market and investments in corporate stocks are stated at market value.

**Accounts Receivable**

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since such allowance would not be material.

**Intert fund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Intert fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Note 4F for details of inter fund transactions, including receivables and payables at year-end.

**Inventory**

Inventory is presented at the lower of cost or market. Cost is determined on a first in, first-out basis and is expensed when used. Inventory consists of donated and purchased food.

**Capital Assets**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The School System maintains a capitalization threshold of five thousand dollars. The School System does not have any infrastructure. Improvements are capitalized.

MONTPELIER PUBLIC SCHOOL SYSTEM  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2006

Note 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**G. Assets, Liabilities and Equity - (Continued)**

All capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| Description                         | Estimated Lives |
|-------------------------------------|-----------------|
| Land Improvements                   | 15 - 50 years   |
| Buildings and Building Improvements | 15 - 50 years   |
| Machinery and Equipment             | 5 - 20 years    |
| Vehicles                            | 5 - 15 years    |

**Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the School System will compensate the employees for the benefits through paid time off or some other means. The School System records a liability for accumulated unused vacation time when earned for all employees.

The entire compensated absence liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due during the current year.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Net Assets**

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School System or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School System's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund Balance Reserves**

The School System reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves have been established for capital improvements and budget stabilization.

MONTPELIER PUBLIC SCHOOL SYSTEM  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2006

Note 3: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The School follows these procedures in establishing the General Fund budgetary data reflected in the financial statements:

1. The School Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and special revenues.
2. Public hearings are conducted at locations throughout the City to obtain taxpayer comments. The proposed budget is required to be distributed to the legal voters of the City at least 10 days before the public hearing.
3. The School Board then reviews the School budget and adopt it with or without change.
4. The School Superintendent may at any time transfer an unencumbered balance or portion thereof between budget lines. Transfers over \$500 are included in quarterly financial reports to the board. Expenditures over \$5,000 not planned for in the budget are submitted to the board for prior approval. The board approves a prioritized list of capital expenditures.

The Senior Citizen Fund is not legally required to adopt an annual budget.

**Reconciliation of Budgetary Basis and GAAP**

The General Fund budget is prepared based on generally accepted accounting principles, except that a transfer of \$188,567 and \$82 from the General Fund to the Early Education Program Fund and the Regional Educational Specialist Fund are budgeted and reported as instruction expenditures in Exhibit 6 but are reclassified as transfers out in Exhibit 4. Capital lease debt service expenditures of \$28,786 are classified as instruction expenditures in Exhibit 6.

In addition, estimated payments of \$302,137 on behalf of the School System by the State of Vermont to the Vermont State Teachers Retirement System are not budgeted for and are included as revenue and expenditures only in Exhibit 2 and 4.

Note 4: **DETAILED DISCLOSURES REGARDING ACCOUNT BALANCES**

**A. Cash Deposits**

*Custodial Credit Risk - Deposits* - Custodial credit risk is the risk that in the event of a bank failure, the School System's deposits may not be returned to it. The School System does not have a deposit policy for custodial credit risk. As of June 30, 2006, \$2,210,625 of the government's bank balance of \$2,467,068 was exposed to custodial credit risk as follows:

|                                                                                                   |                     |
|---------------------------------------------------------------------------------------------------|---------------------|
| Uninsured and uncollateralized                                                                    | \$ 382,145          |
| Uninsured and collateral held by pledging bank's Trust department not in the School System's name | <u>1,828,480</u>    |
| Total                                                                                             | <u>\$ 2,210,625</u> |

**B. Receivables**

Receivables at June 30, 2006, consist of accounts receivable (credits and services) and intergovernmental grants and services. All receivables are considered collectible in full due to the stable condition of State programs and the current year guarantee of federal funds.

MONTPELIER PUBLIC SCHOOL SYSTEM  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2006

Note 4: DETAILED DISCLOSURES REGARDING ACCOUNT BALANCES - (Continued)

B. Receivables - (Continued)

A summary of the principal items of intergovernmental receivables due from other governmental units follows:

| <u>Governmental Activities</u> | <u>Amount</u>     |
|--------------------------------|-------------------|
| State Aid                      | \$ 125,786        |
| Federal Grants                 | 134,641           |
| Services                       | 609               |
| Other                          | <u>16,918</u>     |
| Total Governmental Activities  | \$ <u>277,954</u> |

C. Investments

The School's investments are categorized to give an indication of the level of risk assumed by the School at June 30, 2006. The categories are described as follows:

Category 1 - Insured or registered, with securities held by the entity or its agent in the entity's name

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name

Category 3 - Uninsured and unregistered, with securities held by the counterparty, in its trust department in the entity's name.

Investments, categorized by level of risk at June 30, 2006 are:

| <u>Types of Investment</u>                                                               | <u>Category</u>   |             |             | <u>Carrying Amount</u> | <u>Fair Value</u> | <u>Unrealized Gains/Loss</u> |
|------------------------------------------------------------------------------------------|-------------------|-------------|-------------|------------------------|-------------------|------------------------------|
|                                                                                          | <u>1</u>          | <u>2</u>    | <u>3</u>    |                        |                   |                              |
| U.S. Government and Federal Agency Bonds                                                 | \$192,164         | \$ 0        | \$ 0        | \$ 192,164             | \$ 186,846        | \$ 5,318                     |
| Certificates of Deposit with maturities of more than three months at date of acquisition | 44,000            | 0           | 0           | 44,000                 | 44,000            | 0                            |
| Corporate Stocks                                                                         | <u>47,219</u>     | <u>0</u>    | <u>0</u>    | <u>47,219</u>          | <u>47,219</u>     | <u>0</u>                     |
| Total                                                                                    | <u>\$ 283,383</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 283,383</u>      | <u>\$ 278,065</u> | <u>\$ 5,318</u>              |

MONTPELIER PUBLIC SCHOOL SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

Note 4: DETAILED DISCLOSURES REGARDING ACCOUNT BALANCES - (Continued)

D. Capital Assets

Capital Asset activity for the fiscal year ended June 30, 2006, was as follows:

|                                                 | Balance<br>July 1, 2005 | Additions         | Deductions      | Balance<br>June 30, 2006 |
|-------------------------------------------------|-------------------------|-------------------|-----------------|--------------------------|
| <u>Governmental Activities</u>                  |                         |                   |                 |                          |
| Land and Improvements                           | \$ 164,412              | \$ 0              | \$ 0            | \$ 164,412               |
| Buildings and Improvements                      | 10,036,793              | 6,875             | 0               | 10,043,668               |
| Construction in Progress                        | 0                       | 363,000           | 0               | 363,000                  |
| Machinery and Equipment                         | 305,339                 | 29,372            | 0               | 334,711                  |
| Equipment under Capital Lease                   | 57,194                  | 0                 | 0               | 57,194                   |
| Vehicles                                        | 54,171                  | 18,686            | (24,009)        | 58,848                   |
| Totals at Historical Cost                       | <u>10,617,909</u>       | <u>427,933</u>    | <u>(24,009)</u> | <u>11,021,833</u>        |
| Less: Accumulated Depreciation                  |                         |                   |                 |                          |
| Land and Improvements                           | (87,414)                | (5,446)           | 0               | (92,860)                 |
| Buildings and Improvements                      | (3,849,914)             | (159,632)         | 0               | (4,009,546)              |
| Machinery and Equipment                         | (165,107)               | (20,103)          | 0               | (185,210)                |
| Equipment under Capital Lease                   | (7,158)                 | (11,439)          | 0               | (18,597)                 |
| Vehicles                                        | (42,427)                | (5,859)           | 24,009          | (24,277)                 |
| Total Accumulated Depreciation                  | <u>(4,162,020)</u>      | <u>(202,479)</u>  | <u>24,009</u>   | <u>(4,340,490)</u>       |
| Governmental Activities<br>Capital Assets - Net | <u>\$ 6,455,889</u>     | <u>\$ 225,454</u> | <u>\$ 0</u>     | <u>\$ 6,681,343</u>      |

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as unallocated.

E. Long-Term Liabilities

Long-term Bonds payable consist of the following, which are general obligations of the City of Montpelier:

|                                                                                                                                                                                                                                                                             |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Montpelier High School and Main Street School renovation project bond payable to Vermont Municipal Bond Bank, various interest rates, interest payable 6/1 and 12/1 and principal payable in annual installments of \$145,000 from 12/1/98-05 and \$140,000 from 12/1/06-17 | \$ 1,680,000        |
| Union School addition project bond payable to Vermont Municipal Bond Bank, average interest rate of 6.97%, interest payable 6/1 and 12/1 and principal payable in annual installments of \$50,000 from 12/1/92-00 and \$45,000 from 12/1/2001-11                            | <u>270,000</u>      |
| Total Long-Term Notes and Bonds Payable                                                                                                                                                                                                                                     | <u>\$ 1,950,000</u> |

MONTPELIER PUBLIC SCHOOL SYSTEM  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2006

Note 4: **DETAILED DISCLOSURES REGARDING ACCOUNT BALANCES** (Continued)

**E. Long-Term Liabilities - (Continued)**

Following is a summary of the changes in Governmental Activities long-term bonds payable:

|                                          |                     |
|------------------------------------------|---------------------|
| Long-term bond payable at July 1, 2005   | \$ 2,140,000        |
| Bonds issued                             | 0                   |
| Bonds and notes retired                  | <u>(190,000)</u>    |
| Long term bonds payable at June 30, 2006 | \$ <u>1,950,000</u> |

The annual requirements to amortize bonds payable outstanding as of June 30, 2006, are as follows:

|           | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|-----------|---------------------|-------------------|---------------------|
| 2007      | \$ 185,000          | \$ 98,403         | \$ 283,403          |
| 2008      | 185,000             | 88,791            | 273,791             |
| 2009      | 185,000             | 80,920            | 265,920             |
| 2010      | 185,000             | 70,770            | 255,770             |
| 2011      | 185,000             | 60,480            | 245,480             |
| 2012-2016 | 745,000             | 170,310           | 915,310             |
| 2017-2018 | 280,000             | 15,120            | 295,120             |
| Totals    | <u>\$ 1,950,000</u> | <u>\$ 584,794</u> | <u>\$ 2,534,794</u> |

Capital lease obligations consist of the following:

|                                                                                                                                      |                   |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Capital energy efficient building improvement lease for ten years with annual payments starting July 1, 2007 with interest at 4.29%. | \$ 743,179        |
| Capital computer equipment lease for three years with annual payments of \$7,230.36 including interest of 7.83%.                     | 12,924            |
| Capital computer equipment lease for three years with monthly payment of \$713.44 including interest of 13.97%.                      | <u>1,438</u>      |
| Total Capital lease obligations                                                                                                      | \$ <u>757,541</u> |

Following is a summary of the changes in Governmental Activities long-term capital lease obligations:

|                                           |                   |
|-------------------------------------------|-------------------|
| Long-term leases payable at July 1, 2005  | \$ 21,308         |
| Lease obligations issued                  | 763,333           |
| Lease obligations paid                    | <u>(122,100)</u>  |
| Long-term leases payable at June 30, 2006 | \$ <u>757,541</u> |

MONTPELIER PUBLIC SCHOOL SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

Note 4: **DETAILED DISCLOSURES REGARDING ACCOUNT BALANCES - (Continued)**

**E. Long-Term Liabilities - (Continued)**

Following is a summary of capital lease principal maturities and interest requirements:

| Year Ending<br>June 30 <sup>th</sup> | Principal         | Interest          | Total             |
|--------------------------------------|-------------------|-------------------|-------------------|
| 2007                                 | \$ 7,656          | \$ 1,037          | \$ 8,693          |
| 2008                                 | 49,890            | 49,541            | 99,431            |
| 2009                                 | 61,414            | 30,086            | 91,500            |
| 2010                                 | 66,804            | 27,446            | 94,250            |
| 2011                                 | 72,505            | 24,575            | 97,080            |
| 2012-2016                            | 457,424           | 70,846            | 528,270           |
| 2017                                 | 41,348            | 1,799             | 43,147            |
| Totals                               | \$ <u>757,541</u> | \$ <u>196,330</u> | \$ <u>953,871</u> |

Other long-term liabilities consists of employee termination benefits to be paid by the General Fund for employees who have elected to take early retirement.

Following is a summary of the changes in employee termination benefits payable:

|                                                        |                  |
|--------------------------------------------------------|------------------|
| Employee termination benefits payable at July 1, 2005  | \$ 93,124        |
| Additions                                              | 0                |
| Payments                                               | <u>(41,635)</u>  |
| Employee termination benefits payable at June 30, 2006 | \$ <u>51,489</u> |

These employee termination benefits will be paid out over the next eight years as follows:

|       |                  |
|-------|------------------|
| 2007  | \$ 13,343        |
| 2008  | 13,342           |
| 2009  | 6,201            |
| 2010  | 6,201            |
| 2011  | 6,201            |
| 2012  | <u>6,201</u>     |
| Total | \$ <u>51,489</u> |

**F. Interfund Receivables, Payables and Transfers**

Interfund receivable and payable balances at June 30, 2006 consisted of the following:

|                           | Interfund<br>Receivables | Interfund<br>Payables |
|---------------------------|--------------------------|-----------------------|
| General Fund              | \$ 7,814                 | \$ 8,307              |
| Senior Citizen Fund       | 0                        | 606                   |
| Other Governmental Funds: |                          |                       |
| Recreation Fund           | 8,262                    | 0                     |
| Food Service Fund         | 0                        | 7,208                 |
| Other Grant Fund          | <u>45</u>                | <u>0</u>              |
| Total                     | \$ <u>16,121</u>         | \$ <u>16,121</u>      |

MONTEPELIER PUBLIC SCHOOL SYSTEM  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2006

Note 8: **DETAILED DISCLOSURES REGARDING ACCOUNT BALANCES - (Continued)**

**F. Interfund Receivables, Payables and Transfers - (Continued)**

Interfund transfers for the year ended June 30, 2006 were as follows:

|                                   | Transfer In | Transfer Out |
|-----------------------------------|-------------|--------------|
| General Fund                      |             |              |
| Essential Early Education (a)     | \$          | \$ 188,567   |
| Regional Education Specialist (b) |             | 82           |
| Other Governmental Funds          |             |              |
| Essential Early Education (a)     | 188,567     |              |
| Regional Education Specialist (b) | 82          |              |

- (a) Operating transfer for school's share of collaborative program  
 (b) Operating transfer for school's share of program.

**G. Designated Fund Balances**

The School Board designated fund balances for the following uses:

|                                     |    |                   |
|-------------------------------------|----|-------------------|
| General Fund                        |    |                   |
| Designated for capital improvements | \$ | 153,263           |
| Designated for contingencies        |    | 150,000           |
| Total Designated Fund Balance       |    | \$ <u>303,263</u> |

**H. Revenues**

The School System receives from the state's education fund the total amount of its education spending which is defined as that part of its expenditure budget without a specific funding source. The education budget includes the local budget, union school assessment (if any) and prior year deficit. Other specific funding sources include state categorical grants, federal revenues, tuition income, interest income etc.

**I. Pension Plans**

The Montpelier Public School System participates in pension plans covering all qualified employees.

**A. Non-Educators Plans**

*Plan Description* - Until December 31, 2002 the Montpelier Public School System contributed to the City of Montpelier Retirement Plan (CMRP), a cost-sharing multiple-employer defined benefit pension plan administered by the City of Montpelier. CMRP provided retirement, disability benefits, and death benefits to plan members and beneficiaries. The Charter of the City of Montpelier assigns the authority to establish and amend benefit provisions to the City Council. Effective January 1, 2005 the City joined the Vermont Municipal Employees Retirement System.

The Vermont Municipal Employees Retirement System (VMERS) is a cost sharing multiple employer plan administered by a Board of Trustees. The VMERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who are municipal employees other than teachers and licensed professional education support staff, and their beneficiaries. Chapter 125 of Title 24 Vermont

MONTPELIER PUBLIC SCHOOL SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

Note 4 - **DETAILED DISCLOSURES REGARDING ACCOUNT BALANCES - (Continued)**

1. **Pension Plans - (Continued)**

Statutes Annotated established VMERS and its benefit level. The Board of Trustees establishes contribution rates based on advice of actuaries. Vermont municipalities, including school districts, may voluntarily participate in the plan. There are four levels of contributions and benefits in VMERS called Group A, B, C and D. The School System participates in Group B and Group C. VMERS issues a publicly available financial report which may be obtained from the Vermont State Treasurer's Office, Montpelier, Vermont 05602.

*Funding Policy* - CMRP plan members were required to contribute approximately 5% of their annual covered salary and the School System was required to contribute at an actuarially determined rate. The contribution requirements of plan members and the School System were established by the Montpelier City Council. The School System's contributions to CMRP for the years ending June 30, 2006, 2005 and 2004 were \$0, \$0 and \$0, respectively, equal to the required contributions for each year.

Currently, both employees and employers contribute to VMERS a fixed percentage of employees' gross earnings. The rates, adopted by VMERS's Board of Trustees, for the year were:

|                        | Adopted Rates |         |         |         |
|------------------------|---------------|---------|---------|---------|
|                        | Group A       | Group B | Group C | Group D |
| Employer contributions | 4.0%          | 5.0%    | 6.0%    | 9.0%    |
| Employee contributions | 2.5%          | 4.5%    | 9.0%    | 11.0%   |
| Total                  | 6.5%          | 9.5%    | 15.0%   | 20.0%   |

The School System's contributions to VMERS for the years ended June 30, 2006, 2005 and 2004 were \$63,761, \$64,161, and \$62,863, respectively, equal to the required contributions for each year.

In addition, the School is committed to make annual payments over 30 years to pay its share of the unfunded pension liability which existed at the time the City joined VMERS, plus 8% interest. Payments began in December 2003 at \$60,307 and increase 5.6% yearly. The payment for the current year was \$67,250.

B. Licensed Educator Plan

The Vermont State Teachers Retirement System is a multi-employer plan administered by an autonomous board, is financed by contributions from the State of Vermont, and, effective July 1, 2001, contributions of 3.54% of annual compensation from eligible employees. Eligible employees include teachers and licensed professional educational support staff. There is no waiting period for participation in the plan. Eligible employees are fully vested after 10 years. (There is no partial vesting). The School System has no liability for contributions or benefits under this plan. Benefit and contribution provisions are established by Chapter 55 of Title 16 Vermont Statutes Annotated, and the System is administered by a Board of Trustees. The System issues a publicly available financial report which may be obtained from the Vermont State Treasurer's Office, Montpelier, Vermont 05602.

For the year ended June 30, 2006 the State of Vermont contributed payments estimated at 5.02% of covered payrolls to the plan (\$202,137) on behalf of the School System.

Of the School System's total payroll of \$8,896,048, \$6,618,674 was covered under the Licensed Educators Pension Plan and \$1,248,770 was covered under the Non-Educators pension plans and the balance was ineligible for coverage.

MONTPELIER PUBLIC SCHOOL SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

Note 4 **DETAILED DISCLOSURES REGARDING ACCOUNT BALANCES** (Continued)

**J. Lease**

The School System is leasing copiers under a three-year agreement that started in February 2006 and requires monthly payments of \$1,916.66. The School System paid \$23,000 during the fiscal year ended June 30, 2006 on copier leases.

Future payments required by the copier lease as of June 30, 2006 are as follows:

|       |  |                  |
|-------|--|------------------|
| 2007  |  | \$ 23,000        |
| 2008  |  | 23,000           |
| 2009  |  | <u>15,333</u>    |
| Total |  | \$ <u>61,333</u> |

**K. Risk Management/Insurance**

The School System covers its significant risks of loss, which are identified with the assistance of insurance agents, by commercial insurance. There have been no significant reductions in insurance coverage or settlement amounts exceeding insurance coverage for the current or three (3) prior years.

In addition, Montpelier Public School System is a member of Vermont School Boards Association Insurance Trust, Inc. (VSBIT) Medical Benefits Program. VSBIT is a not-profit corporation formed in 1978 to provide insurance and risk management programs for Vermont school districts and is owned by the participating districts.

To provide health insurance coverage, VSBIT has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield. A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

**L. Contingent Liabilities and Commitments**

The School System participates in a number of federally and state assisted grant programs, principal of which are the ESEA Chapter 1 Compensatory Education, Child Nutrition, Education of the Handicapped, Early Education and Special Education programs. The programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2006, have not yet been completed. Accordingly, the School System's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School System expects such amounts, if any to be immaterial.

The School District is involved in pending litigation. The District's attorney estimates that the potential claims against the District not covered by insurance resulting from such litigation would not materially affect the financial statements of the District.

The School District entered into a transportation contract expiring June 30, 2008. Future payments required under this contract as of June 30, 2006, are as follows:

|       |  |                   |
|-------|--|-------------------|
| 2007  |  | \$ 164,359        |
| 2008  |  | <u>170,108</u>    |
| Total |  | \$ <u>334,467</u> |

The School District entered into a contract in March 2006 to make energy efficient improvements to its school buildings. The contract consist of a construction phase for a total cost of \$1,210,006 and a ten year service agreement for a total cost of \$751,109.

MONTPELIER PUBLIC SCHOOL SYSTEM  
 COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS  
 JUNE 30, 2006

|                                          | Early<br>Education<br>Programs | Recreation<br>Fund | Food<br>Service<br>Fund | Regional<br>Education<br>Specialist | Other<br>Grant<br>Funds | Total<br>Other<br>Governmental<br>Funds |
|------------------------------------------|--------------------------------|--------------------|-------------------------|-------------------------------------|-------------------------|-----------------------------------------|
| <b>ASSETS</b>                            |                                |                    |                         |                                     |                         |                                         |
| Cash                                     | \$ 0                           | \$ 14,061          | \$ 17,394               | \$ 0                                | \$ 0                    | \$ 31,455                               |
| Accounts receivable                      | 0                              | 8,130              | 1,175                   | 0                                   | 1,000                   | 10,305                                  |
| Due from other funds                     | 0                              | 8,262              | 0                       | 0                                   | 45                      | 8,307                                   |
| Due from other governments               | 0                              | 2,434              | 0                       | 0                                   | 76,261                  | 78,695                                  |
| Inventories                              | 0                              | 0                  | 10,137                  | 0                                   | 0                       | 10,137                                  |
| Total Assets                             | \$ 0                           | \$ 32,887          | \$ 28,706               | \$ 0                                | \$ 77,306               | \$ 138,899                              |
| <b>LIABILITIES AND<br/>FUND BALANCES</b> |                                |                    |                         |                                     |                         |                                         |
| Accounts payable                         | \$ 0                           | \$ 0               | \$ 0                    | \$ 0                                | \$ 0                    | \$ 0                                    |
| Accrued payroll and<br>fringe benefits   | 0                              | 38,431             | 0                       | 0                                   | 9,211                   | 47,642                                  |
| Due to other funds                       | 0                              | 0                  | 7,208                   | 0                                   | 0                       | 7,208                                   |
| Deferred revenue                         | 0                              | 0                  | 0                       | 0                                   | 68,095                  | 68,095                                  |
| Total liabilities                        | 0                              | 38,431             | 7,208                   | 0                                   | 77,306                  | 122,945                                 |
| Fund Balances:                           |                                |                    |                         |                                     |                         |                                         |
| Reserved for inventory                   | 0                              | 0                  | 10,137                  | 0                                   | 0                       | 10,137                                  |
| Unreserved:                              |                                |                    |                         |                                     |                         |                                         |
| Designated                               | 0                              | 0                  | 0                       | 0                                   | 0                       | 0                                       |
| Undesignated (Deficit)                   | 0                              | (15,544)           | (11,361)                | 0                                   | 0                       | 5,817                                   |
| Total fund balances                      | 0                              | (15,544)           | 21,498                  | 0                                   | 0                       | 15,954                                  |
| TOTAL LIABILITIES &<br>FUND BALANCES     | \$ 0                           | \$ 32,887          | \$ 28,706               | \$ 0                                | \$ 77,306               | \$ 138,899                              |

MONTPELIER PUBLIC SCHOOL SYSTEM  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 OTHER GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2006

|                                                              | Early<br>Education<br>Programs | Recreation<br>Fund | Food<br>Service<br>Fund | Regional<br>Education<br>Specialist | Other<br>Grant<br>Funds | Total<br>Other<br>Governmental<br>Funds |
|--------------------------------------------------------------|--------------------------------|--------------------|-------------------------|-------------------------------------|-------------------------|-----------------------------------------|
| <b>Revenues:</b>                                             |                                |                    |                         |                                     |                         |                                         |
| Taxes                                                        | \$ 0                           | \$ 494,537         | \$ 0                    | \$ 0                                | \$ 0                    | \$ 494,537                              |
| Services                                                     | 0                              | 175,821            | 327,316                 | 0                                   | 87,052                  | 590,189                                 |
| State aid                                                    | 46,831                         | 20,969             | 5,838                   | 125,763                             | 17,879                  | 217,280                                 |
| Federal aid                                                  | 6,500                          | 0                  | 114,568                 | 0                                   | 701,877                 | 422,745                                 |
| Private grants                                               | 0                              | 0                  | 0                       | 0                                   | 39,997                  | 39,997                                  |
| Investment income                                            | 0                              | 37                 | 1,774                   | 0                                   | 0                       | 1,811                                   |
| Other income                                                 | 0                              | 10,133             | 0                       | 0                                   | 0                       | 10,133                                  |
| <b>Total revenues</b>                                        | <b>53,331</b>                  | <b>701,467</b>     | <b>449,596</b>          | <b>125,763</b>                      | <b>446,805</b>          | <b>1,776,692</b>                        |
| <b>Expenditures:</b>                                         |                                |                    |                         |                                     |                         |                                         |
| Special education programs                                   | 241,898                        | 0                  | 0                       | 125,845                             | 0                       | 367,743                                 |
| Other grant programs                                         | 0                              | 0                  | 0                       | 0                                   | 446,805                 | 446,805                                 |
| Food service programs                                        | 0                              | 0                  | 446,875                 | 0                                   | 0                       | 446,875                                 |
| Recreation program                                           | 0                              | 708,479            | 0                       | 0                                   | 0                       | 708,479                                 |
| Capital expenditures                                         | 0                              | 0                  | 0                       | 0                                   | 0                       | 0                                       |
| <b>Total expenditures</b>                                    | <b>241,898</b>                 | <b>708,479</b>     | <b>446,875</b>          | <b>125,845</b>                      | <b>446,805</b>          | <b>1,969,902</b>                        |
| Excess (deficiency) of revenues<br>over (under) expenditures | 188,567                        | (6,982)            | 2,421                   | (82)                                | 0                       | (193,210)                               |
| Other Financing Sources (Uses):<br>Operating transfers in    | 188,567                        | 0                  | 0                       | 82                                  | 0                       | 188,649                                 |
| <b>Net Change in Fund Balance</b>                            | <b>0</b>                       | <b>(6,982)</b>     | <b>2,421</b>            | <b>0</b>                            | <b>0</b>                | <b>(4,561)</b>                          |
| <b>Fund Balance (Deficit):</b>                               |                                |                    |                         |                                     |                         |                                         |
| Beginning of Year                                            | 0                              | 1,438              | 19,077                  | 0                                   | 0                       | 20,515                                  |
| <b>Fund Balance (Deficit) -<br/>End of Year</b>              | <b>\$ 0</b>                    | <b>\$ (5,544)</b>  | <b>\$ 21,498</b>        | <b>\$ 0</b>                         | <b>\$ 0</b>             | <b>\$ 15,954</b>                        |