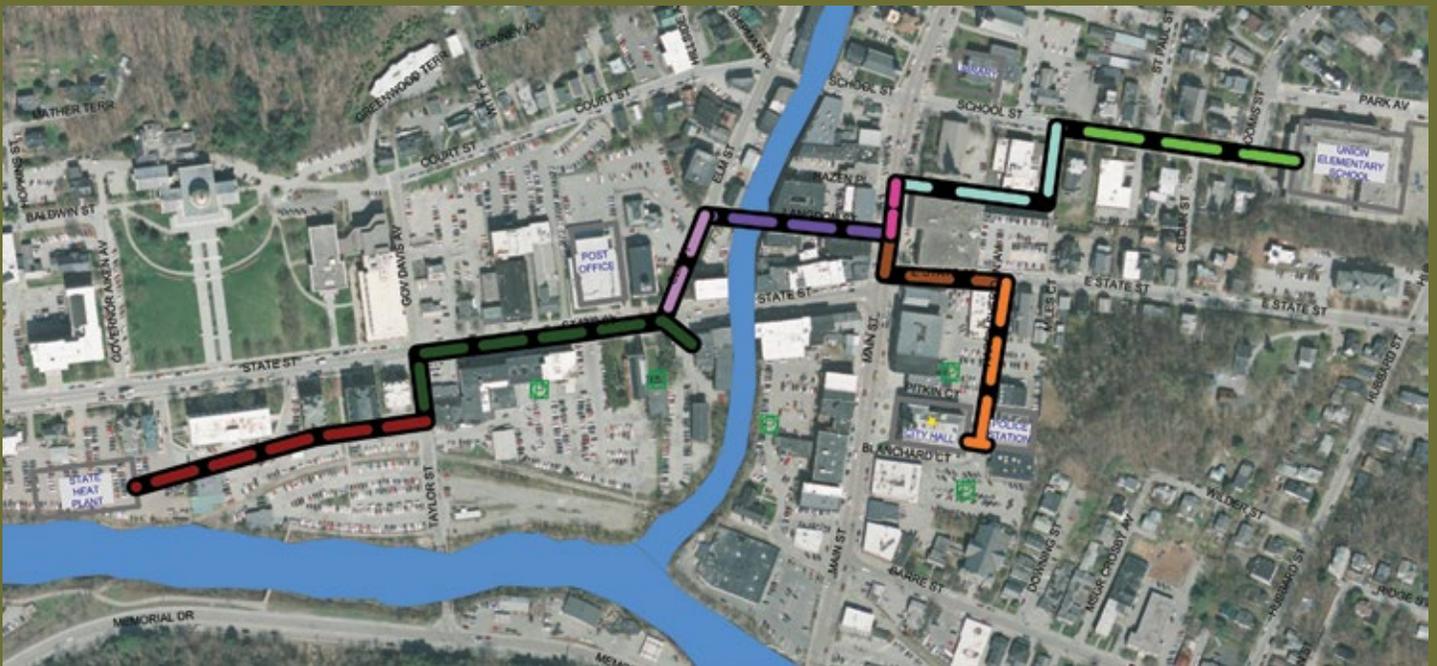




DISTRICT HEAT MONTPELIER

AN ENERGY INDEPENDENT DOWNTOWN



City of Montpelier, Vermont Annual Report

A review of fiscal year 2012-2013 including proposed budgets and articles to be voted on at Montpelier City Meeting March 4, 2014.

About The Cover

DISTRICT HEAT MONTPELIER

In 2010 the City of Montpelier was awarded \$8 million, the largest award in the country, from the Department of Energy's Community Renewable Energy Program.

With this award, the City has successfully leveraged an additional \$17 million of state, federal and city funds for the construction of the District Heat Montpelier System.

This includes replacement of the State of Vermont's 66 year old boiler plant with a state-of-the-art biomass fueled central heat plant, and almost two miles of underground piping to provide thermal energy to buildings located in Montpelier's historic downtown.

The system will provide heat to 17 State buildings in the Capital Complex, including the Capitol Building, and, initially, 20 public and private buildings in downtown Montpelier.

The operation of District Heat Montpelier and the State's Heat Plant will displace an estimated 300,000 gallons of fuel oil annually with forest harvested wood chips.

In total, the project will reduce net emissions of health threatening air contaminants by some 11 tons each year, yielding improved air quality in Montpelier.

The City completed the distribution system in 2013, the State heat plant is expected to be completed in early 2014. District Heat Montpelier will begin full operation on October 1, 2014.



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City Meeting Warning

March 4, 2014

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 4, 2014, 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 commissioner for the Green Mount Cemetery for a term of five years; one park commissioner for a term of five years; two school commissioners, each for a term of three years; one council member from each district, for a term of two years; one mayor, for a term of two years.

ARTICLE 2. Shall the voters appropriate the sum of \$7,406,787 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, 2014 to June 30, 2015? (Requested by the City Council)

ARTICLE 3. Shall the voters appropriate the sum of \$17,985,069 necessary for the support of the public school system for the fiscal year July 1, 2014 to June 30, 2015? (Local budget of \$17,374,491 plus grant budget of \$610,578, for a total school budget of \$17,985,069) (Requested by the School Board)

ARTICLE 4. Shall the voters appropriate the sum of \$575,230 for the support of the Recreation Department for the fiscal year July 1, 2014 to June 30, 2015? (Requested by the School Board)

ARTICLE 5. Shall the voters appropriate the sum of \$3,000 as compensation to the Mayor for services for the fiscal year July 1, 2014 to June 30, 2015? (Requested by the City Council)

ARTICLE 6. Shall the voters appropriate the sum of \$7,200 (\$1,200 each) as compensation to the Council Members for their services for the fiscal year July 1, 2014 to June 30, 2015? (Requested by the City Council)

ARTICLE 7. 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, 2014 to June 30, 2015? (Requested by the School Board)

ARTICLE 8. Shall the voters authorize the Board of School Commissioners to hold any audited fund balance as of June 30, 2014 in a reserve (restricted) fund to be expended under the control and direction of the Board of School Commissioners for the purpose of operating the school? (Requested by the School Board)

ARTICLE 9. Shall the City of Montpelier adopt as its charter the "Comprehensive Revised Charter of the City of Montpelier", as approved by the City Council on January 23, 2014, an official copy of which is maintained in the ballot booth and is on file in the office of the City Clerk? (Requested by the City Council)

ARTICLE 10. Shall the voters authorize the City to exempt alternate energy sources from real and personal property taxation in accord with Title 32 V.S.A. § 3845 first effective for the April 1, 2014 tax year? (Requested by the City Council)

ARTICLE 11. Shall the voters authorize the City levy a special assessment of \$0.0515 per \$100 of appraisal value on properties within Montpelier's Designated Downtown not used entirely for residential purposes? The assessment shall be apportioned according to the listed value of such properties except that the assessment for any property also used for residential purposes shall be reduced by the proportion that heated residential floor space bears to heated floor space for such property. Funds raised by the assessment shall be used to improve the downtown streetscape and to market the downtown. (Requested by the City Council)

ARTICLE 12. Shall the voters appropriate the sum of \$308,673 to be used by the Kellogg-Hubbard Library for the fiscal year July 1, 2014 to June 30, 2015? (This amount is in addition to the \$40,790 for the library bond payment included in the City General Fund Budget, ARTICLE 2) (Requested by the City Council)

ARTICLE 13. Shall the voters of the City of Montpelier adopt the Central Vermont Public Safety Authority Charter? (Requested by the City Council)
WHEREAS the establishment of a Public Bank in Vermont will help towns reduce the local tax burden by offering low cost bonds for public works and a depository for their accounts with competitive interest,

WHEREAS a Public Bank that makes loans and investments in Vermont's people and our economy will help cre-

ate jobs, income, and economic security for all Vermonters,

We call on the state legislature to consider the creation of a Public Bank for Vermont that enhances the work of the Vermont Economic Development Authority, the Vermont Student Assistance Corporation, the Vermont Housing Finance Agency, the Municipal Bond Bank, the Vermont chartered community banks and credit unions by accepting deposits from the state and municipal governments and making loan programs available for students, homeowners, municipalities and enterprises to make Vermont economically stable, self-reliant, and successful.

Detail Information Proposed Amendments to the City Charter March 4, 2014

Article 9. Shall the City of Montpelier adopt as its charter the “Comprehensive Revised Charter of the City of Montpelier”, as approved by the City Council on January 23, 2014, an official copy of which is maintained in the ballot booth and is on file in the office of the City Clerk? (Requested by the City Council)

Report of the Montpelier Charter Revision Committee, prepared by Elizabeth Dodge, Michael Doyle, Earl Fechter, Page Guertin, Jonathan Williams, Nancy Sherman—Chair

The Montpelier City Charter is an important and historic legal document. We must be careful and forthright as we propose charter revisions for voter approval on Town Meeting Day. It is critical that Montpelier residents know what they are voting on when they cast their votes on revisions to the city charter.

In October 2012, the Charter Revision Committee received its charge, “to analyze the contents of the city’s charter regarding anachronisms and items to be deleted, amended, or added.” The six committee members reviewed the charter in detail (except for Subchapter 6 – Schools) gathering input from lawyers and professionals who have knowledge and experience related to municipal charters, as well as city staff and other reliable sources. We researched state statutes and other municipal charters and spent nearly a year fulfilling our charge. The primary intent of the Charter Revision Committee was to make the Montpelier City Charter a concise, coherent, accurate, understandable, and accessible document, enabling residents and interested parties to understand the law and provisions that determine the operation of city government. We submitted our work product to the council in August 2013 as a draft document, Montpelier Charter Revisions.

The Charter Revision Committee was careful to not propose any substantive changes to the charter. Our proposed revisions

are clarifications and updates to the charter text. The committee recommends deleting obsolete and unnecessary charter text, adding new language, moving and reorganizing some sections, and inserting new sections that accurately describe the current practices and authority of Montpelier city government. Proposed deletions appear as lined-out text; new text is underlined. Whenever text is moved from one section to another, it is lined out in its current placement and underlined in the proposed new location in the charter. Frequently, deleted sections are replaced with new text that is consistent with current policy and procedures of city government or with a reference to the general laws of the state that define that charter provision. Whenever state statute best defines a procedure that is to be followed or implemented by the city, reference is made to the general laws of the state.

The document Montpelier Charter Revisions submitted to the council in August 2013 has extensive clarifying edits but no substantial changes. When the committee met with the council in August and November, a few additional clarifying edits were requested by the council and incorporated into the charter revision document.

The City Council held public hearings for approval of the Warning for City Meeting on January 15 and 24th. At the January 24th meeting, the mayor proposed and the council adopted two new and substantive revisions to the charter in subchapter 3 – City Council, proposing adding two new items to the list in section 301 - Powers and duties of the City Council.

301(g) permits the council to convert parking spaces to non-highway use, such as parklets. 301 (h) permits the council to establish fees and benefit charges, for example fees for dog licenses.

It is important to note that all of the text in section 301 is being added to the charter. In our review, the Charter Revision Committee found that the current version of the charter does not include a description of the powers and duties of the City Council. In sections 301(a-f) the committee developed new text that describes the current powers and duties of the Montpelier City Council, as recommended by our legal advisor based on other municipal charters. With the exception of 301(g) and 301(h), which the council proposed after the committee completed its charge and disbanded, all proposed charter revisions carry the unanimous recommendation of the full Charter Revision Committee.

Voters are now asked to approve the entire Montpelier Charter Revisions document; the committee’s clarifying and non-substantive revisions as well as the council’s addition of substantive powers for the City Council.

A summary of proposed revisions to each subchapter follows. Two full versions are available at www.montpelier-vt.org and in print form at City Hall and the Kellogg-Hubbard Library. Ver-

sion A includes all the added text (underlined) without the text recommended for deletion. Version B includes all the added text (underlined) and the text that is recommended for deletion (lined out).

Summary of Proposed Revisions to the Montpelier City Charter

Subchapter 1: INCORPORATION AND GRANT OF POWERS

§ 104. **Change of form of government** Committee, with input from advisers, recommends deletion of this unusual departure from state law; the issue of firing the city manager is addressed in subchapter 10.

Subchapter 2: CITY VOTING DISTRICTS

§ 201. **City voting districts** New language confirms the 3 voting districts for the city that are currently in place.

Subchapter 3: CITY COUNCIL

§ 301. **Powers and duties of City Council** Relocation and reorganization of existing text with new language added listing 6 basic powers and duties of the council; (a) acquire property, (b) promote public health, (c) adopt personnel policies, (d) authorize expenditure of funds, (e) provide for citizen participation, and (f) set regulations for streets. Previously, the charter did not define or list the powers and duties of the council.

Charter revisions initiated and adopted by City Council:

301(g) permits conversion of parking spaces to non-highway use, such as parklets; 301 (h) permits council to establish fees and benefit charges, for example, fees for dog licenses.

§ 303. **Vacancy in office of council member** Clarification about vacancies and replacement of members when absent 4 or more meetings

§ 304. **Election of president, vice president, parliamentarian** Clarification about duties of president, vice president, parliamentarian

§ 307. **Council meetings** through §314. **Executive session** Clarification about meetings, quorum (majority or 4 members), public meeting law

§ 317. **Council appointments** Update of list of council appointments

§ 321. **Ex-officio appointments** New language gives council the powers of the board of water and sewer commissioners, local board of health, and the local board of liquor control, powers which the council has exercised for many years.

§ 322. **Prohibitions and conflicts of interest** New language to go into the charter, reflecting established city policy and procedures that should be part of the charter.

Subchapter 4: MAYOR

§ 402. **Powers and duties of mayor** Committee proposes a reorganization of existing text with no substantial changes except requiring a statement explaining the reason for vetoing a council vote. Two “old” sections - § 404-Powers of Mayor and § 405- Duties of Mayor – are merged and become new text in § 402 with a new title Powers and Duties of Mayor. “Old” 402 text on vacancy in the office of mayor is moved into 403, also about vacancy.

Subchapter 5: CITY MEETINGS, NOMINATION AND ELECTION OF OFFICIALS

§§ 501. **City meeting** through § 506 **Voter checklist** Advisers on the charter issues suggest referencing state law that defines annual meeting, notice and elections as well as deletion of old language that attempted to define these detailed procedures.

~~§ 5-507. Presiding officer at city meetings~~ Recommended for deletion because text is obsolete and business is conducted by Australian ballot.

~~§ 508. Method of voting tax appropriation~~ This section is recommended for deletion because it is inaccurate.

§ 5-512. **Other Vacancies in city offices** Text from § 513 merged with § 512 allowing for deletion of §513. Vacancies created.

Subchapter 6: SCHOOLS The committee did not review this part of the charter. It is outside the scope of our charge. The Montpelier School Board was invited to participate in the charter revision process but declined. No revisions are proposed or recommended by the Charter Revision Committee.

Subchapter 7: CITY ORDINANCES

§ 702. **Ordinance adoption, notice, and effective date** New language updates and clarifies this section, making it consistent with current procedures and adding reference to state statute. Updates to § 702 allow deletion of § 703.

§ 705. **Violation of an ordinance** Old, obsolete language in this section is recommended for deletion. New language references state statute.

§ 707. **Violations by non-residents****Public nuisances** Old, obsolete language in deleted. New language recommended by committee’s legal advisor allows the city to address issues that are public nuisances.

~~§ 708. Liability for damages~~ This section is recommended for deletion, as suggested by charter advisers because it is redundant and unnecessary.

Subchapter 8: BOARDS AND COMMISSIONS

§ 803. **Board of civil authority** and § 804. **Board of abatement of taxes** New language and reorganization of old language creates two separate sections for these two boards, including the features that are unique to their function in Montpelier and referencing general state law as appropriate. An advisor noted that the clerk is a member of the Board of

civil authority, and it should be so stated in the charter, as well as reference to the general law section that defines the reasons you can request abatement. Updates to § 803 and § 804 allowed for deletion of § 808.

§ 806. Development review board New language added to correct the name, reference general law of the state, and eliminate references to obsolete board of adjustment.

§ 807. Recreation governance To clarify and update this section, committee recommends deletion of option to create “bureau or commission of recreation,” preserving the 4 remaining options for governance – a municipal department; an appointed recreation board; the school board; or another existing city board or commission.

§ 808. Meetings of Board of Abatement Council authority over boards and commissions Committee recommends deletion of the old text on meetings of Board of Abatement and adds new section to establish council authority to create, eliminate, or consolidate boards and commissions. Also, with a 2/3rds vote, council could remove a member.

§ 809. Youth members Committee recommends this new section to give the council authority to appoint non-voting youth members to boards and commissions, consistent with current practice.

Subchapter 9: ADMINISTRATION

§ 902. Annual city budget Charter’s date of March 1 for the manager’s budget proposal is deleted. New language reflects current process for setting a schedule for preparing the proposed fiscal budget and council’s authority to set budget submission date.

§ 905. City clerk and **§ 906 City treasurer** Text reorganized to make separate sections for the clerk and the treasurer, indicating that the authority and additional duties of the clerk are defined in general laws of the state. Treasurer is a council appointed officer and city employee (see § 317 Council appointments). Old language in § 906 is deleted – there is no administrative code.

§ 908. Payment of contractual accrued liability This entire section is deleted because it was added for a specific purpose and will not be useful or needed again.

§ 911. Authority of police officers This section is deleted because the committee’s charter advisers say it is covered by general law and is redundant.

Subchapter 10: CITY MANAGER

§ 1001. Appointment, eligibility and qualifications Committee recommends giving the council the authority to decide about residency requirement for a city manager, allowing this decision to be made when the council prepares an employment contract with a new city manager.

§ 1003. Oath of office City manager takes the same oaths as other city officers – the Oath of Allegiance to the State and the Oath of Office, as prescribed in the State Constitution and

as they appear in subchapter 14 General § 1401 Oaths of office. (§ 1401 is updated to correctly and completely present Chapter II of the State Constitution § 56 Oaths of Allegiance and Office)

§ 1004. Removal of city manager Committee and advisers recommend revisions and reference to general law and the city manager’s employment contract that address conditions for dismissal rather than defining a complex process in the charter.

§ 1005. Vacancy in the office of city manager Text revised to indicate that during vacation and planned absences, city manager designates an acting manager to perform the duties of the office, most likely the assistant city manager. Council would appoint an acting city manager in the event that the city manager is incapable of performing the job; is medically unable; or fails to make the appointment.

§ 1006. Powers and duties of city manager Editorial revisions to improve clarity.

§ 1007. City manager appointments Committee removes obsolete offices; clarifies that city manager has authority for both appointments and removals; updates list of currently appointed positions; recommends adding that appointments serve indefinitely or as defined by contract, unless removed by the city manager.

§ 1008. Termination of appointments Deletion of this section is recommended. Committee and charter advisers find it confusing and controversial. It is unnecessary and redundant because the city manager has power to hire and fire (§ 1006).

Subchapter 11: INDEBTEDNESS; SINKING FUNDS; BONDS AND NOTES FOR IMPROVEMENTS

§ 1105. Notice of meetings and **§ 1107 Conduct of meetings** Obsolete text recommended for deletion and replacement with reference general laws of the state.

§ 1110. Debt limits All text is recommended for deletion and replacement with reference to the general laws of the state. Using the general statutory debt limit allows the council flexibility to develop and revise its debt management policy as circumstances dictate, and allows statutory exclusions to the debt limit calculation to apply.

§ 1113. Advertisement All text is recommended for deletion because it is archaic. New text is one sentence that references general laws of the state.

§ 1117. Use of unexpended bond proceeds through **§ 1122. Special indebtedness for water purposes, sewage disposal, and heat improvements** Obsolete text is recommended for deletion and replacement with a new text and references general laws of the state, allowing for deletion of § 1120.

§ 1125. Budget surplus and deficit New section recommended so charter confirms that City Council has available to it all of the alternatives under the general statute.

Subchapter 12: ASSESSMENT AND COLLECTION OF TAXES, WATER, SEWER, AND HEAT RATES

§ 1201. **Assessment of taxes and establishment of tax rate**

This section establishes that the council shall assess taxes as the voters have approved in a vote on the budgeted tax appropriation amount for support of city departments, etc. New language offers opportunity to change the way at the fiscal budget is approved, if at some time in the future the council or voters want to change from voting on budgeted tax appropriation amount and vote on total budget amount.

§ 1202. **Notice of tax bill and due date** through § 1203. **Tax payment schedule** Text edits and reorganization make these sections consistent with current procedures and ordinances on preparation of tax bills, including reference to “due date,” accommodating installment billing, eliminating different treatment for resident and non-resident taxpayers, and applying penalties to installment amount overdue rather than the whole tax amount.

§ ~~1204. Delinquent taxes~~ All text is recommended for deletion because this topic is covered in additions to § 1205 Warrants on delinquent taxes, water, sewer, thermal energy bills

Subchapter 13: SPECIAL ASSESSMENTS, TAKING PROPERTY FOR PUBLIC PURPOSES

§ 1301. **Taking property for public purposes** and § 1302. **Procedure for taking property** Committee strongly recommends incorporating replacing all old, inadequate language in these two sections with new text that incorporates the city’s current procedure for taking property for public purposes. New language allows deletion of several other sections with old, out of date language, specifically §§ 1306, 1314, 1315, 1316, 1317, 1318, 1319, and 1320.

§ 1311. **Tax collector authority to sell property** Edits replace the obsolete title “city sheriff” with reference to the correct city officer.

Subchapter 14: GENERAL

§ 1401. **Oath of allegiance, oath of office** Committee recommends edits so that the charter includes the full text of the Oath/Affirmation of Allegiance and the Oath/Affirmation of Office, as prescribed by the Constitution of the State of Vermont, chapter 2, § 56.

§ ~~1404. Continuation in office~~ All text is recommended for deletion because it was a transitional provision that is no longer useful or necessary.

§ 1405. **Amendment of charter** Update of text and reference to general law is included to define the process for charter changes.

§ ~~1406. Transfer of property rights~~ through § ~~1410 Inconsistent acts repealed~~ These sections are recommended for deletion because they are obsolete and can be safely removed.

§ 1412. **Charter effective Merger of Montpelier Fire Dis-**

trict No. 1 into the city water system Old text is recommended for deletion. New language is a clarifying update and a legal formality that allows closure and termination of Fire District No. 1 (located in the Towne Hill area) created to access US Dept. of Agriculture loans for construction of a water system that would be integrated into the city system. This water system been consolidated into the city water system, and with legislative approval, it can go out of business and merge with the city.

Article 13. Shall the voters of the City of Montpelier adopt the Central Vermont Public Safety Authority Charter? (Requested by the City Council)

Detail of proposed charter change:

On the March ballot, Montpelier voters will be asked to approve the charter of a Public Safety Authority, that lays the groundwork for Montpelier joining forces with Barre City, and possibly, other municipalities, in the delivery of emergency services: fire, police, ambulance, and dispatch. With voter approval, and subsequent legislative endorsement, member municipalities can begin to explore the benefits of working together, including economies of scale, better response times and other improved services. In addition, combined services are likely to offer better training and career opportunities for our professionals, and more strategic deployment of assets. A new board will be created to oversee the development of the authority, and will be accountable to voters both directly and through City Councils. No services will be moved into the authority without public hearings, and the specific approval of participating cities. To move forward on this would mean the realization of a vision long discussed, the regionalization of emergency services, and a step forward in working more effectively with our neighbors.

Copies of the proposed Public Safety Authority charter will be available at the City Manager’s office, at the Kellogg-Hubbard Library, the office of the Montpelier School Superintendent, and at the Montpelier Senior Center.

Message from the Mayor

Dear Montpelier Resident:

This has been a busy and productive year at City Hall. The City Council established an ambitious set of goals and priorities last Spring. I am pleased to report that we have made significant progress on virtually all of them, in large part due to the hard work of our dedicated city staff. Here are some highlights:

Municipal Projects

The city made major strides in 2013 on three projects that were a priority for the City Council:

- **Biomass Project.** The city completed construction of the biomass distribution system in downtown Montpelier in 2013. The project was completed on budget and largely on schedule, although it created significant disruption in the downtown area for many months, and it had a major financial impact on a number of merchants. The city is now operating a small-scale distribution through the use of City Hall boilers, and we plan to connect to the state's biomass plant this fall. I am proud to say that our city offices, many of our largest downtown buildings, and Union Elementary School will be heated with renewable energy beginning in October.
- **Carr Lot.** After a dozen years of discussion and activity, the city acquired the Carr Lot on January 2, 2014 for a purchase price of \$1.4 million. This was more than we had anticipated paying for the site, but it allowed us to avoid the expensive, time-consuming and uncertain process of eminent domain. The acquisition costs will be paid almost entirely from project funds, which include federal grants and revenue from private development on the site. This is an exciting project that will result in the construction of a new transit center on Taylor Street; the completion of the bike path from Main Street to Taylor Street; the construction of a new bike and pedestrian bridge over the North Branch; the creation of new river access; and the development of new public green space. Construction is expected to begin this fall and should be completed in 2015.
- **Bike Path.** We have made a great deal of progress this year towards completing the bike path from Granite Street to the Civic Center. The city is expected to finalize rights of way, easements, and permitting for the project this spring. Construction work will then be bid, and the path is expected to be completed in the fall of 2015. Bikers and walkers will be able to use the path to travel the entire length of Montpelier.

Infrastructure

The City Council set an ambitious goal of increasing our investment in city streets, bridges and sidewalks over five years to en-

sure that they are repaired and maintained in good condition. We estimate that this will require us to spend about \$800,000 more each year than we have been spending. The 2015 budget calls for an increase of \$166,000 in infrastructure investments, after a similar increase was made in this year's budget. Residents should notice a significant improvement in the quality of city streets and sidewalks.

Municipal Taxes

Working together, the City Council and staff have made great progress in restraining the rate of growth in Montpelier's municipal tax rate. While our median tax bills remain high, our tax rate increased by only .5% in 2013. This year's proposed budget provides for an increase of 1.8%. The two-year average places us well below the rate of inflation. This is a significant accomplishment given the sizeable increase we have made in capital spending, as well as the progress we have made on the range of projects described above. Our city staff deserve a great deal of credit for proposing budgets that meet the council's goal of minimizing tax increases, while also making more efficient the delivery of city services.

Other Priorities:

- **Address parking pressures.** This is an ongoing challenge that has been difficult to solve given the limited availability of land in Montpelier and the cost of building a parking garage. Nonetheless, a parking committee has spent a great deal of time, working closely with the state, to develop alternatives. We greatly appreciate their work. This will be a continuing focus of attention in 2014.
- **Improve the flow of information to and from the community.** The city is developing a new web site that is expected to launch in the fall of 2014. This modernized site, along with improved protocols for communicating about City efforts, will help us present better information to the public and obtain feedback about how we are doing. The city did not meet this goal with respect to the delivery of information about the biomass plant, so this is an area that will require greater attention in the coming year.
- **Become a nationally known bike- and pedestrian-friendly city.** The Montpelier Bike Advisory Committee, formed in 2011, meets regularly and is developing meaningful plans to make Montpelier a more bike-friendly community. Thanks to the work of Councilor Jessica Edgerly-Walsh, the council approved a plan to devote five percent of all parking revenues towards improved infrastructure for alternative transportation. With those funds – about \$45,000 per year – we should begin to see more bike lanes and markings, bike racks, and other improvements to make Montpelier a more bike-friendly place.

- **Explore alternative energy initiatives.** With the guidance of the Montpelier Energy Advisory Committee, the City issued a Request for Proposals this fall to install photovoltaic arrays on City property for the purpose of generating energy for use by the City through group net metering. The Energy Committee is currently reviewing responses from seven vendors and will make a recommendation to the Council later this winter.
- **Support and promote a vibrant downtown.** I have met regularly with representatives of the Farmers' Market during the past year to encourage them not to move from downtown Montpelier. The market is now committed to staying downtown, but they continue to explore a more permanent location. The council and the voters also approved the creation of the Downtown Improvement District, which has created a significant new source of funding to make our downtown more appealing. Finally, the city has worked closely with Montpelier Alive on a range of other projects, including the creation of new parklets for downtown merchants and the periodic closure of State Street for events. Montpelier Alive continues to be an essential partner with the city in promoting our downtown.

The city will lose Alan Weiss as a Council member in March. Alan has served Montpelier honorably and with great dedication for many years. He has been an important voice on the Council, ensuring that we always act in a manner that is consistent with our rules and city ordinances. We will miss him.

I am constantly amazed by the deep commitment to volunteerism that exists within our community. Our city is a richer, more interesting place due to the willingness of so many residents to devote their time to improving our community. It is an honor to serve as Mayor of this great capital city.

John Hollar, *Mayor*



Photo courtesy of Linda Hogan

Message from the City Manager:

It is an honor to present my 19th annual report to you, the citizens of Montpelier.

Some of the key city government activities of the year include:

Completion of the District Heat distribution system and operation of a mini heating system for this winter. The State heating plant will be completed this spring and our combined system will be fully operational for the heating season of 2014-15.

The City has purchased three of the four properties needed for the Multi Modal Transit Center and Bike Path Project including the major parcel at 1 Taylor Street (formerly known as the Carr Lot). This project is moving forward rapidly with construction expected to start in fall of 2014 or spring 2015.

The Winooski East Bike Path Project (Granite Street to the Gallison Hill area) is moving toward right of way acquisition with a projected construction start of fall 2014 or spring 2015.

Infrastructure funding was increased in the FY14 budget and is increased again for FY15. As a result, some major road and sidewalk work (such as Berlin Street paving and the Loomis Street sidewalk) have been completed.

The Planning Commission has continued working diligently to prepare an updated zoning ordinance which reflects community goals. They are hoping to make significant progress during 2014.

The Senior Center settled into their new space with expanded class offerings and a new successful meals program.

The City Council adopted a long term transition plan for the management and operation of the Recreation, Parks, Cemetery and Senior Center departments.

FY15 BUDGET:

Parameters:

The following guidelines were used in preparing this budget proposal:

- Budget must reflect the City Council's adopted goals and priorities and enable those goals to be advanced.
- General Fund Budget increase must remain within 1.8%.
- Must continue increased funding for infrastructure and capital needs based on the "Steady State" plan adopted by the City Council.
- Proposed tax increase to reflect the increased capital spending only.
- Must deliver responsible levels of service to the residents of Montpelier.

- Should continue FY14 funding levels for the Community Fund and Community Enhancements and include the Circulator Bus funding.
- Should minimize impact on existing employees to the extent possible.

Resources utilized in budget deliberations were the Council's Goals document, the Council's Budget survey and workshop discussion, Council policies on debt service and fund balance, the City's Master Plan, the 2009 Citizen Survey, the 2011 Matrix report, the 2012 Citizens Budget Study Committee report and recommendations from the City's staff at all levels.

The budget includes independent ballot items for the Kellogg-Hubbard Library and the Recreation Department at the same level of funding as FY14. The Sewer/CSO Benefit charges will remain at the present level. No increase in grand list was assumed.

Budget Numbers:

- FY15 Budget for all funds and all revenues is \$19,350,730. Compared to \$18,717,988 for FY14, this is an increase of \$584,799 or 3.38%.
- FY15 General Fund Budget totals \$12,171,456 which is an increase of \$185,778 (1.5%) from the comparable FY15 spending plan. This number includes the Recreation and Library budget assumptions. Without those two items, the increase is 1.7%.
- FY15 General Fund non-tax revenues total \$3,880,766 which is an increase of \$19,478 (0.5%) from FY14 non-tax revenues.
- Consistent with the council's fund balance policy, no general fund balance is used to offset the budget and reduce taxes.
- Revenues from the State of Vermont such as Payments in Lieu of Taxes, Highway Aid, Grand List Maintenance funding and the Justice Center basic grant have been assumed to remain at their present funding levels.
- Grand list value is projected at the FY14 level. With the current grand list, \$84,343 represents one cent on the tax rate.

Property Tax Impact:

- The net result of revenues and expenses is that \$7,406,787 in property tax revenues are required for the city's portion (non school, non rec, non library) of the budget. This is an increase of \$166,300 or 2.3% over FY14. All of this increase is for the capital plan..
- Requires a 2.0 cent increase in the property tax rate. The capital/equipment plan is increased by 2 cents while the remainder of the budget requires no tax increase. A 2.0 cent increase represents a 2% property tax rate increase after a 0.5 cent (0.25%) increase in FY14. For the average

residential property valued at \$223,000, two cents on the tax rate represents \$44.60 on the tax bill. The two year combined increase of 2.25% compares to a two year combined inflation rate of 3.2% (1.7% and 1.5% respectively).

Infrastructure:

- No bonds are proposed.
- Future infrastructure bonds are planned with subsequent bonds of \$710,000 in FY17 and \$705,000 in FY20. Future bonds may be needed for bike path matching funds, a potential flood mitigation project and, possibly, matching funds for the One Taylor Street (Carr Lot) project.
- The Capital Projects, Equipment and Debt Service Program is funded at \$1,905,004. Of this \$677,570 is in annual funding, \$712,434 is in existing debt service and \$515,000 is for equipment. This matches the long term funding plan and represents an overall increase for these combined items of \$166,300. This results in an additional \$118,596 (21.2%) in annual funding for FY15 infrastructure improvements.
- The Capital/Equipment Plan anticipates additional increases of \$166,300 in each of the next three budget years – FY16 through FY18 – in order to bring funding levels to the targeted level of maintenance and improvements.

Personnel:

- No positions have been eliminated. One full time position has been added using Stormwater (85%) and Water/Sewer (15%) funds to meet new requirements. Other positions have been adjusted somewhat resulting in a net increase of 1.10 FTE including the new DPW stormwater position. General Fund personnel costs are essentially the same as FY14.
- Total number of Full Time Equivalent Employees (FTE) is 108.26 which, as noted above, is 1.10 more than the 107.16 in FY14. Changes include reallocating 1.3 FTE's from DPW General Fund to Sewer/Stormwater and District Heat Funds. Adding the new DPW employee in Water/Sewer/Stormwater funds. Reducing the Tax Collector from .6 FTE to .5 FTE. Increasing the Senior Center Director from .8 to .9 FTE, reducing the Sr Center Assistant from .8 to .7 FTE and increasing two part time Senior Center positions from .4 to .5. All other staffing remains at FY14 levels.
- Cost of living allowances and step increases are built into all employee wage and salary accounts consistent with collective bargaining agreements and personnel policies. For this budget that represents a 2.25% contracted adjustment for Fire Union employees. A 1.5% adjustment for all other employees is budgeted. Neither DPW nor Police union contracts are in place for FY15 yet.

- The budget continues the high deductible health insurance plan which was implemented three years ago. Cost changes in this area were very modest this year which contributed greatly to the stability in the budgeting process.

Operating:

- No major changes or reductions in operating costs are proposed. As with prior years, many lines have been trimmed to stay within fiscal guidelines.
- Heating costs for City Hall/Fire Station and the Police Station have been calculated based on the District Heat cost estimates.
- The budget continues contracting ambulance billing with the City of Barre rather than performing this function with city staff.
- The Community Justice Center budget includes all funding for all programs with commensurate revenue offsets. There is no net property tax funding projected.

Other Funds:

- The Water and Wastewater budgets have both been balanced. The Wastewater fund is now in a small surplus position and the Water fund is steadily reducing its deficit. The budget assumes no Water rate change, a 5% Sewer rate increase and no Sewer or CSO benefit charge changes. The rate structure for these funds is under review now. Funding from the CSO benefit charge is being used to address new stormwater requirements.
- Tax funding for the Senior Center is held at the FY14 level. This budget includes a net addition of 0.2 FTE as the center continues to adjust to its new activity level. These expenses are offset by anticipated revenues including larger contributions from neighboring towns.
- The Parks budget maintains the tax contribution at the FY14 level. The budget continues funding for a caretaker to live in the city owned house in the park. The budget also includes rental revenue for the house. This program started this year.
- The Parking fund is balanced while including new parking fee increases which took effect in February.
- The District Heat Fund budget is included representing the first full year of complete operation. The General Fund is realizing approximately \$55,000 in benefit from District Heat, \$20,000 to pay the 2009 bond and \$35,000 for DPW costs to maintain and operate the system.

Community Services:

- The Housing Trust Fund is funded at \$41,000, the same as FY14.
- The Montpelier Community & Arts Fund is funded at \$118,175 which is the same amount of funding as FY14.

- Community Enhancements including Montpelier Alive and various festivals, lighting and events are funded at \$31,000, up from \$29,500 in FY14.
- The budget includes \$40,000 funding for the GMTA circulator bus route.

Service Impacts:

This budget proposal addresses council goals by keeping the tax rate and spending in check while investing more funds in infrastructure. It directs resources to major priorities including bike paths, economic/business/housing development and performance management. It also maintains funding for the general community atmosphere.

Overall services should remain the same as presently being delivered. We expect some efficiency improvements through various internal changes as well as departments adjusting to reduced staff loads from last year's budget.

- Police: The Police Department has functioned satisfactorily with the FY14 staffing level but has struggled at times to keep up with investigation work and with crime activity in the community. This budget invests in more training for specific needs within the department. Before the FY16 budget, we will need to face decisions about the delivery of dispatching services. School Resource Officer shared 50% with the school is included.
- Fire: The Fire Department budget eliminates the Full Time EMT only position and replaces it with a full time Firefighter/EMT position. This allows the department to return to the shift scheduling which existed prior to last year's budget reduction.
- Fire Administration: Ambulance billing remains contracted out. Duties such as payroll and accounts payable have been shifted to existing department firefighting staff and the Finance department. This system has been only moderately successful and we continue to seek means of providing more administrative support to the department.
- Planning, Zoning & Community/Economic Development: The Planning & Development department budget and organizational structure has been left unchanged. The department and public are still adjusting to the change from a full time to a half time zoning administrator.
- Public Works: Last year's cut to the Street division resulted in problems with both winter and summer maintenance. This was particularly evident with more funding for projects and less people to work on those projects. The biggest area that suffered was in meeting our mandated stormwater management obligations. This year's budget adds a position back to the department but funds it, along with portions of existing positions,

from stormwater funding which reduces the cost to the General Fund.

- Other: Both city staff and Matrix had identified previously existing capacity shortcomings in the areas of human resources management, facilities management and communications. We have made some progress in these areas but nothing in this budget specifically addresses these concerns.

Performance Measurement:

This budget document also reflects our continued commitment to improving performance management efforts. Performance management is the process of using data to make decisions. To improve municipal functioning, it is important to identify measures that are meaningful, track the progress to achieving these measures, and use this data to make management decisions. Identifying and using measures also enables municipalities to share with the public key matrices demonstrating how tax payer dollars are used. In that sense, performance management is an accountability and communication tool and is used to manage our work.

In the budget document, each department has established goals and performance measures. These measures will be reported on a quarterly basis to the City Manager, City Council, and public. These measures will also be used by the City Manager and Department Heads to make programmatic and resource allocation decisions.

Ballot Items:

Articles 1-8 are the annual election and regular budget items.

Article 9 is for comprehensive amendments to the City's Charter. This is explained in more detail beginning on page 3 in this report.

Article 10 would create a property tax exemption for alternate energy sources for residential uses (such as solar panels).

Article 11 would continue the downtown improvement district approved last year where commercial properties within the designated zone pay an additional tax increment with the funds raised going directly for promotions and improvements within that district. The article establishes the tax rate for the district.

Article 12 is for \$308,673 for the Kellogg Hubbard Library which is the same amount as last year. Four years ago, the City Council chose to place the full amount of the Library request on the ballot rather than splitting the request between the ballot and the budget. This decision was made because the Library is not a municipal department under the Council's oversight and therefore the Council has no influence on the budget request.

Article 13 is for adoption of a charter to create a regional Public Safety Authority. If formed, this entity would develop plans and proposals for regional delivery of services such as Police, Fire, EMS, Emergency Management and Dispatch. The City of Barre is also voting on this charter in March. It has been developed to include the Towns of Barre and Berlin as well should they choose to join.

Article 14 is for a non-binding resolution concerning consideration of a Public Bank in Vermont. This item was placed on the ballot at the request of a citizen's group.

Conclusion:

It is my professional opinion that this budget directly reflects the goals, funding priorities and financial limits articulated by the City Council.

- General Fund Budget increase is under the 1.8% target.
- Funding for infrastructure is increased as per the steady state plan.
- Two cent proposed property tax increase is limited for infrastructure only.
- The capacity to advance projects including District Heat, Carr Lot, bike projects, economic/housing development, communications and consolidation of community services is maintained.
- Level of services is unchanged.
- All community funding is maintained at FY14 levels.

This budget is always a team effort from start to finish. The city's Department Heads worked diligently to meet our budget challenges. I would like to particularly recognize the efforts of Finance Director Sandy Gallup. I thank the City Council for carefully reviewing the budget and providing clear policy and priority guidelines early in the process.

Appreciation:

Many dedicated individuals deliver local government services to Montpelier residents 24 hours per day, seven days per week, 365 days per year and they deserve our collective appreciation and thanks. We all need to remember that City employees work under difficult, stressful circumstances and sometimes dangerous conditions 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 professionals in specialized fields. The 2009 Citizen Survey showed that residents have very positive impressions of city employees. Montpelier's staff are hard working, dedicated and incredibly capable individuals. I am very proud of all of them.

Montpelier is fortunate to have a strong team of Department Heads working for the city's interests. These individuals' experience, education, talent and dedication keep our operations among the very best in the state and in line with the high expectations of our residents. Parks Director Geoff Beyer, Community Justice Center Director Yvonne Byrd, Senior Center Director Janna Clar, Police Chief Anthony Facos, Finance Director Sandra Gallup, Fire Chief Robert Gowans, Cemetery Superintendent Patrick Healy, Public Works Director Todd Law, City Clerk John Odum and Assessor Steve Twombly work as a highly efficient team while also managing their respective areas of responsibility.

As it is with every year, some city employees choose to retire or move on to other endeavors. This year we thank 11 people (10% of the city's workforce) for their service and contributions to the community. Those who left the city in 2013 include five very long term employees who retired – Fire Department Assistant Sheila Pembroke after 38 years, Wastewater Plant Assistant Chief Operator Douglas Hull after 37 years, Police Corporal Mark Moody after 34 years, Police Senior Dispatcher Cheryl Goslant after 33 years and Fire Lieutenant Mark Tillingham after 26 years. We wish them happy and healthy retirement years after distinguished city careers.

In addition to our retirees, six other employees have left the city for other pursuits. We acknowledge the fine efforts of Dispatcher Tonia Zeno, DPW/Cemetery Employee Seth Naikus, Dispatcher Andy Apgar, DPW Employee Steve Durgin, EMT Frances Rousseau and Planning & Development Director Gwendolyn Hallsmith. May they all find success on the next paths of their lives and careers.

As we say goodbye to our former colleagues, we welcome the newest members of our team who bring new ideas, new energy and new approaches. In 2013, the following new employees were hired: Dispatchers Michelle Lavalley, Carrie McCool and Michael Armantrout, DPW Employees Adam Drake, Matthew Lamson and Craig Deyo, Firefighter/EMT Peter Thurston and Assistant City Manager Jessie Baker.

We greatly appreciated the efforts of Americorps participants Drew DiVitis and Luke Rafferty. They both completed their Americorps service. We have welcomed new Americorps participants Hannah Reckhow and Alex Prolman.

Montpelier has benefitted greatly from having many experienced employees who have spent distinguished careers with the city. We are beginning to see retirements (as mentioned, five this past year) with more to come in the near future which will literally change the face of city government. I'd like to recognize and thank individuals with 25 or more years of experience with the City of Montpelier. These people represent over 16% of our total workforce!

Charlotte Hoyt, Treasurer	41 years
Sandra Pitonyak, City Manager's Office	40 years
Sharon Blatchford, Finance Department	35 years
Dean Utton, Public Works Department	35 years
George Richardson, Public Works Department	34 years
Jane Aldrighetti, Assessor/City Manager Office	34 years
Michael Papineau, Public Works Department	34 years
Robert Gowans, Fire/EMS Department	34 years
Thomas McArdle, Public Works Department	31 years
Scott Powers, Public Works Department	29 years
Loretta Bresette, City Clerk/Treasurer Department	28 years
Michael Bilodeau, Public Works Department	28 years
Dana Huoppi, Fire Department	28 years
Nathan Cowens, Public Works Department	26 years
Beverlee Pembroke Hill, Tax Collector	26 years
Richard Cleveland, Police Department	26 years
Neil Martel, Police Department	26 years
Anthony Facos, Police Department	26 years

I thank the Mayor and 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 have no idea of the amount of time council members devote to what is often a thankless and stressful task.

In March, City Council Member Angela Timpone stepped down after one term. Council Member Jessica Edgerly Walsh was elected to that seat. Many thanks to Council Member Timpone for her contributions. Congratulations and welcome to Council Member Edgerly.

I thank 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.

This year we welcomed Jessie Baker as our new Assistant City Manager. She has already made a huge positive impact on the organization and in the community. I look forward to working with her for many years to come.

For nineteen years I have had the privilege of working daily with Sandy Pitonyak and Jane Aldrighetti in the City Manager's office. Their professionalism, abilities, customer service, trustworthiness and dedication are unmatched. They are truly the "face of the city" for many people. I cannot say enough about each of them and am grateful for the chance to share office space with them.

The biggest benefit to being City Manager is the great fortune of being a resident of this wonderful city. I've been honored to raise four children in the community, watch them journey through our fine schools and grow into wonderful young people. I thank Olivia, Patrick, Claire and Angus for their own many contributions to our community and for keeping a good sense of humor about their father's public job. My final thanks are for my wife, Anne, who always provides good advice, gracefully handles comments and questions from people about city government and is my biggest supporter. I couldn't do this without her.

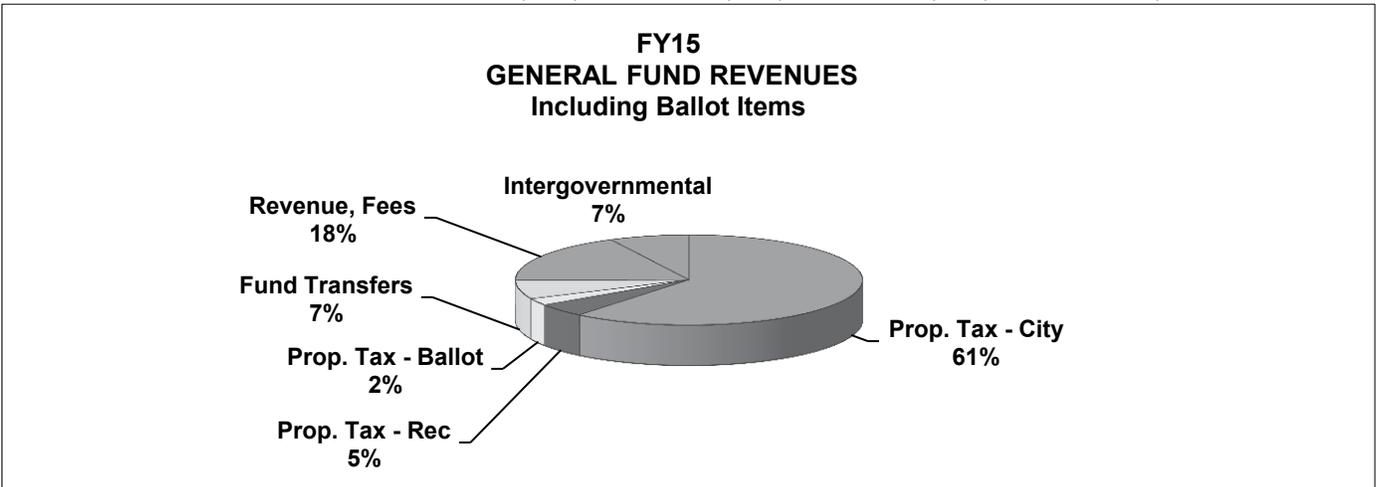
Respectfully Submitted,
William J. Fraser, *City Manager*



Photo courtesy of Linda Hogan

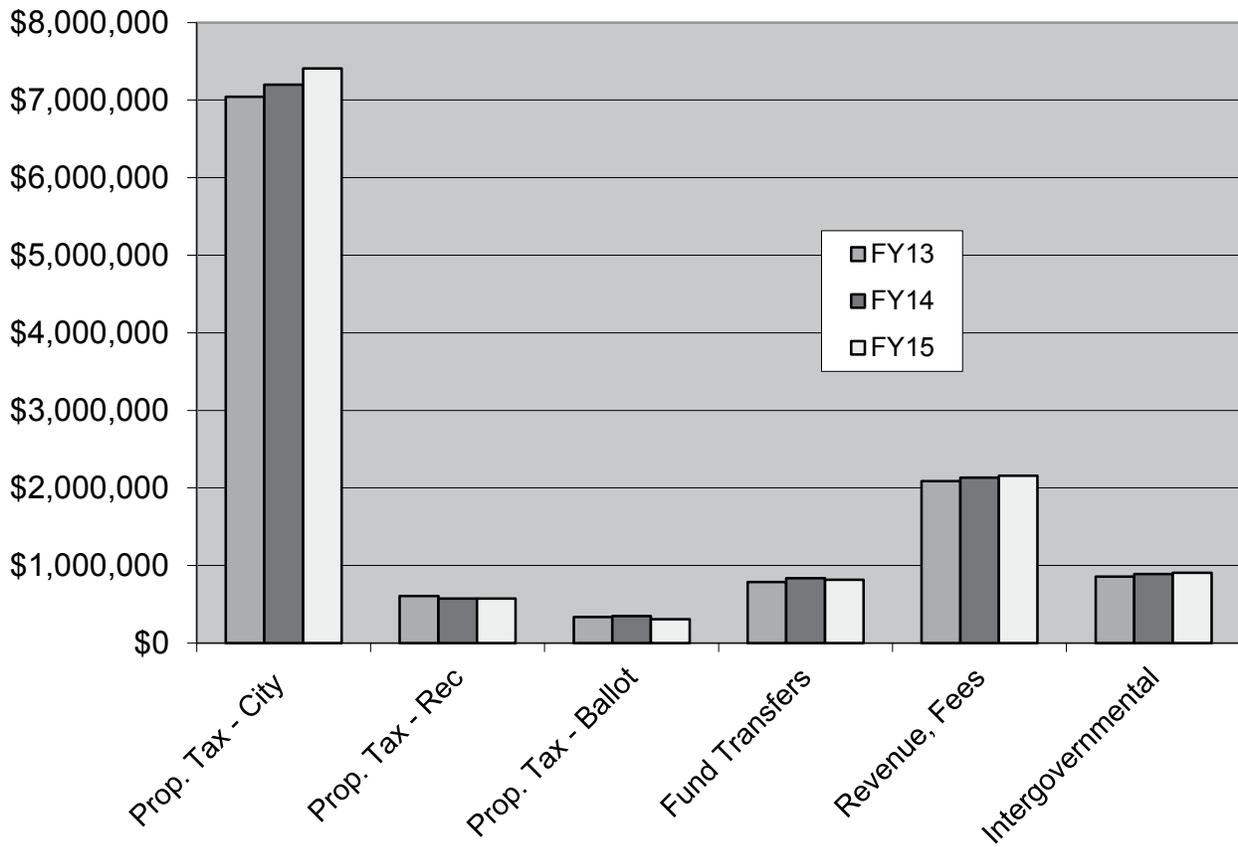
BUDGET COMPARISON - General Fund Revenue

Item	FY13	FY14	FY15	\$ Change	% Change
<i>Property Taxes - City Budget</i>	\$7,044,218	\$7,200,487	\$7,406,787	\$206,300	2.9%
<i>Property Taxes - Recreation</i>	\$605,230	\$575,230	\$575,230	\$0	0.0%
<i>Property Taxes - Ballot Items</i>	\$333,975	\$348,673	\$308,673	-\$40,000	-11.5%
<i>Property Taxes - Total</i>	\$7,983,423	\$8,124,390	\$8,290,690	\$166,300	2.0%
<i>Other Tax Related Income</i>	\$914,912	\$892,695	\$891,195	-\$1,500	-0.2%
<i>Permits & Licenses</i>	\$82,600	\$82,600	\$81,600	-\$1,000	-1.2%
<i>Intergovernmental</i>	\$858,615	\$889,384	\$905,849	\$16,465	1.9%
<i>Fees & Charges for Service</i>	\$620,307	\$659,193	\$671,739	\$12,546	1.9%
<i>Rents & Commissions</i>	\$600	\$600	\$500	-\$100	-16.7%
<i>Fines & Forfeitures</i>	\$35,000	\$25,000	\$25,000	\$0	0.0%
<i>Equipment Revenues</i>	\$343,123	\$386,755	\$414,158	\$27,403	7.1%
<i>Interest Income</i>	\$38,230	\$36,000	\$20,000	-\$16,000	-44.4%
<i>Miscellaneous Revenue</i>	\$53,166	\$51,537	\$53,372	\$1,835	3.6%
<i>Fund Balance</i>	\$74,500	\$0	\$0	\$0	0.0%
<i>Operating Transfers</i>	\$710,782	\$837,524	\$817,353	-\$20,171	-2.4%
<i>TOTAL - Non Tax Revenues</i>	\$3,731,835	\$3,861,288	\$3,880,766	\$19,478	0.5%
TOTAL REVENUES	\$11,715,258	\$11,985,678	\$12,171,456	\$185,778	1.5%



CATEGORIES	FY13	FY14	FY15	\$ Change	% Change
Prop. Tax - City	\$7,044,218	\$7,200,487	\$7,406,787	\$206,300	2.9%
Prop. Tax - Rec	\$605,230	\$575,230	\$575,230	\$0	0.0%
Prop. Tax - Ballot	\$333,975	\$348,673	\$308,673	-\$40,000	-11.5%
Fund Transfers	\$785,282	\$837,524	\$817,353	-\$20,171	-2.4%
Revenue, Fees	\$2,087,938	\$2,134,380	\$2,157,564	\$23,184	1.1%
Intergovernmental	\$858,615	\$889,384	\$905,849	\$16,465	1.9%
Total	\$11,715,258	\$11,985,678	\$12,171,456	\$185,778	1.5%
Grand List	\$831,227,310	\$843,834,299	\$843,834,299	\$0	0.00%
Total Property Tax Dollars	\$7,983,423	\$8,124,390	\$8,290,690	\$166,300	2.0%
Property Tax Rate	\$0.96	\$0.96	\$0.98	\$0.020	2.0%
Avg Municipal Tax Bill	\$2,147.06	\$2,152.33	\$2,196.38	\$44.06	2.0%

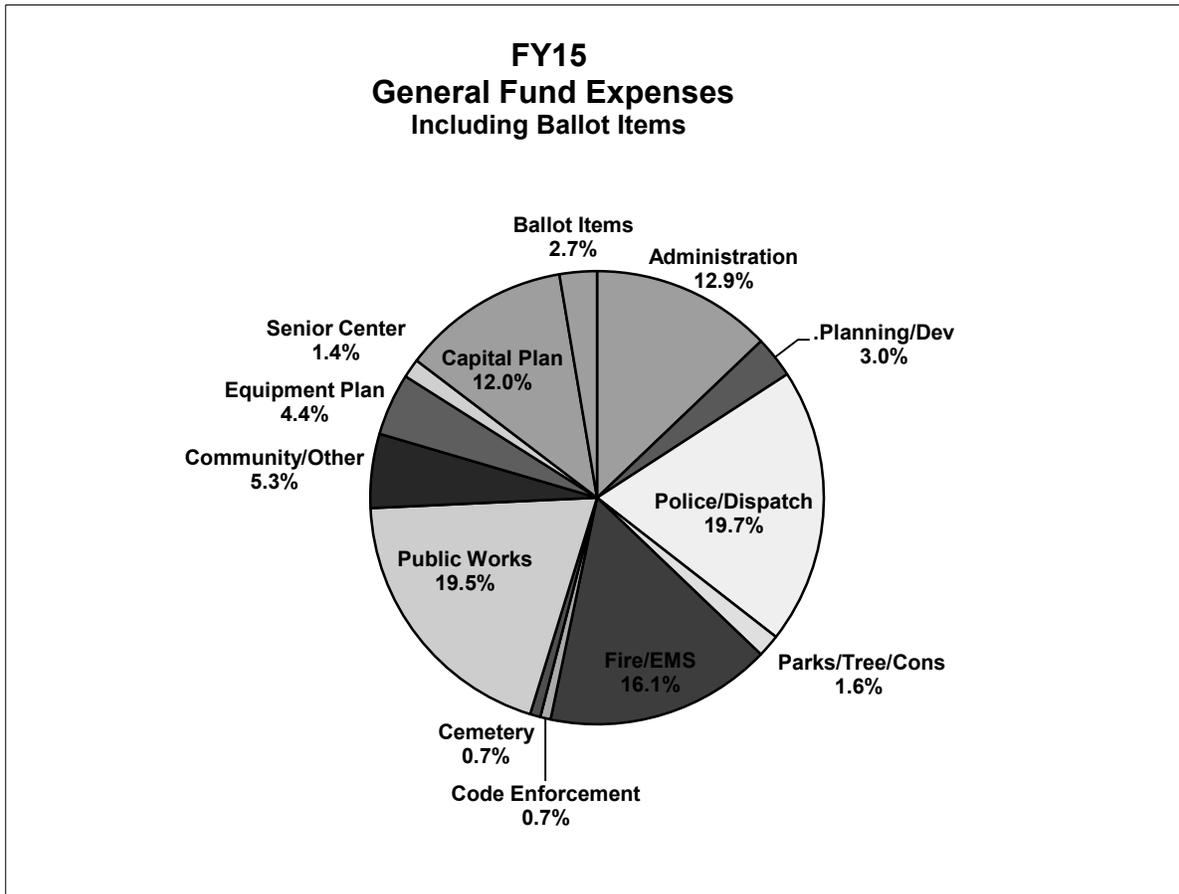
General Fund Revenue Comparison



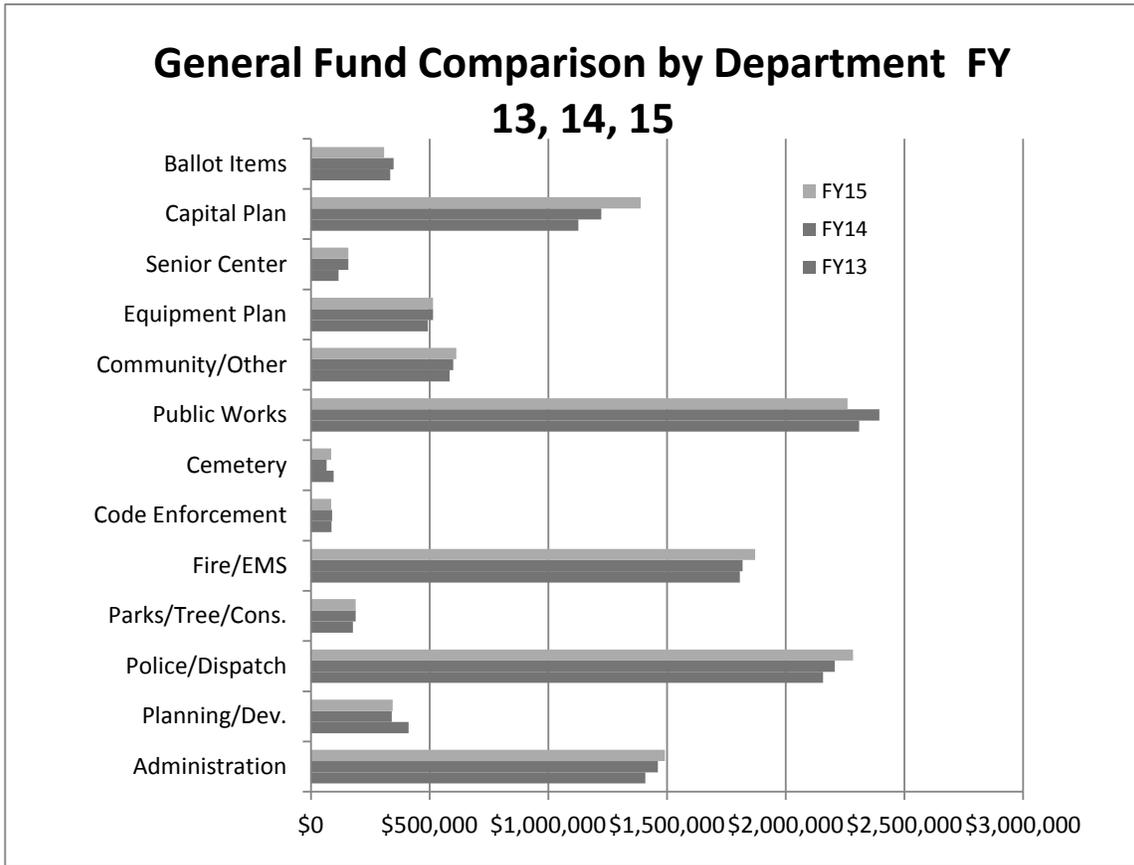
BUDGET COMPARISON - General Fund Expenditures

Item	FY13	FY14	FY15	\$ Change	% Change
City Council Operations	\$33,391	\$34,465	\$35,399	\$934	2.7%
City Manager's Office	\$333,791	\$385,322	\$400,561	\$15,239	4.0%
Clerk/Elections	\$187,252	\$186,917	\$182,750	-\$4,167	-2.2%
Finance/Treasurer	\$463,646	\$455,316	\$464,248	\$8,932	2.0%
Technology Services	\$221,278	\$225,054	\$228,030	\$2,976	1.3%
Property Assessment	\$170,051	\$175,240	\$180,576	\$5,336	3.0%
Planning & Development	\$411,982	\$340,279	\$344,215	\$3,936	1.2%
City Hall Maintenance	\$192,340	\$192,631	\$200,115	\$7,484	3.9%
Police - Operations	\$1,550,888	\$1,569,248	\$1,659,973	\$90,725	5.8%
Police - Communications	\$518,546	\$542,756	\$528,961	-\$13,795	-2.5%
Police- School Resource Off.	\$88,553	\$94,327	\$95,388	\$1,061	1.1%
Community Justice Center	\$239,065	\$248,849	\$261,415	\$12,566	5.0%
Fire & Emergency Services	\$1,735,869	\$1,743,642	\$1,802,141	\$58,499	3.4%
Code/Health Enforcement	\$87,287	\$89,483	\$86,215	-\$3,268	-3.7%
Emergency Management	\$14,929	\$14,929	\$6,929	-\$8,000	-53.6%
DPW - Streets	\$1,502,796	\$1,556,064	\$1,400,961	-\$155,103	-10.0%
DPW - Fleet Operations	\$546,859	\$578,401	\$593,778	\$15,377	2.7%
DPW - Building Operations	\$68,020	\$67,550	\$65,850	-\$1,700	-2.5%
Wrightsville Beach	\$4,007	\$4,007	\$4,007	\$0	0.0%
Community Fund	\$99,175	\$118,175	\$118,175	\$0	0.0%
Community Enhancements	\$48,800	\$29,500	\$31,000	\$1,500	5.1%
Tree Management & Board	\$36,446	\$37,794	\$37,426	-\$368	-1.0%
Conservation Commission	\$6,750	\$5,750	\$5,750	\$0	0.0%
Capital Plan Debt Service	\$631,138	\$664,730	\$712,434	\$47,704	7.2%
Capital Plan Annual Funding	\$495,369	\$558,974	\$677,570	\$118,596	21.2%
Other Governmental Services	\$115,837	\$121,214	\$161,396	\$40,182	33.1%
Equipment Plan	\$492,650	\$515,000	\$515,000	\$0	0.0%
Sprinkler Tax Credit	\$56,000	\$60,000	\$62,000	\$2,000	3.3%
Cemetery	\$95,605	\$65,868	\$85,726	\$19,858	30.1%
Parks	\$130,035	\$141,089	\$141,089	\$0	0.0%
Energy Improvements Lease	\$40,326	\$40,726	\$0	-\$40,726	-100.0%
Housing Trust Fund.	\$41,000	\$41,000	\$41,000	\$0	0.0%
Senior Center	\$116,372	\$157,475	\$157,475	\$0	0.0%
Sub TOTAL CITY BUDGET	\$10,776,053	\$11,061,775	\$11,287,553	\$225,778	2.0%
<i>Library Ballot Item</i>	\$293,975	\$308,673	\$308,673	\$0	0.0%
<i>Petitioned Ballot Items</i>	\$40,000	\$40,000	\$0	-\$40,000	-100.0%
Sub TOTAL BALLOT ITEMS	\$333,975	\$348,673	\$308,673	-\$40,000	-11.5%
TOTAL GENERAL FUND	\$11,110,028	\$11,410,448	\$11,596,226	\$185,778	1.6%

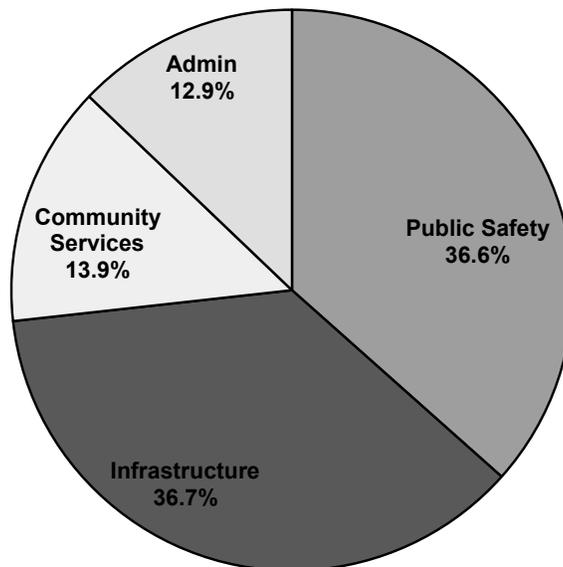
Category	FY13	FY14	FY15	\$ Change	% Change
Administration	\$1,409,409	\$1,462,314	\$1,491,564	\$29,250	2.0%
Planning/Dev.	\$411,982	\$340,279	\$344,215	\$3,936	1.2%
Police/Dispatch	\$2,157,987	\$2,206,331	\$2,284,322	\$77,991	3.5%
Parks/Tree/Cons.	\$177,238	\$188,640	\$188,272	-\$368	-0.2%
Fire/EMS	\$1,806,798	\$1,818,571	\$1,871,070	\$52,499	2.9%
Code Enforcement	\$87,287	\$89,483	\$86,215	-\$3,268	-3.7%
Cemetery	\$95,605	\$65,868	\$85,726	\$19,858	30.1%
Public Works	\$2,310,015	\$2,394,646	\$2,260,704	-\$133,942	-5.6%
Community/Other	\$584,203	\$599,464	\$612,986	\$13,522	2.3%
Equipment Plan	\$492,650	\$515,000	\$515,000	\$0	0.0%
Senior Center	\$116,372	\$157,475	\$157,475	\$0	0.0%
Capital Plan	\$1,126,507	\$1,223,704	\$1,390,004	\$166,300	13.6%
Ballot Items	\$333,975	\$348,673	\$308,673	-\$40,000	-11.5%
Totals	\$11,110,028	\$11,410,448	\$11,596,226	\$185,778	1.6%



GENERAL FUND COMPARISON BY DEPARTMENT FY 13, 14, 15

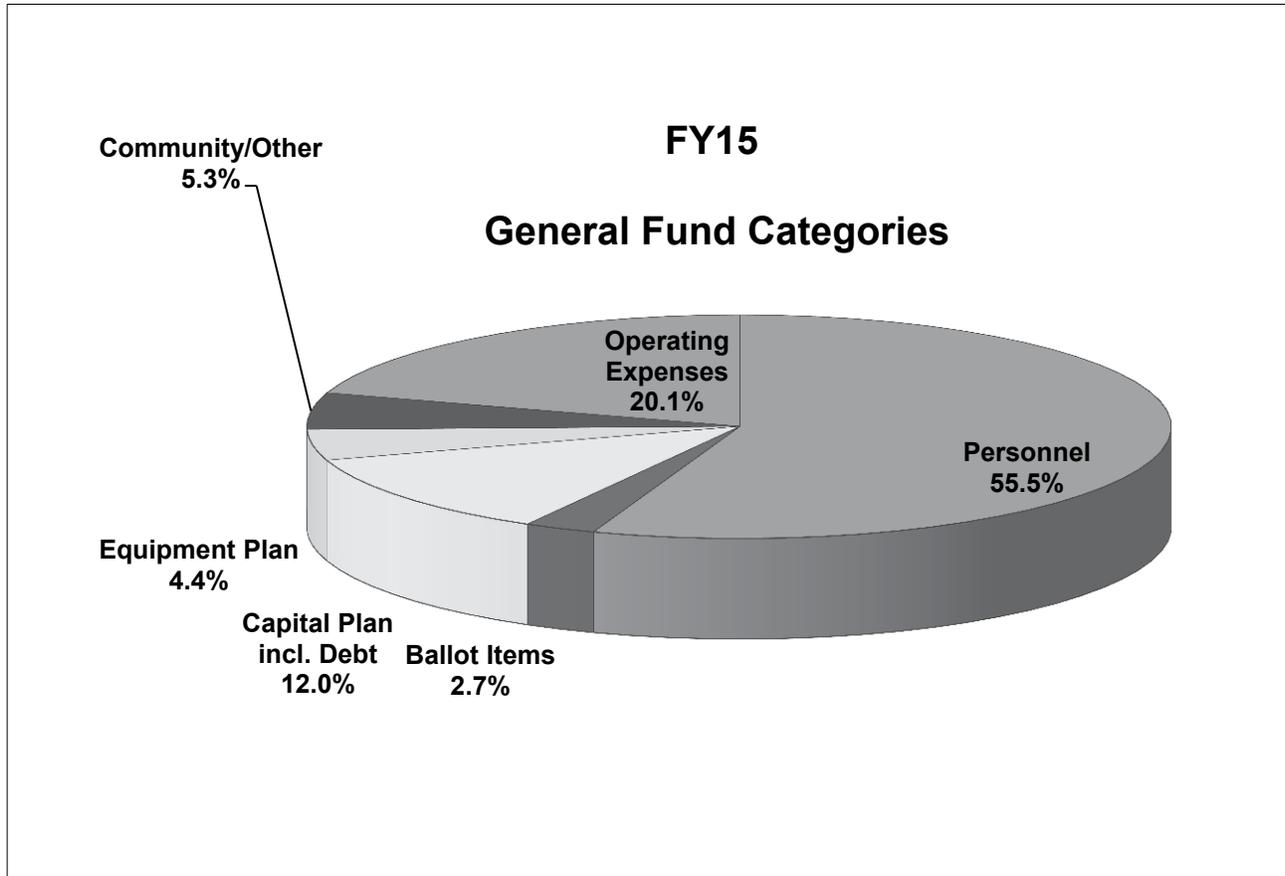


General Fund Expenses by Broad Category FY15

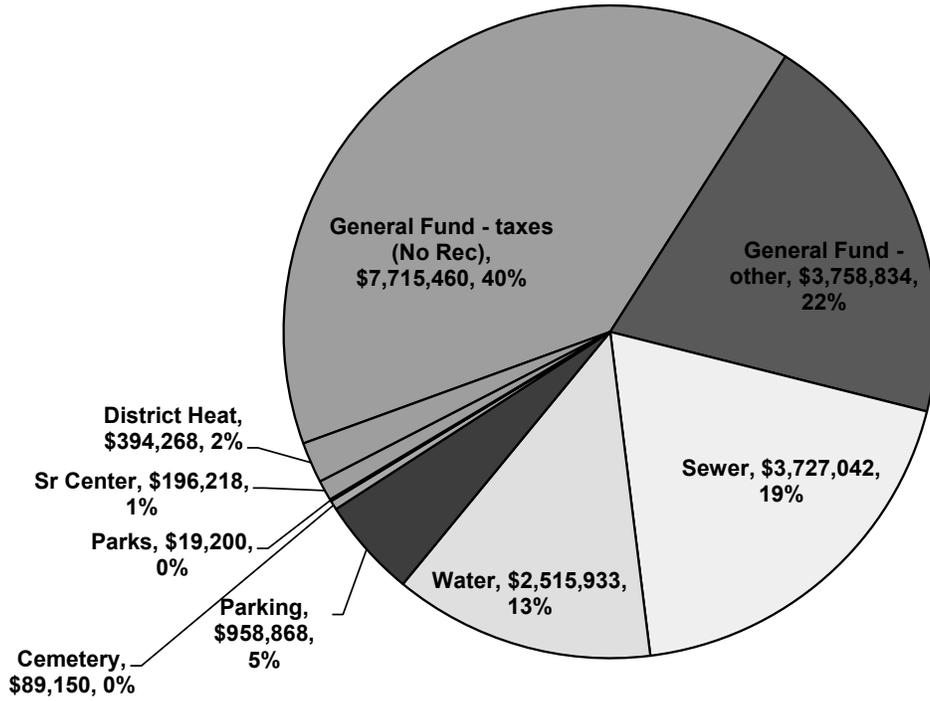


GENERAL FUND - Allocation by Category

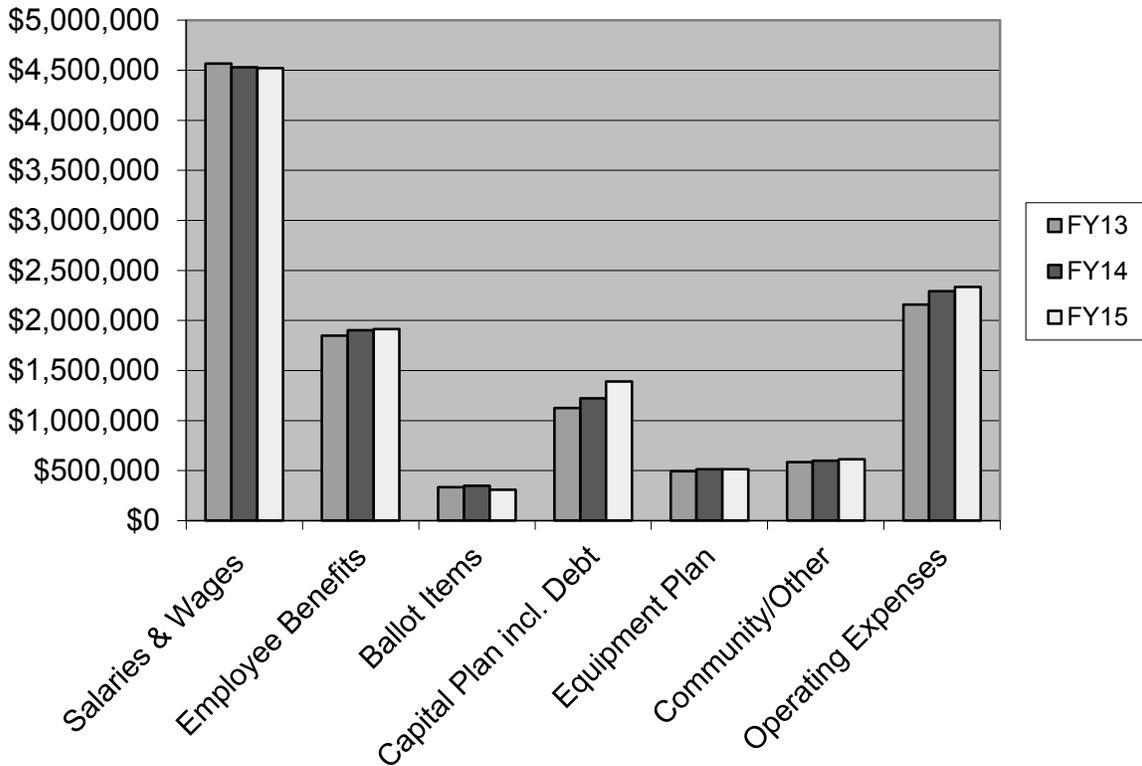
Category	FY13	FY14	FY15	\$ Change	% Change
<i>Salaries & Wages incl. OT</i>	\$4,566,240	\$4,529,144	\$4,520,423	-\$8,721	-0.2%
<i>Employee Benefits incl. FICA</i>	\$1,848,729	\$1,903,170	\$1,912,664	\$9,494	0.5%
Personnel	\$6,414,969	\$6,432,314	\$6,433,087	\$773	0.0%
Ballot Items	\$333,975	\$348,673	\$308,673	-\$40,000	-11.5%
Capital Plan incl. Debt	\$1,126,507	\$1,223,704	\$1,390,004	\$166,300	13.6%
Equipment Plan	\$492,650	\$515,000	\$515,000	\$0	0.0%
Community/Other	\$584,203	\$599,464	\$612,986	\$13,522	2.3%
Operating Expenses	\$2,157,724	\$2,291,293	\$2,336,476	\$45,183	2.0%
General Fund Budget	\$11,110,028	\$11,410,448	\$11,596,226	\$185,778	1.6%

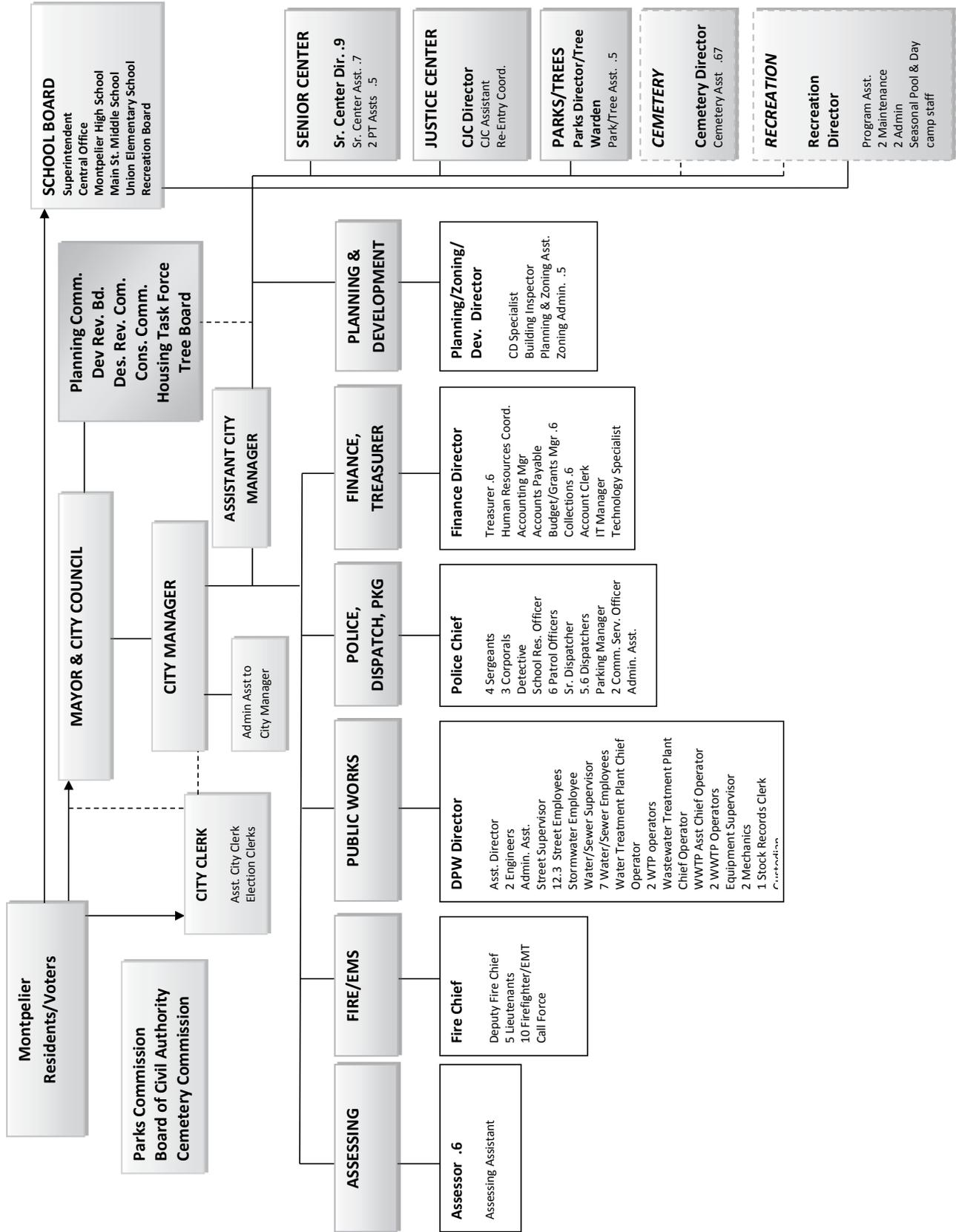


All Revenues \$19,496,905

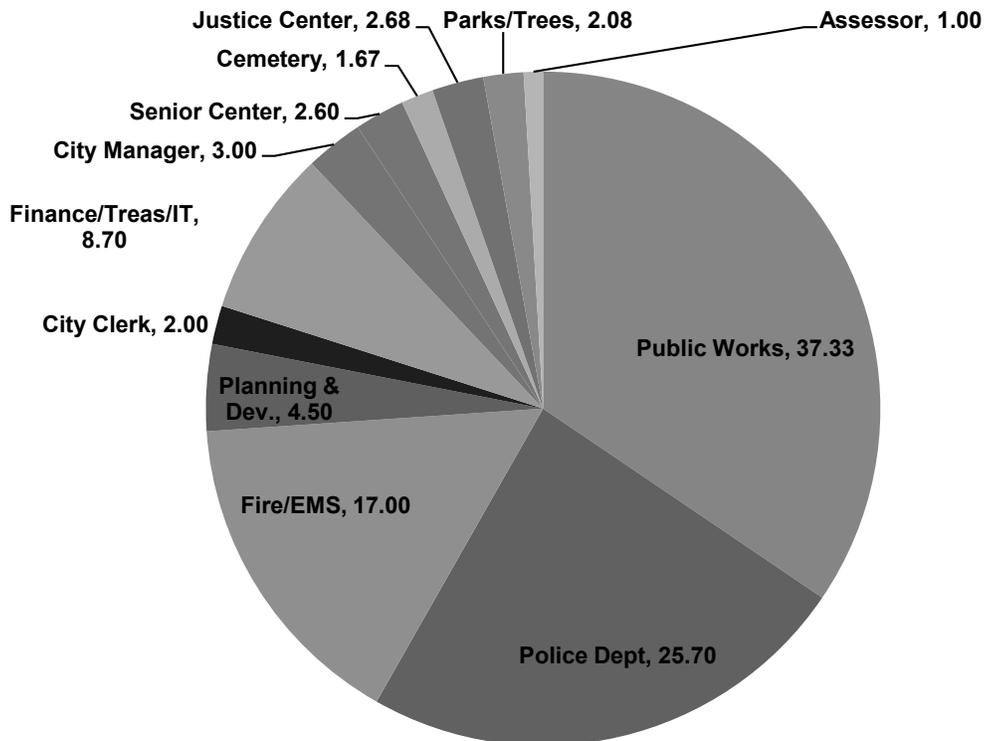
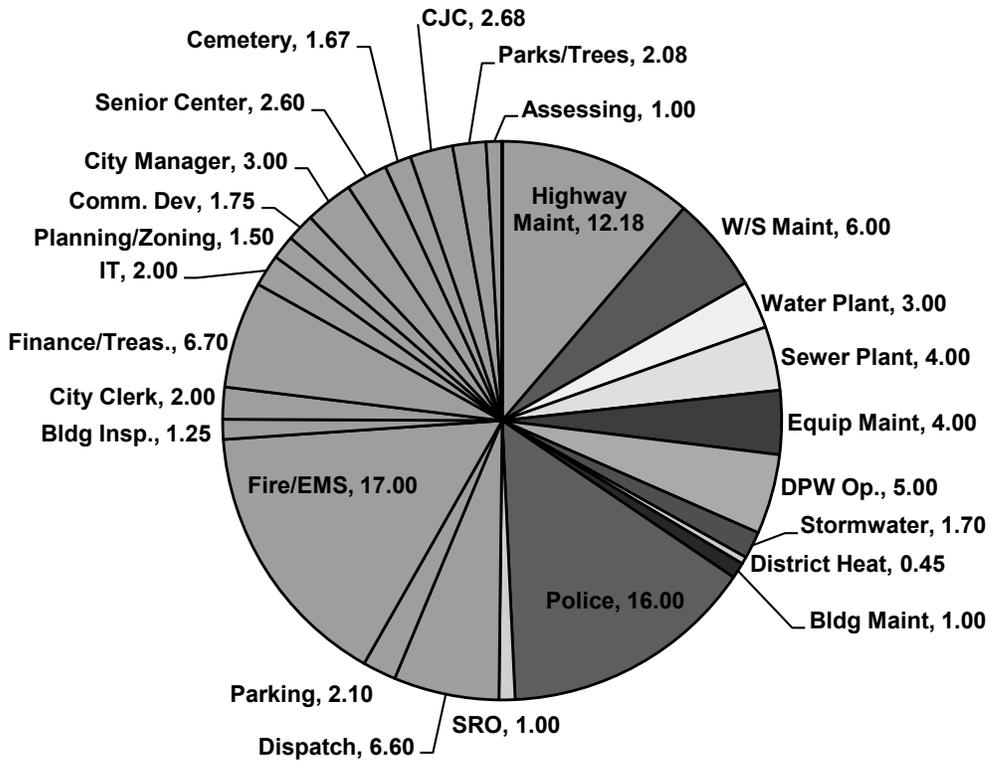


Comparison of Budget Categories FY 13, 14, 15





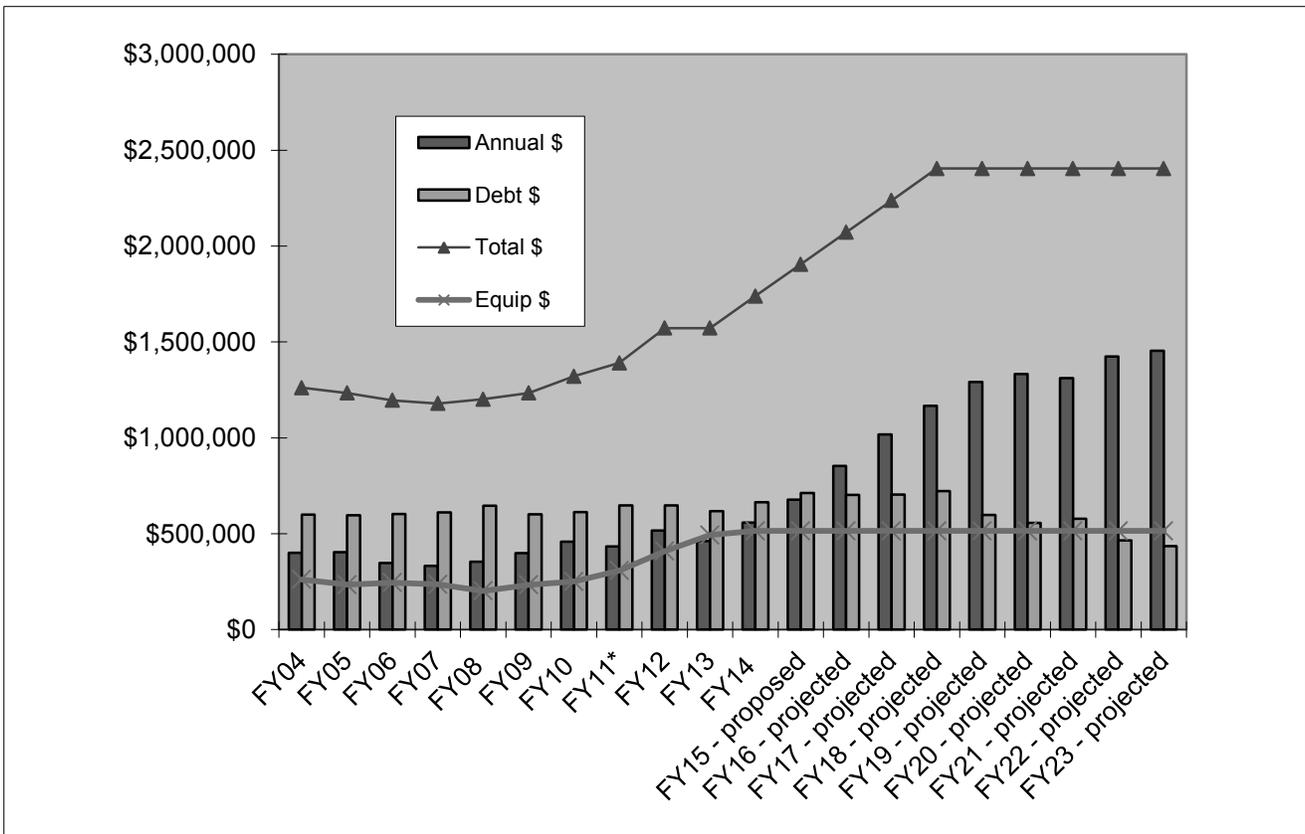
Employees by Function 108.26



Employees by Department 108.26

20 YEAR SUMMARY of ANNUAL and DEBT FUNDING for CAPITAL PROJECTS & EQUIPMENT

Fiscal Year	General Fund			Total \$	\$ Change	% Change
	Annual \$	Debt \$	Equip \$			
FY04	\$401,100	\$598,900	\$261,565	\$1,261,565		
FY05	\$404,183	\$595,817	\$234,025	\$1,234,025	-\$27,540	-2.2%
FY06	\$346,699	\$603,301	\$245,250	\$1,195,250	-\$38,775	-3.1%
FY07	\$332,196	\$611,304	\$235,854	\$1,179,354	-\$15,896	-1.3%
FY08	\$354,510	\$645,490	\$201,581	\$1,201,581	\$22,227	1.9%
FY09	\$399,251	\$600,749	\$233,735	\$1,233,735	\$32,154	2.7%
FY10	\$457,811	\$612,389	\$250,847	\$1,321,047	\$87,312	7.1%
FY11*	\$434,509	\$647,691	\$308,275	\$1,390,475	\$69,428	5.3%
FY12	\$515,849	\$647,651	\$408,904	\$1,572,404	\$181,929	13.1%
FY13	\$461,693	\$618,061	\$492,650	\$1,572,404	\$0	0.0%
FY14	\$558,974	\$664,730	\$515,000	\$1,738,704	\$166,300	10.6%
FY15 - proposed	\$677,570	\$712,434	\$515,000	\$1,905,004	\$166,300	9.6%
FY16 - projected	\$853,109	\$703,195	\$515,000	\$2,071,304	\$166,300	8.7%
FY17 - projected	\$1,017,642	\$704,962	\$515,000	\$2,237,604	\$166,300	8.0%
FY18 - projected	\$1,166,429	\$722,475	\$515,000	\$2,403,904	\$166,300	7.4%
FY19 - projected	\$1,290,665	\$598,239	\$515,000	\$2,403,904	\$0	0.0%
FY20 - projected	\$1,332,227	\$556,677	\$515,000	\$2,403,904	\$0	0.0%
FY21 - projected	\$1,310,864	\$578,040	\$515,000	\$2,403,904	\$0	0.0%
FY22 - projected	\$1,423,375	\$465,529	\$515,000	\$2,403,904	\$0	0.0%
FY23 - projected	\$1,453,425	\$435,479	\$515,000	\$2,403,904	\$0	0.0%



* equipment funds for parks/cemetery & lease payments included in department budgets before FY11

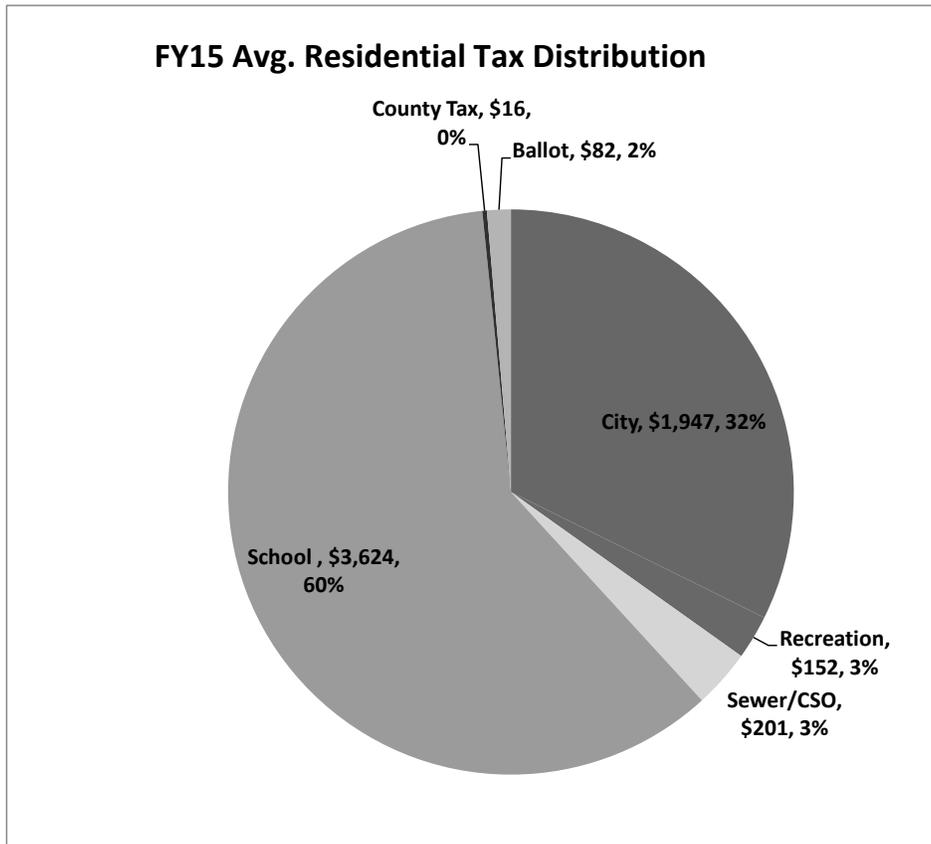
Annual Projects (including Bonds)	FY13	FY14	FY15
Street Maintenance and Resurfacing	\$134,558	\$150,000	\$150,000
Street Rehabilitation and Reconstruction	\$91,167	\$298,374	\$436,689
Bridges			
Retaining Walls			\$7,500
Sidewalks	\$115,000		
Storm Drains/Culverts			\$10,000
Buildings & Grounds			
Downtown Projects	\$10,000	\$10,000	\$10,000
Traffic Improvements	\$10,000		
Flood Mitigation Army Corps Study			
Parks	\$13,935	\$9,500	\$2,750
Cemetery	\$22,000	\$26,000	\$10,950
Project Management	\$65,033	\$65,100	\$66,500
Total Annual Funding	\$461,693	\$558,974	\$694,389
Street Rehabilitation	\$187,833		
Sidewalks		\$200,470	
Retaining Walls	\$140,000	\$175,410	
Storm Drains/Culverts	\$50,000	\$334,120	
Buildings & Grounds	\$284,667		
Total Projects in Bond	\$662,500	\$710,000	\$0
Total Project Funding	\$1,124,193	\$1,268,974	\$694,389
Scheduled Debt Payments	FY13	FY14	FY15
Berlin St Reconstruction	\$0	\$0	\$0
Bridges	\$44,224	\$42,378	\$35,648
Fire Station	\$45,299	\$43,453	\$41,589
Kellogg-Hubbard Library	\$43,938	\$42,378	\$40,790
Police Station	\$108,179	\$104,280	\$100,310
Retaining Walls '96	\$6,359	\$6,060	\$5,461
Retaining Walls '98	\$59,858	\$57,626	\$55,371
Main St Lighting	\$14,141	\$13,694	\$13,252
Central Vt Bike Path	\$15,320	\$14,836	\$14,356
Capital District Master Plan	\$28,573	\$0	\$0
City Hall/DPW Building Bond	\$72,374	\$70,513	\$68,632
Bridges/City Hall/DPW facilities	\$68,766	\$55,961	\$65,000
Sabins Pasture	\$0	\$0	\$0
District Heat '09	\$21,409	\$20,289	\$20,445
Retaining Walls	\$35,529	\$33,672	\$35,458
Bridges	\$25,688	\$24,346	\$24,533
Infrastructure/Equipment/Carr Lot '12	\$28,404	\$115,587	\$114,707
Infrastructure '13 - proposed		\$19,657	\$60,063
Infrastructure '17 - projected			
Total Debt Payments	\$618,061	\$664,730	\$695,615
Total Capital Plan	\$1,742,254	\$1,933,704	\$1,390,004

General Fund Equipment	FY13	FY14	FY15
DPW - Dump Truck	\$60,000	\$120,000	\$69,000
DPW - Dump Truck	\$60,000		\$105,000
DPW - Dump Truck			\$69,000
DPW - Dump Truck			
DPW - Pick Up Truck	\$10,000		
DPW - Pick Up Truck			\$24,000
DPW - Sidewalk Plow		\$125,000	
DPW - Backhoe		\$80,000	
DPW - Bucket Loader	\$65,000		
DPW - Snow Blower			
DPW - Sidewalk Roller			
DPW - Street Sweeper	\$25,000		
DPW - Grader Lease-Purchase Payment	\$38,164	\$38,164	
DPW - Chipper		\$30,000	
DPW - Trailer		\$10,000	
DPW Sub Total	\$258,164	\$323,164	\$347,000
Police - Body Armor Vests	\$3,600	\$4,200	\$4,200
Police - Other	\$3,200	\$1,800	
Police - Digital In-Car Video	\$12,000		
Police - Cruiser	\$25,500	\$23,000	\$29,000
Police - Sub Total	\$44,300	\$27,200	\$35,000
Fire - Hose Replacement			
Fire - SPO2/CO Units	\$3,200		
Fire - Replace Ambulance Chassis			
Fire/Code - Staff Car			
Fire - Automatic CPR Units	\$15,000		
Fire - Ropes-Water Safety Replacement			
Fire - Thermal Imaging Camera	\$8,000		
Fire - Multi Purpose Gas Meters			
Fire - Ambulance Lease	\$39,873	\$39,873	\$39,873
Fire - Truck Bond Payment	\$34,363	\$25,623	
Fire - Truck Bond Payment		\$16,362	\$16,237
Fire - Sub Total	\$100,436	\$81,858	\$56,110
Finance - Information Technology	\$49,534	\$49,433	\$50,000
Other	\$6,066	\$8,687	\$1,890
Parks - Misc Equipment	\$6,000	\$4,800	\$10,000
Cemetery -Misc Equipment	\$28,150	\$19,858	\$15,000
Sr. Center - Misc Equipment			
Annual TOTAL	\$492,650	\$515,000	\$515,000
Fire Truck - Bond	\$207,500		
Fire Truck - Grant	\$142,500		
TOTAL EQUIPMENT	\$842,650	\$515,000	\$515,000
TOTAL PROJECTS, EQUIPMENT & DEBT	\$2,584,904	\$2,448,704	\$1,905,004

PROJECTED TAX RATES

PROJECTED TAX RATES (97.52% Common Level of Appraisal)

	FY13 Taxes	FY13 Rate	FY14 Taxes	FY14 Rate	FY15 Taxes	FY15 Rate	Tax \$ Change	Rate Change	Pct. Change
MUNICIPAL									
City Budget	\$6,989,771	\$0.84	\$7,146,040	\$0.85	\$7,347,499	\$0.87	\$201,459	\$0.024	2.8%
Recreation Budget	\$575,230	\$0.07	\$575,230	\$0.07	\$575,230	\$0.07	\$0	\$0.000	0.0%
County Tax	\$54,447	\$0.01	\$54,447	\$0.01	\$59,288	\$0.01	\$4,841	\$0.001	8.9%
Sub Total	\$7,619,448	\$0.92	\$7,775,717	\$0.92	\$7,982,017	\$0.95	\$206,300	\$0.024	2.65%
Ballot Items	\$333,975	\$0.04	\$348,673	\$0.04	\$308,673	\$0.04	-\$40,000	-\$0.005	-11.5%
TOTAL MUNICIPAL	\$7,953,423	\$0.96	\$8,124,390	\$0.96	\$8,290,690	\$0.98	\$166,300	\$0.020	2.0%
Avg Res Tax Bill	\$2,138		\$2,152	\$14.68	\$2,196	\$44.06			
SCHOOL									
Residential	\$6,005,011	\$1.31	\$6,574,799	\$1.43	\$7,430,628	\$1.62	\$855,829	\$0.187	13.0%
Non-residential	\$4,929,730	\$1.38	\$5,095,581	\$1.45	\$5,429,746	\$1.54	\$334,165	\$0.095	6.6%
TOTAL SCHOOL	\$10,934,741		\$11,670,380		\$12,860,374		\$1,189,994		10.2%
SUB-TOTAL	\$18,888,164		\$19,794,770	\$2.40	\$21,151,064	\$2.60	\$1,356,294	\$0.206	8.6%
Water/Sewer Benefit	\$166,245	\$0.02	\$168,767	\$0.02	\$168,767	\$0.02	\$0	\$0.000	0.0%
CSO Benefit	\$581,859	\$0.07	\$590,684	\$0.07	\$590,684	\$0.07	\$0	\$0.000	0.0%
TOTAL - Res.	\$19,636,269	\$2.36	\$20,554,221	\$2.49	\$21,910,515	\$2.69	\$1,356,294	\$0.206	8.3%
Non -Res.		\$2.43		\$2.50		\$2.61		\$0.115	4.6%
Avg. Res. Value	\$223,550								
Avg Res Total Tax Bill	\$5,267		\$5,560	\$293	\$6,021	\$461	8.3%	\$754	14.3%
					One Year Change		Two Year Change		



2012 Effective Property Tax Rates

2013 Annual Report - Division of Property Valuation and Review, VT Tax Dept.

Municipality	School Residential	School Non-Residential	Municipal	Total Residential
Barre City	\$1.18	\$1.43	\$1.59	\$2.77
Barre Town	\$1.12	\$1.39	\$0.74	\$1.86
Berlin	\$1.40	\$1.36	\$0.42	\$1.82
Calais	\$1.40	\$1.36	\$0.62	\$2.01
East Montpelier	\$1.43	\$1.40	\$0.53	\$1.96
Middlesex	\$1.37	\$1.37	\$0.40	\$1.77
Moretown	\$1.56	\$1.54	\$0.23	\$1.79
Northfield	\$1.31	\$1.41	\$0.90	\$2.21
Plainfield	\$1.20	\$1.31	\$0.61	\$1.80
Waterbury	\$1.35	\$1.42	\$0.36	\$1.70
Worcester	\$1.40	\$1.41	\$0.50	\$1.90
CENTRAL VERMONT AVG.	\$1.34	\$1.40	\$0.63	\$1.96
Montpelier	\$1.30	\$1.38	\$1.04	\$2.35
Montpelier vs. Average	-\$0.03	-\$0.02	\$0.42	\$0.38
	-2.45%	-1.44%	66.53%	19.55%
Municipality	School Residential	School Non-Residential	Municipal	Total Residential
Barre City	\$1.18	\$1.43	\$1.59	\$2.77
Brattleboro	\$1.54	\$1.40	\$1.13	\$2.67
Hartford	\$1.35	\$1.47	\$0.76	\$2.11
Middlebury	\$1.54	\$1.42	\$0.77	\$2.31
Newport	\$1.23	\$1.37	\$1.07	\$2.30
Rockingham	\$1.39	\$1.42	\$0.87	\$2.26
Rutland City	\$1.28	\$1.44	\$1.21	\$2.49
Springfield	\$1.61	\$1.40	\$1.35	\$2.96
St. Albans	\$1.31	\$1.39	\$0.83	\$2.14
St. Johnsbury	\$1.22	\$1.45	\$0.69	\$1.92
Windsor	\$1.36	\$1.41	\$1.18	\$2.55
AVG. OF SIMILAR TOWNS	\$1.36	\$1.42	\$1.04	\$2.41
Montpelier	\$1.30	\$1.38	\$1.04	\$2.35
Montpelier vs. Average	-\$0.06	-\$0.04	\$0.00	-\$0.06
	-4.36%	-2.83%	0.10%	-2.29%

Estimated Property Taxes - July 1, 2014 - June 30, 2015

Using Current Grand List 2013: \$ 843,834,300

Ballot Article	Item	Funds	Tax Rate per \$100 Value	Estimated Municipal Taxes due of various property values				
				\$100,000	\$200,000	\$223,550	\$300,000	\$400,000
						Median Resident		
2	City Budget (includes Senior Citizens Ctr & Washington County Tax)	\$ 7,406,787	\$ 0.8778	\$ 878	\$ 1,756	\$ 1,962	\$ 2,633	\$ 3,511
3	School Budget -Residential Tax Rate Est. 1/26	\$ 17,374,491	\$ 1.6210	\$ 1,621	\$ 3,242	\$ 3,624	\$ 4,863	\$ 6,484
4	Recreation Department	\$ 575,230	\$ 0.0682	\$ 68	\$ 136	\$ 152	\$ 205	\$ 273
5	Mayor Compensation (included in Article 2)	\$ 3,000	-	-	-	-	-	-
6	Council Compensation (included in Article 2)	\$ 7,200	-	-	-	-	-	-
7	School Commissioners Compensation (included in Article 3)	\$ 7,300	-	-	-	-	-	-
	Subtotal City and School Articles		\$ 2.5669	\$ 2,567	\$ 5,134	\$ 5,738	\$ 7,701	\$ 10,268
12	Kellogg-Hubbard Library	\$ 308,673	\$ 0.0366	\$ 37	\$ 73	\$ 82	\$ 110	\$ 146
	Subtotal Other Agencies' Articles	\$ 308,673	\$ 0.0366	\$ 37	\$ 73	\$ 82	\$ 110	\$ 146
	TOTAL of Articles	\$ 25,665,181	\$ 2.6035	\$ 2,604	\$ 5,207	\$ 5,820	\$ 7,811	\$ 10,414
	Sewer Benefit Charge		0.02	\$ 20	\$ 40	\$ 45	\$ 60	\$ 80
	Sewer Separation Benefit Charge		0.07	\$ 70	\$ 140	\$ 156	\$ 210	\$ 280
	Estimated Total Taxes		\$ 2.6935	\$ 2,694	\$ 5,387	\$ 6,021	\$ 8,081	\$ 10,774

Note:

11 Article 11 levys a special assessment of \$.0515 per \$100 value on properties within Montpelier's Designated Downtown not used for residential purposes

City Department Reports

Public Safety & Protection Program

Montpelier Police Department

- Spike in car break-ins and burglaries
- Retirements
- New computer aided dispatch/records management system
- Reduced staff patrolling the City

Personnel:

Like so many police agencies across the country, the Montpelier Police Department was tasked with delivering quality public safety services with fewer personnel. Effective July 1, 2013, the department's strength went from 17 police officers down to 16. In order to minimize this impact on the community, the department looked to strengthen its existing partnerships and collaborations with outside agencies, and build upon the department's increased reliance on evidence and intelligence based policing. Fortunately, due to a retirement in June 2013, no police officers were laid off as a result of the FY 2014 budget.

The department's staff levels as of July 1, 2013 consisted of the following: 16 full-time police officers (chief, four sergeants, one detective, one school resource officer, and nine patrol officers --three of whom are corporals), one administrative assistant, 6.5 FTE Emergency Services Dispatchers, and one full-time and three part-time Community Service Officers (Parking Division). The men and women of the MPD are focused on the core mission of providing police and public safety services to the citizens and visitors of Montpelier. In order to meet today's law enforcement challenges, the department will continue to seek and retain the right personnel--those who are qualified and motivated to be here at MPD. The MPD is committed to providing its officers and dispatchers with the necessary training and tools required to meet the present and future public safety needs of the City.

Retirements:

2013 also marked the loss of over 75 years of combined experience with the retirements of Senior Dispatcher Cheryl Goslant and Corporal Mark Moody.

CPL Moody started with the MPD in March 1979 and retired on June 30, 2013. During CPL Moody's career, he worked a

variety of assignments which included supervisory work. In 1983, Mark received the Purple Heart after being shot multiple times during a hostage situation in the City. CPL Moody's most significant contribution to the MPD was the role he helped to create and develop--the department's first School Resource Officer position.

Senior Dispatcher Cheryl Goslant began her police career in Montpelier on May 5, 1980 and retired on November 1, 2013. Cheryl worked as a patrol officer for many years, eventually working her way up to detective. Detective Goslant retired from the enforcement side of the house in 2003, and transitioned into communications where she ultimately retired as a Senior Dispatcher in the Emergency Communications center, commonly referred to as Dispatch.

As police chief, I wish to formally thank these two outstanding professionals for their decades of service to the citizens of Montpelier, and for their lasting contributions on the Montpelier Police Department.

Patrol:

The department provides 24 hour police and communications services seven days a week. For safety reasons, there is a minimum of two police officers on duty during any given shift. In 2013, the department adopted a change in scheduling that has officers working four-ten hour shifts per week. This change enables the department to have critical shift overlaps during peak times and reduce the amount of overtime used when officers are on leave. With the reduction of one officer in FY 14, it is anticipated that there will be an increase in overtime due to the service demands and expectations for policing a capital city. The police department averaged over 10,400 calls for service in 2013.

The department has still been able to maintain one full-time bike patrol officer given the current staffing level. It is important to note that all uniformed officers handle a full-spectrum of law enforcement services ranging from traffic safety to crisis response.

The MPD K-9 team continues to serve as an integral tool for supporting both patrol duties as well as criminal investigations. In 2012, the team (CPL Kevin Moulton and K-9 Jake) had considerable success with illegal narcotics seizures and finding criminal suspects. For 2013, the team was credited with saving two lives in Montpelier. In the late spring, with prime hypothermic conditions, the MPD K-9 team was called out to assist MPD officers with the search for an autistic child that went missing in a wooded area in Montpelier. Jake was able to locate the child just after dark, after being on scene for only a short period of time. Jake's second life-saving rescue in 2013 involved a call-out after the department received a 911 call of a despondent individual and officers were unable to locate the subject at

the residence. Jake located the person, unclothed and unconscious in a wooded area--allowing for MPD and MFD to transport the patient to appropriate medical care.

CPL Moody's replacement as MPD's new School Resource Officer (SRO) was CPL Matt Knisley. CPL Knisley shadowed Mark in his final semester working in the Montpelier Public School System. CPL Knisley brings a unique perspective and experience base to the SRO position since he is one of department's hostage/crisis negotiators, defensive tactics instructors, and he is a child sexual assault and abuse investigator.

Investigations:

The majority of criminal investigations are handled by patrol personnel, depending on the type of investigation and the training and experience of the case officer. For example, many of our officers have specialized training in areas such as death investigation, financial crime, child sexual abuse, and narcotics. In 2012, Montpelier experienced an unexplained spike in reported sexual assault cases (30 investigations), most of which involved child victims. Because of those crimes, and the demands of other complex investigations, the department had to assign an additional detective to handle the caseload. For 2013, the number of reported sex crimes was cut in half.

Officers and agents from MPD, Barre City PD (BCPD), Vermont State Police (VSP) Drug Enforcement Administration (DEA), Bureau of Alcohol Tobacco and Firearms (ATF), the U.S. Marshal's Service, the Vermont Drug Task Force, and other area departments continue to work collectively to counter the rising crime trends--intensified by the drug addiction problem in Vermont. The prevalence of illegal firearms with the drug trade in this region is of paramount concern to our officers, and ultimately the community.

In 2013, Montpelier along with other communities in the region experienced a dramatic rise in burglaries and thefts from motor vehicles. In September 2013, the department was successful in making several arrests related to many of these crimes. MPD officers were able to assist other departments from as far away as Burlington as a result of the local arrests and by sharing intelligence.

Another important function of police investigations is criminal intelligence and analysis. The department has come a long way with improving the robustness of our intelligence and analysis thanks to the cooperation of our colleagues at the local, state, and federal levels. The department has also worked with Norwich University, which has supported law enforcement at various levels and in multiple states with its qualified staff expertise in digital forensics. Public/private cooperative ventures with vetted partners further serves as a force multiplier for the department--especially during fiscally challenging times such as these.

The department has been actively involved with the organization and support of the Washington County Special Investigative Unit (SIU). Per state statute (Brook Bennett legislation), each county needed to have an SIU, coordinated by the State's Attorney's Office. Central to Washington County's SIU is OUR House, an advocacy and support organization for the protection of children and the investigation of child sexual and other serious abuse. MPD, BCPD, VSP, Washington County State's Attorney's Office (WCSA), Vermont Department of Children and Families (DCF), and OUR House have taken lead roles in the SIU. The SIU is one part of a multi-disciplinary team (MDT) that also includes advocates from the SA's office, medical community, mental health community, Circle (formerly Battered Women's Services), the sexual assault crisis team (SACT), and OUR House.

Valcour:

On May 1, 2013, the department adopted a new records management system (RMS) that is integrated with our computer aided dispatch (CAD). The new RMS system is called Valcour (named after the island in Lake Champlain) and it was the brainchild of Burlington Police Chief Michael Schirling and developed by Crosswind Technologies out of Felton, CA. Valcour is the primary RMS system for most of the major departments in Chittenden County, St. Albans PD, Lamoille County and Windham County Sheriff's Departments, and now MPD. Valcour replaces MPD's first RMS/CAD system known as Crime Track which has served the department well since 1991.

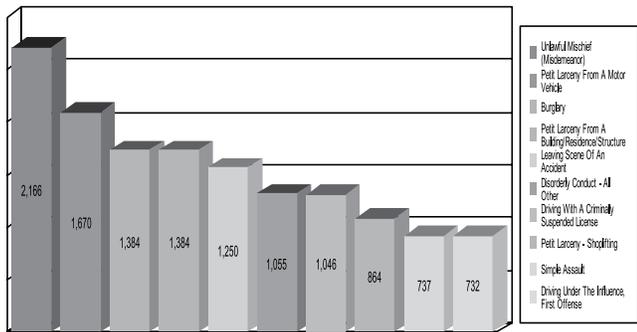
The advantages to Valcour are many. Valcour is controlled by the departments that use the system here in Vermont in a way that is similar to a coop. It is an incredibly effective system that provides for greater information sharing, reporting, and it provides a robust paperless case management system that has redundant security and data storage capability--all for a lower annual cost when compared to MPD's old system and the VT Department of Public Safety's operated Spillman system.

Here is the Valcour Offense Report for Montpelier from May 1, 2013 to December 31, 2013:

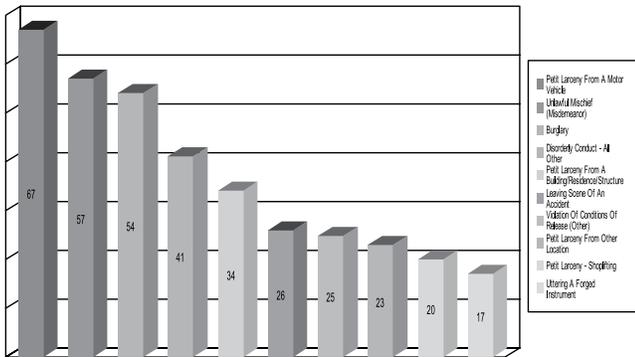
(Note: the MPD's statistics are on the second graph, the top graph represents the top 10 offenses for all the Valcour agencies in Vermont.)

Offense Summary Report

Top 10 Overall for selected ORI(s)



Top 10 Offenses for this Report



From: 05/01/2013 To: 12/31/2013

ORI: VT0120200	Montpelier Police	Count	% of Total Offenses
Petit Larceny From A Motor Vehicle		67	11.06%
Unlawful Mischief (Misdemeanor)		57	9.41%
Burglary		54	8.91%
Disorderly Conduct - All Other	4	1	6.77%
Petit Larceny From A Building/Residence/Structure		34	5.61%
Leaving Scene Of An Accident		26	4.29%
Violation Of Conditions Of Release (Other)		25	4.13%
Petit Larceny From Other Location		23	3.80%
Petit Larceny - Shoplifting		20	3.30%
Uttering A Forged Instrument		17	2.81%
Driving Under The Influence, First Offense		15	2.48%
Unlawful Trespass (Misdemeanor)		15	2.48%
Simple Assault		14	2.31%

Bad Checks	13	2.15%
Driving With A Criminally Suspended License	13	2.15%
False Pretenses	10	1.65%
Grand Larceny	10	1.65%
Drugs - Marijuana, Possession Or Cultivation -Misdemeanor	9	1.49%
Identity Theft	9	1.49%
Violation Of Conditions Of Release (Travel, Curfew, Or Contact)	8	1.32%
Disorderly Conduct By Phone Or Electronic Communication	7	1.16%
Domestic Assault	7	1.16%
Petit Larceny Other	6	0.99%
Theft Of Services (Misdemeanor)	6	0.99%
Violation Of An Abuse Prevention Order	6	0.99%
Driving Under The Influence; Second And Subsequent Offense	5	0.83%
Operation Without Consent	5	0.83%
Driving Under The Influence; Criminal Refusal	4	0.66%
Negligent Operation	4	0.66%
Credit Card/ATM Fraud	3	0.50%
Cruelty To Animals (Misdemeanor)	3	0.50%
Drugs - Depressant, Stimulant, And Narcotic Possession Misdemeanor	3	0.50%
Drugs - Obtaining Via Fraud Or Deceit	3	0.50%
False Personation	3	0.50%
Fugitive From Justice (Arrest Prior To Requisition)	3	0.50%
Unlawful Mischief (Felony)	3	0.50%
Wire Fraud	3	0.50%
Aggravated Assault	2	0.33%
Assault On A Law Enforcement Officer (Misdemeanor)	2	0.33%
Domestic Assault - 1st Degree Aggravated	2	0.33%
Forgery/Counterfeit	2	0.33%
Liquor Sale Or Furnishing To Minors, Enabling Consumption By Minors - Misdemeanor	2	0.33%

Minors Misrepresenting Age Or Procuring/Possession Liquor 2nd Offense Only	2	0.33%
Operation Without Consent - Aggravated	2	0.33%
Removing, Aid Or Abet In Removal, Of Merchandise Without Paying	2	0.33%
Resisting Arrest	2	0.33%
Stolen Property Receiving (Possession Of) Stolen Property (Misdemeanor)	2	0.33%
Telecommunications Fraud (Misdemeanor)	2	0.33%
Aiding Runaway Juvenile	1	0.17%
Assault And Robbery	1	0.17%
Counterfeiting	1	0.17%
Cruelty To Children Under 10 By One Over 16	1	0.17%
Disarming A Law Enforcement Officer	1	0.17%
Domestic Assault - 2nd Degree Aggravated	1	0.17%
Drugs - Cocaine, Possession Misdemeanor	1	0.17%
Drugs - Depressant, Stimulant, And Narcotic - Sale	1	0.17%
Drugs - Ecstasy Possession - 2+ Grams	1	0.17%
Drugs - Heroin, Possession 200+ Milligrams	1	0.17%
Eluding A Police Officer - Misdemeanor	1	0.17%
Eluding A Police Officer While Operating In Grossly Negligent Manner - Felony	1	0.17%
False Information To A Police Officer	1	0.17%
False Swearing On Oath	1	0.17%
Hindering Arrest	1	0.17%
Home Improvement Fraud	1	0.17%
Lewd And Lascivious Conduct With A Child	1	0.17%
Liquor Sale Or Furnishing To Minors, Enabling Consumption By Minors - Felony	1	0.17%
Pocket-Picking	1	0.17%
Reckless Endangerment	1	0.17%
Sexual Assault	1	0.17%
Stalking	1	0.17%
Stolen Property Receiving (Possession Of) Stolen Property (Felony)	1	0.17%

Subornation Of Perjury	1	0.17%
Unlawful Restraint - 1st Degree	1	0.17%
Unlawful Trespass (Felony)	1	0.17%
Vandalism Damage To Grave Markers And Ornaments	1	0.17%
Voyeurism	1	0.17%
Weapons Possession Of A Dangerous Weapon At School, On Bus, Building Or Property , First Offense	1	0.17%
Welfare Fraud	1	0.17%

Total Offenses: 606

Facebook:

The other significant technology change for MPD in 2013 was the launch of the department’s Facebook page. MPD’s Facebook page reflects a contemporary approach to adding another way to communicate effectively with the community. The maintenance of the page is carried out by a small team of officers, overseen by a sergeant in order to keep the page fresh without relying on one individual. This is also just one more way the department can keep the public informed with emergency and public safety information.

Training:

Training is a critical aspect of modern policing. It is imperative that officers stay current in criminal law, juvenile law, liability issues related to policing, evidence (collection and maintenance), technology, weapons and tactics, interacting with vulnerable populations, first aid/CPR, emergency vehicle operation, critical incident management, ethics, and training on departmental policies. For the last six years, the department has instituted rigorous training requirements for all officers in high-risk areas such as use of force, mental health/crisis intervention training, legal training, and vehicle operation. This is part of the department’s risk management approach to training which focuses on high-risk –low frequency incidents. The goal here is to train our officers better which helps to maintain our culture of excellence, improve our policing capacity, keeps both the officers and citizens safer, while minimizing the City’s liability risks. These efforts have gained the positive attention of the Vermont League of Cities and Towns (VLCT), our federal partners, and our local law enforcement peers with whom we have shared some of this training with. The department does as much training internally as it can, utilizing “in house” academy certified instructors when possible. However, it is common for our officers to travel around the state or even out of state to attend certain trainings, all of which adds to the cost.

Therefore we are careful in our selection of classes and assessing officer and departmental needs.

MPD officers going through CPR recertification



MPD officers at range during firearms training.



Communications (Dispatch):

The MPD Dispatch is a regional dispatch center that has two contracts, one with the Capital Police (State House), and the other with Capital Fire Mutual Aid (Capital West) which is an organization representing fire and emergency medical services covering 19 communities. The two contracts for FY 14 totaled \$174,702 in revenue. The following Vermont communities are served by the MPD Dispatch:

Montpelier, E. Montpelier, Berlin, Northfield, Roxbury, Plainfield, Cabot, Marshfield, Worcester, Middlesex, Walden, Waterbury, Duxbury, Moretown, Bolton, Waitsfield, Fayston, Calais, and Woodbury.

The department’s dispatch handles approximately 20,000 incidents per year. The dispatchers are quite frequently a citizen’s first point of contact with public safety services, but they also field general questions as well, including after-hours calls for

department of public works or simple questions such as “what time does the parade start?” Because anything can happen, either in the lobby of the station or on the other end of the phone, MPD dispatchers receive training in interacting with individuals experiencing a mental health crisis (MPD was the first PD in the state to require this police level training for dispatchers), critical incident dispatching, and all maintain CPR/first aid certifications. The dispatchers and officers must go through annual National Crime Information Center (NCIC) trainings and certifications, which is required by both the state (VCIC) and the FBI. Additionally, there are environmental standards for the dispatch center itself, which must be in compliance with federal regulations (computer use security policies, computer encryption, security screens on monitors, approved network diagrams and firewalls, etc.).

In addition to the community support and public safety mission of dispatch, they also provide clerical support to both police and parking division functions of the department. They also monitor the security cameras located in City Hall and the police station.

In 2013, the department hired three new talented individuals to the MPD Dispatch team: Dispatchers Carrie McCool, Sandra Swenson, and Michael Armantrout.

Dispatchers are the lifeline for our citizens and for our police officers.

Parking Division:

Parking enforcement is primarily accomplished utilizing one full-time and three part-time Community Service Officers (CSOs). One of the CSO’s duties is parking meter maintenance (we have over 400 meters around town) and the maintenance of five permit vending machines. Police officers also issue parking tickets and they are the ones tasked with winter ban parking enforcement and applying the “boot” onto vehicles when owners have past due parking violations. Dispatch has parking duties as well which include updating late notices, and data entry utilizing parking specific computer applications. Certain sergeants are assigned duties related to supervision and direction of parking enforcement personnel. Because both police and dispatchers are so involved with both enforcement and the administration of the parking division, a percentage of general fund expenditures for police and communications are offset by the parking fund.

In 2013, the Montpelier City Council had established a new Parking Committee. This committee, chaired by Brian Cain, has played a critical role in guiding city staff by looking at the parking issues through the lenses of residents, businesses, state employees, public transportation, and public safety. Thanks to the hard work and focus of this committee, tangible solutions were achieved. Some of those accomplishments include

expanded public parking areas during the winter ban, dedicated bus parking during the foliage season, better signage, the approval of new parking rates which will result in over \$200,000 of new revenue for the parking fund, and a survey that provided solid feedback from the citizens and workers of Montpelier.

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.

Anthony J. Facos, Chief of Police

Fire and Emergency Services

Committed to Professional Excellence

The members of the Fire and Emergency Services Department work to make a difference in our community. We strive for the safest city by ensuring building safety; continuing community fire prevention education; and responding effectively to emergencies as they occur.

When fire prevention fails, an immediate response by well trained and well equipped Firefighters/EMTs limits harm and damage. In Montpelier, our department's direct response has been decisive in keeping a number of small fires from extending into much larger incidents.

The mission of the Montpelier Fire and Emergency Services Department is to save lives, protect property and preserve the tax base in Montpelier at a reasonable and acceptable cost to the taxpayer. We achieve our mission by managing the following departments: Fire and EMS; Building and Health; and Emergency Management.

Fire

Our fire safety message is simple: we accomplish a safe city through a joint effort of residents and the department. Fires can occur at any time through human error or mechanical breakdown.

We strive to avoid death, injuries and catastrophic structure fires through alarm systems, good building code compliance, and properly installed and maintained sprinkler systems which provide the most effective protection.

Emergency Medical Service

The department also provides ambulance service to the community. While there are always acute emergencies, emergency medical care also involves dealing with ongoing health issues. This service allows people to live a better quality of life.

Emergency Management

When a crisis occurs like severe weather events or safety incidents, the Fire Chief coordinates the citywide Emergency Management Team. Emergency Management helps the City of Montpelier prepare for major incidents and reduces potential risks as well as coordinating the response efforts when an incident occurs.

Our Mission Statement

The Mission of the Montpelier Fire and Emergency Services Department is the preservation of the Life, Health, Property, and the Environment for its residents and businesses at a reasonable and acceptable cost. We value the faith and trust of the Community and will continually work to deserve that confidence through our Conduct and Accomplishments.

The Montpelier Fire and Emergency Services Department shall develop expertise through innovation and progressive thinking to address change effectively and efficiently while providing fire suppression, fire prevention, building inspections, hazardous materials response, natural disaster response, multi-environmental rescues, public safety awareness programs, emergency medical care, transportation of the sick and injured, and emergency medical public education.

Commanded by the Fire Chief, this department shall be comprised of sufficient personnel and properly equipped to safely accomplish this mission. The Montpelier Fire and Emergency Services Department shall be augmented by a Mutual Aid Assistance Agreement with surrounding communities with the common goal of saving lives and protection of property. The Montpelier Fire and Emergency Services Department members shall be physically, mentally, and technologically prepared to meet the Mission requirements and shall maintain this level of readiness through a standardized training program while continually encouraging themselves to improve personally, and professionally.

2013 Department Summary

Fire And Emergency Operations

The department provides the city with both Fire and Ambulance service. Personnel are dual-trained as Firefighters and as Emergency Medical Technicians. Our 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.

Montpelier collects additional ambulance service revenue through three contracts with surrounding towns. Ambulance service revenues and contracts provide over 25% of the department budget.

The department operates the Fire Station on Main Street, a training area located at the City Stump Dump, two pumper trucks, one tower truck, two ambulances, and two utility vehicles. Maintenance of the facilities and vehicles is top priority of the department.

The department actively participates in the mutual aid systems in our region. Partaking in the mutual aid system allows us to operate without the expense of maintaining reserve equipment and personnel. All major fire or rescue incidents require assistance from our neighbors. In 2013 we received fire or ambulance mutual aid 36 times and provided it 54 times.

Number of Responses in 2013

FIRE EMERGENCY RESPONSES

Type of Alarm Responded to:

Structure Fires/Alarms	183
Vehicle Fires	8
Other Fires.....	20
Power Lines.....	21
Vehicle Accidents (Initial Fire Response).....	60
Other Rescues.....	16
Flooding, Water Problem.....	8
Collapse, Structural Problem.....	1
CO Alarm Activation	29
Electrical Problems.....	5
Odor/Smoke Investigation.....	36
Leak/Hazmat.....	28
Fire Alarm Problems	13
Other Emergency / Personal Assist	98
EMS Emergency Response	1050

NON EMERGENCY RESPONSES FOR SERVICE

Type of Service Requested

Burn Permits	68
Service Calls/Other Non Emergency.....	54
Ambulance Non Emergency Transfer	419
Total	2102

Health Officer

The Fire Chief serves as the Health Officer. As Health Officer, the Fire Chief responds to complaints and proactively acts to protect the community from public health threats. Areas of regular activities include rental housing, rabies and animal bites, garbage control and rats, mold complaints, lead abatement issues, carbon monoxide and smoke complaints, water supplies, septic tanks, and restaurant inspections. The Health Officer works under the authority of the Vermont Department of Health.

Emergency Management

The Fire Chief, Police Chief and Public Works Director are Montpelier’s Emergency Management Team. The City Manager provides direction to the team while the Fire Chief coordinates the emergency management. The Emergency Management Team ensures that the city is prepared for serious incidents. The primary areas of concern are:

1. Evaluating the risks to the city and ensuring that city plans are kept updated.
2. Maintaining the Emergency Operations Center (EOC).
3. Verifying that personnel have necessary training and certifications.
4. Monitoring conditions in the city as needed.
5. Drills to practice plans.
6. Reviewing mitigation efforts in the city.

In 2013, monitoring river and weather conditions remained a high priority. The monitoring of river gauges provided much needed information; especially concerning possible ice jam flooding situations. Major weather events forced the emergency management team to declare an emergency and open an Emergency Operations Center once in 2013.

Contact Information

Emergencies: Dial 9-1-1
 Health officer:229-4913
 Other fire/ambulance business:.....229-4913

Robert A. Gowans, *Fire Chief*
 Department: 229-4913
 Cell: 371-9633
 rgowans@montpelier-vt.org

Building Inspector

The Building Inspector's office is located in the Planning and Development office. Chris Lumbra has been the Assistant Building Inspector since December of 2012. The Building Inspector has two primary tasks: 1) reviewing plans and providing support for construction projects in the city, and 2) inspecting current buildings. Reviewing and inspecting construction projects in the city ensures that work is performed in compliance with the Building and Life Safety codes adopted by the city and the State of Vermont. Since 2007 the department has been responsible for virtually all construction in the city. Significant permit and inspection fees which had been paid to the State are now collected by Montpelier. The building permit system allows us to deliver this service. Most construction, except for minor repairs or routine maintenance, requires a building permit. In 2013, 240 building permits were processed and inspections were performed as needed to support those efforts. Building permits are valid for one year from the issue date. If construction is ongoing, permits can be renewed. If permits are renewed before the expiration date there is no additional fee. Existing buildings, especially residential rental units, are inspected to ensure proper maintenance and operation. Buildings are inspected primarily on receipt of a complaint, although there are limited inspections on a scheduled basis. Complaints are given a higher priority while scheduled inspections are conducted as resources are available. The intent of the existing building inspections is to ensure safe and healthy conditions.

Transportation & Public Utilities

Public Works Department

The Department of Public Works consists of eight divisions: Streets, Water & Sewer, Water Treatment, Wastewater Treatment, Equipment, Building Maintenance, District Heat and Administration. Our on-going responsibilities are to repair and maintain all City streets and sidewalks, bridges, guardrails, retaining walls, storm drains, water and sewer mains and appurtenances, pump stations and storage tanks. New this year is the operation and maintenance of the newly completed District Heat system, which will entail spring and fall conversion from the State of Vermont central heat plant to our own City Hall boilers, and annual valve operations and flushing of the system. 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 all City equipment to the highest standards. Our Adminis-

trative division at City Hall provides technical assistance to our own divisions, other City Departments, property owners, consultants and local boards, issues permits for homeowner projects, manages street lighting and traffic control operations, and manages all street, water, storm and sewer projects identified in the annual Capital Projects Maintenance Plan, as well as overseeing the building maintenance at City Hall.

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. With the increase in capital funding, we continue to make improvements to the overall conditions of the streets. We still use our own crews to prepare streets for rehabilitation, including subsurface drainage, sidewalk removal, utility structure rehabilitation and catch basin repair, so it is crucial to maintain our crew size to perform this work. We were able to complete paving projects on Woodcrest Drive, a portion of Berlin Street, North Park Drive, a portion of Marvin Street, a portion of College Street, Monsignor Crosby Ave, Dunpatrick Circle and a segment of the bike path from the Liquor Control building to Bailey Avenue. We also completed significant sections of sidewalk repairs on Liberty Street and Hubbard Street in desperate need of replacement. The office was very busy this year with a substantial amount of oversight and project management of numerous summer projects such as paving, sidewalks and the District Heat project. We are currently preparing for the paving projects for this year, slope stability/ retaining wall work and the River Street sewer replacement project. We will also be finishing the Barre Street culvert project and the District Heat project

The Streets Division dealt with another winter season with less than average snowfall amounts, but higher freezing rain and ice events that kept the crew busy making the roads safe for the traveling public. The street division is continually tasked with ensuring that the roads and sidewalks are safe and passable while trying to keep overtime and salt usage to a minimum. This year computerized spreader controllers were installed on our large trucks and monitored the salt usage to provide the operators with the tools necessary to keep salt use down. During construction months the crews perform the normal maintenance functions, such as pavement markings, street sweeping, catch basin repairs and was more actively involved with pavement preparation such as storm drain replacement, sub-base replacement and final clean-up to stretch our Capital Improvement funds as far as we could. In the coming year, we will begin to perform additional catch basin inspections and cleanings with the new street sweeper and catch basin cleaner.

The Water & Sewer Division continued with their numerous routine and on-going maintenance tasks, such as sanitary and storm sewer cleaning, inspecting and maintaining sewer pump

stations, maintenance and repair of water meters, and annual water system flushing. This year, a member of the division was assisting with the inspection and oversight of the District Heat project to ensure there were no conflicts with existing utilities. This has been a normal task during major construction projects and has proven to be very useful. The crew is also tasked with providing customer service regarding water distribution and sewer collection, repair of water leaks and sewer breaks with aging systems throughout the City, thawing and repairing hydrants and removing snow to keep them accessible.

The Equipment Division continues to achieve excellence in repair and maintenance of the City's fleet and equipment, including vehicles owned by the Public Works, Police, Fire, Green Mount Cemetery, Parks, Recreation and School Departments. The condition, reliability and age of the fleet are a testament to these employees and their ability to keep our fleet operational. The mechanics also perform much needed assistance to the Wastewater Treatment plant staff with welding, pump and motor repair and other tasks to supplement their needs with the staff reduction in that division. The division utilizes a stock records clerk to input repairs and maintenance to establish preventative maintenance schedules for all of the City fleet, and with the two mechanics and supervisor, are able to keep the fleet in good running order. The Division is also responsible for the buildings and grounds at the DPW facility on Dog River Road, and provides fuel to both City and other local government customers. This division has also implemented the Manager Plus program to expand facilities management and work order tracking to the Streets and Water/ Sewer divisions, the Wastewater Treatment Plant and has begun to apply the program to the Water Treatment Plant to provide scheduled maintenance task notification, work order implementation and inventory tracking. This has proven to be a time consuming venture which has produced many positive results.

The Wastewater Treatment Facility is continuing the daily tasks of treating the almost 2 million gallon per day wastewater flows to meet the maximum limits set by the water quality standards for Lake Champlain. Daily operations include septage and leachate receiving, laboratory work, sludge pressing, de-watering, State reporting, and equipment, facility and grounds maintenance. We have hired a consultant to perform a preliminary review of the facility and to obtain cost estimates on what upgrades must be performed to meet the upcoming Total Maximum Daily Load (TMDL) for phosphorous for the facility.

The Water Treatment Facility continues to provide high-quality drinking water to its customers. The employees continuously monitor water quality through laboratory analysis, use trends, and source protection inspections. The staff is continually performing preventative maintenance to the process equipment to extend the life of each piece. This Division also

fulfills State reporting requirements, prepares the Consumer Confidence Report every spring, and performs facility and grounds maintenance. With the recent changes of the Use of Public Waters rules allowing recreational use of the pond, our crews have continued to update and use our source protection plan to safeguard our water source against potential pollutants that could affect the quality of the drinking water. On several occasions, we have had to ask for enforcement assistance to remove offenders from City property, which has been legally posted for the last few years.

The Building Maintenance person has been very involved with the upgrades that have occurred at City Hall and provides building maintenance to the Police station as well. There is still a great deal of work to perform that will involve our own forces as well as the use of contractors to continue to perform the normal day to day cleaning and maintenance for the buildings.

We have begun operational and maintenance responsibilities for the Montpelier District heat system, which has been running a "mini-system" for this heating season. When the entire system is up and running, we will have a more complete idea of the actual time allocation necessary to run the heating system, but as of now, we don't expect a great deal of additional work. Annual valve operation and transitional work between seasons will be the major endeavors after the system is fully functional. Currently, we are using our City Hall boilers to feed the system, which has been a bit of a challenge with the age and capacity of the existing boilers.

We would like to thank and wish well, Douglas Hull who has retired after 37 years of service to the City, and Steven Durgin, who retired from the Streets Division after 14 years.

We are very fortunate in having a great group of dedicated employees working for the Public Works Department, who provided exemplary customer service. The personnel of this department respond to snow storms, water and sewer breaks, treatment plant alarms, natural disasters, building alarms, provide mapping and engineering guidance and more for the residents and customers of the City of Montpelier. I am very proud and fortunate to work with such a remarkable group of people. The level of service provided is amazing, given the small size of the department.

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

Todd C. Law, PE, *Director*

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.

Raw water is transmitted via pipeline to the Water Filtration Facility for reduction or elimination of possible contaminants. The Water Treatment Plant was completed in fiscal year 2001.

User fees fund the Water Division. Water Division 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 (includes some Town of Berlin users) 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. The current quarterly rates are as follows: \$7.73 per 1,000 for the first 50,000 gallons, \$8.21 per 1,000 for the next 200,000 gallons, \$13.32 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 \$37.50.

Annual water usage decreased more than 10 percent over the last six years. This conservation of water use by the city residents and businesses is producing shortfalls in revenue for the Water Fund. The City Council's Water and Sewer Rate Committee is working on restructuring the water and sewer rates to establish an adequate and equitable billing system for customers using a logical methodology in the calculation of the proposed rates' components. Customers will be billed for non-variable costs using their assigned Equivalent Residential Use (ERU). Meter readings will establish actual usage amounts that will be the basis for billing for variable costs. The new rate structure may be effective as early as July 1, 2014, following public outreach. We welcome citizen comments in the rate restructuring process.

From 2005-2010 the Water Fund accumulated a deficit due to high fixed costs (debt) and a reduction in billable usage due to conservation. In the 2011, 2012 and 2013 fiscal years, the Water Fund reduced the prior years' deficit by a total of \$194,000.

The Water Fund's proposed fiscal year 2015 budget can be found online at: <http://www.montpelier-vt.org>. For budget questions, please contact the Finance Department at 223-9520. If you have a concern or question about your quarterly water bill, please contact the City Clerk's Office at 223-9500 Option 2.

SANDRA J. GALLUP, *Finance Director*

Sewer Fund

The primary responsibility of the Department of Public Works – Sewer Division is to collect and treat sewage from the City of Montpelier and part of the Town of Berlin. A combination of user fees and sewer benefit charges 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.

In the coming years, the Department of Public Works will focus on meeting our mandated stormwater management obligations. The FY15 proposed budget adds an employee position to provide additional operations and maintenance of the Combined Sewer Overflow (CSO) to include the stormwater maintenance component of the wastewater discharge permit.

The Montpelier City Council, sitting as the Water & Sewer Commissioners, determines sewer rates. Sewer rates are reviewed annually in the spring. Quarterly sewer rates are as follows: \$8.72 per 1,000 gallons of water used and a fixed charge for all accounts for meter reading, billing and other administrative service costs of \$31.25. Utility rates may be adjusted annually due to increases in maintenance, chemical, fuel, electricity costs and debt payment. New stormwater management requirements also add operating costs in the Sewer Fund. The City Council's Water and Sewer Rate Committee is working on restructuring water and sewer rates to establish an adequate and equitable billing system for customers using a logical methodology in the calculation of the proposed rates' components. Customers will be billed for non-variable costs using their assigned Equivalent Residential Use (ERU). Meter readings will establish actual usage amounts that will be the basis for billing for variable costs. The new rate structure may be effective July 1, 2014, following public outreach. We welcome citizen comments in the rate restructuring process.

A sewer benefit charge of \$.02 per \$100 of property value is dedicated to the repayment of bonded indebtedness. A sewer separation benefit charge of \$.07 per \$100 of property value is dedicated to pay off debt and project costs associated with the Combined Sewer Overflow (CSO) separations. The objective of these projects is to divert storm water from going into sanitary sewer lines reducing a major source of potential pollution for our city's waterways. These sewer benefit charges are expected to remain the same for FY15 which begins July 1, 2014.

Information about the proposed FY15 Sewer Department budget can be found online at: <http://www.montpelier-vt.org>. For budget questions, please contact the Finance Department at 223-9520. If you have a concern or question about your quarterly sewer bill, please contact the City Clerk's Office at 223-9500, Option 2.

SANDRA J. GALLUP, *Finance Director*

District Heat Fund

In partnership with the State of Vermont, District Heat Montpelier provides local renewable energy to downtown Montpelier. The construction of the distribution system is to be completed in FY14 and a mini-system will run using City Hall's boilers for the 2013-2014 heating season. A priority in FY15 will be to successfully startup the complete District Heat Montpelier system being heated from the State's biomass boilers for commercial operation by the October 1, 2014 date.

Municipal Development Program

Planning and Community Development Department

Mission: *To serve the community by facilitating the creation and preservation of a healthy, safe, sustainable, 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 enhance 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 whole community in planning for growth and change;
- To provide information and service to the public; and
- To be accountable to our citizens.

These goals are addressed by Montpelier's Planning, Zoning, Building Inspection, and Community Development programs. The planning and building inspection functions, which include land use regulation, historic preservation, and floodplain management, are managed by the Director, the Planning and

Zoning Administrator, the Planning Assistant, and the Building Inspector. The Fire Chief provides backup support to the Building Inspector.

The housing, loan, and economic development activities are carried out through our role as the Community Development Agency (CDA) for the City of Montpelier. Staff in the department who are dedicated to this role include the Community Development Specialist and at least half of the Director of Planning and Community Development's time and effort. Two VISTA volunteers also support these efforts around community engagement and providing information and service to the public.

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 residents and departments within and outside of City Hall.

2014 will see some staffing change in the department. Currently the position of Director of Planning and Community Development is vacant. A search is underway and we hope to fill this position in the spring. Additionally, in conjunction with the Planning Commission, the City is in the process of recruiting for a land use consultant who can work directly with the Planning Commission to update the City's zoning ordinance.

Planning

Planning Commission:

<u>Members</u>	<u>Effective</u>	<u>Expires</u>
Kim Cheney, Chair	8/22/12	8/25/14
Jon Anderson, Vice Chair	10/09/13	10/09/15
Alan Goldman	8/22/12	8/25/14
Eileen Simpson	8/22/12	8/25/14
Jesse Moorman	8/22/12	8/25/14
John Bloch	4/10/13	3/25/15
Tina Ruth	10/09/13	10/09/15
Thomas Nowlan, Youth Member	10/09/13	10/09/14

Zoning Revision: Since the Master Plan was adopted in 2010, the task of the Planning Commission has been to revise the City's zoning ordinance so that it conforms to the new plan. This is required by state law, and makes the land use controls we have in place enforceable in court. These efforts continued in 2013. Staff has prepared revised zoning maps in anticipation of the new ordinance. The maps are built on the neighborhoods in the city, to prepare zoning that reflects a sense of place for areas with similar functions, uses, and built form. The maps and all of the draft ordinance work can be found on the city web site at:

<http://www.montpelier-vt.org/page/462/Work-in-Progress-Draft-and-Sample-Zoning.html>

Floodplain Management – Community Rating System (CRS): The Planning & Zoning Assistant serves as the Floodplain Manager and CRS Coordinator.

The City of Montpelier participates in the National Flood Insurance Program (NFIP), and as a participating community, the City is committed to the following minimum NFIP activities:

- Issuing or denying floodplain development permits.
- Inspecting all development to assure compliance with the local floodplain ordinance.
- Maintaining records of floodplain development.
- Assisting in the preparation and revision of floodplain maps.
- Helping and assisting residents obtain information on flood hazards, floodplain map data, and flood insurance and proper construction measures.

Additionally, the City of Montpelier participates in, the NFIP's Community Rating System (CRS). CRS is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements. As a result, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community actions meeting the three goals of the CRS: (1) reduce flood losses; (2) facilitate accurate insurance rating; and (3) promote the awareness of flood insurance.

For CRS participating communities, flood insurance premium rates are discounted in increments of 5% (a Class 1 community would receive a 45% discount, while a Class 9 community would receive a 5% discount.) The City of Montpelier is one of three communities in Vermont – including Bennington and Brattleboro – that participate in the CRS program. The City of Montpelier is currently a Class 9 community and we receive an insurance premium discount of 5%. The CRS classes for local communities are based on 18 creditable activities, organized under four categories:

- Public information,
- Mapping and Regulations,
- Flood Damage Reduction, and
- Flood Preparedness.

On November 13th, 2013 we received the verification report that recommends Montpelier remain classified as a CRS Class 9 community. Our continued participation in the Community Rating System reflects our commitment to a sound floodplain management program for the benefit of the City of Montpelier and its residents. Higher regulatory standards, open space protection, and green infrastructure are examples of CRS activities that could qualify the City of Montpelier as a Class 8 community (with a 10% reduction on flood insurance policies.)

The updated Flood Insurance Study (FIS) was effective March 19, 2013. This study updates previous Flood Insurance Rate Maps (FIRM.) The FIRM panels have been computer-generated and the digital files containing flood hazard data for the entire county have been provided to the City of Montpelier for floodplain management purposes. As a result of the undated FIRM all of the Letters of Map Amendment (LOMA) that had been issued to properties in the City had to be revalidated. Not all previously issued LOMAs are still valid. To check to see if your LOMA is still valid, please contact the Planning Department.

The Biggert-Waters Flood Insurance Reform Act of 2012 is in effect in Montpelier. This act reauthorizes the National Flood Insurance Program (NFIP) for 5 years – through September 30, 2017. Its purpose is to improve long-term sustainability and financial soundness, respond to the rising costs and consequences of flooding, and to encourage private market participation. In Montpelier, many of the properties in the Special Flood Hazard Area (SFHA) or Floodplain are called PreFIRM buildings, as they were built before the community's first Flood Insurance Rate Map became effective and they have not been substantially damaged or been improved. Until October 1st, 2013 these buildings were insured at a subsidized rate. That subsidized rate is being phased out and a direct move to Full-Risk Rates has begun. These rates will begin after the sale/purchase of a property, when a new insurance policy is issued, after a policy lapses, and after substantial damage/improvement occurs for non-primary residences, business properties, and severe repetitive loss properties. When applying for insurance coverage, applicants will be asked to provide an elevation Certificate (EC). This EC will aid the insurance company in rating the risk of the property and therefore determining the rate. The Planning Department can provide these forms and help applicants begin the application but the certificate requires a surveyor or engineer to certify the elevations of the property.

Floodplain information is available online: <http://www.montpelier-vt.org/community/344/Flood-Information.html> or by calling or visiting the Planning Department.

Certified Local Government (CLG) – Montpelier Historic Preservation Commission (MHPC): The Director of Planning and Community Development serves as the CLG Coordinator and provides staff support to the MHPC. The City of Montpelier recently finished Phase II of the Montpelier Historic District Amendment. The Montpelier Historic District is the largest in the state of Vermont – 563 properties. It is worth noting that in 1978 approximately 87% of the buildings and structures were contributing (i.e. historic) to the National Register of Historic Places in the Montpelier Historic District, and approximately 89% are contributing according to the most recent amendment.

The MHPC received grant funding for website and brochure materials in relation to the Phase II National Register Update. The MHPC continues to refine these materials in order to provide education and outreach to the citizens of Montpelier. Since CLG certification the City has received \$22,931 in grant funding for historic preservation.

All of the information regarding the MHD is available online: <http://www.montpelier-vt.org/department/68.html>

The MHPC is comprised of 5 community members:

- Anthony Otis, Chair – term expires 9/14/14.
- James Duggan – term expires 9/22/14.
- Eric Gilbertson – term expires 9/22/14.
- Helen Husher – expires 9/22/13.
- Tim Senter – term expires 9/22/13.

Development Review – Land Use Regulation

The Planning & Zoning Administrator provides staff support to the Development Review Board and Design Review Committee. During 2013, approximately 130 zoning permits were issued. Specifically, DRB approval was required for 50 of the 130 permits, 30 of these permits also required DRC approval and 80 permits were administratively approved. Approximately 5 variances were granted by the DRB. Finally, 6 dwelling units were added in 2013.

Development Review Board (DRB):

- Phil Zalinger, Chair – term expires 7/18/15.
- Kevin O’Connell, Vice Chair – term expires 7/23/14.
- James LaMonda – term expires 8/10/14.
- Roger Cranse – term expires 7/18/15.
- John Lindley – term expires 7/23/14.
- Dan Richardson – term expires 7/14/16.
- Joshua O’Hara – term expires 7/14/16.
- Kate McCarthy and Michael Sherman serve as alternates to the DRB; their terms expire, collectively, 9/11/14.

Design Review Committee (DRC):

- Steve Everett, Chair – term expires 9/14/14.
- James Duggan, Vice Chair – term expires 10/28/15.
- Jay White – term expires 4/11/15.
- Kate Coffey – term expires 9/14/14.
- Eric Gilbertson – term expires 9/14/14.
- Seth Mitchell and Liz Pritchett serve as alternates to the DRC – their terms expire, collectively, 9/26/15.

Development Review Board and Design Review Committee information is available online: <http://www.montpelier-vt.org/group/64/Development-Review-Board.html>

<http://www.montpelier-vt.org/group/63/Design-Review-Committee.html>

You can view upcoming meeting agendas and watch past meetings at; <http://www.montpelier-vt.org/page/383/Meeting-Video-Archive.html>

Community Development

The Community Development Office is staffed by the Community Development Specialist and addresses a wide range of economic and community development issues. The Community Development Specialist works to further the development goals established annually by the City Council. Additionally, he works closely with Montpelier Alive and local business and community leaders on projects as needed. Priority projects during 2013 are outlined below.

39, 39 ½ and 40 Barre Street: The City in partnership with the Central Vermont Community Land Trust submitted an application to the Vermont Agency of Commerce and Community Development for \$270,000 in Community Development Block Grant (CDBG) funding for the redevelopment of three properties on Barre Street. The project will renovate 18 affordable rental units and 2 commercial spaces and will address health and safety issues in the building, specifically lead and asbestos remediation, as well as ADA (Americans with Disabilities Act) compliance issues.

46 Barre Street: 46 Barre Street received a grant from the Vermont Agency of Commerce and Community Development to conduct planning efforts around the potential acquisition of property from the Catholic Diocese of Vermont. The State awarded the City and its sub grantee CAL (Community Arts and Learning) \$15,000 toward planning, capital needs, ADA, and architectural studies. The work was completed in 2013 and has allowed the organization to begin short and long range planning for the facility.

125 Barre Street – Another Way: The Department of Planning and Community Development in partnership with Another Way submitted an application to the Vermont Agency of Commerce and Community Development for \$30,000 in CDBG planning funding to evaluate the building housing Another Way at 125 Barre Street. Another Way provides peer support for the homeless and mentally ill and these funds will help the organization evaluate and plan for their facility needs.

Dickey Block: The Department continues to work with the development community and the City to evaluate potential opportunities for redevelopment of this important block of Main Street Montpelier.

Housing Task Force: In 2013 the Housing Task Force continued to work on implementing the 2011 Barriers to Housing Report. The Task Force worked with the Central Vermont Community Land Trust to develop a proposal for the Housing

Trust Fund to assist first time homebuyers with down payment assistance. The Housing Task Force will continue to work to increase housing options in Montpelier and continue to implement the changes suggested in the Barriers to Housing Report.

Housing Trust Fund: With \$80,000 in capital provided by the City of Montpelier's Housing Trust Fund, the City, in partnership with the Central Vermont Community Land Trust, created the Down Payment and Equity Building Program which matches homebuyers' down payment with assistance to buyers of up to \$10,000. This match helps qualified households purchase a single family house or condo. In exchange for the award, the purchasers enter into an agreement regarding the use, occupancy and transfer of the property for the first 15 years of ownership. The property must continue to be the purchasers' primary residence and the funds must be paid back if the property is sold within the first 15 years of ownership. After the 15th year of ownership the owner will be vested and the award would then be converted to a grant and not require repayment. In its first year the Down Payment and Equity Building program assisted one buyer purchase a home in Montpelier. The Community Development Specialist will work with CVCLT in 2014 to actively promote this program. Funds are still available. For more information, contact Community Development Specialist, Kevin Casey, at (802) 223-9507.

Housing Preservation Grant Program (HPG): The HPG loan program provides renovation loans to low and moderate income homeowners to help address code, health and safety issues, accessibility needs, weatherization needs, and overcrowding. Loans are typically provided with a 0% interest rate and with repayment deferred until the property is sold. To date the program has assisted 116 homeowners and loaned over \$1,106,500.00. In 2013 Three HPG loans were granted, to address immediate structural, health, and safety issues. Funds are still available for qualified homeowners. For more information, see <http://www.montpeliervt.org/cda/hpg.cfm> or contact Community Development Specialist, Kevin Casey, at (802) 223-9507.

Montpelier Business Loan Fund (MBLF): This fund seeks to foster a strong and vital downtown in Montpelier by making capital available to new enterprise developments that are unable to obtain sufficient financing through existing commercial lending institutions. This year the Montpelier Business Loan Fund committee reviewed two applications for funding. These applications were denied due to collateral and security restrictions of the loan fund guidelines. The City is in the process of working to make this loan fund a valuable asset to the downtown merchants.

Downtown Improvement District (DID): The Community Development Specialist provides staff support to the Downtown Improvement District Committee. The DID is a special

taxation district in downtown Montpelier that was established by the voters of Montpelier at Town Meeting in March 2013. This year the DID Committee established a request for proposals process and made several funding recommendations to the City Council to allocate DID funds for the improvement of downtown.

Parking Committee: The Community Development Specialist provides staff support to the Parking Committee. The Parking Committee was formed by City Council in April of 2013 to evaluate the parking needs, challenges and opportunities facing residents, commuters, and merchants in Downtown Montpelier. The Committee is working to develop new approaches to addressing parking problems and specifically looking into smart meter technology in 2014.

Bicycle Master Plan Grant: Montpelier successfully completed and received a grant from the State of Vermont Agency of Transportation to hire a consultant to develop a bicycle and pedestrian master plan for the City. The City issued an RFP for a Consultant who will work with the Bicycle Advisory Committee and Pedestrian Advisory Committee to develop an inventory of facilities and routes, recommendations for next steps, and facilitate the public input process. A Consultant will be identified and work will begin in 2014. Developing this Master Plan to guide improvements over the next several years is aligned with the City Council's goal of becoming "a nationally known bike and pedestrian friendly city."

Energy Initiative – Solar RFP: In September of 2013, the City in conjunction with the Montpelier Energy Advisory Committee, issued a Request for Proposal (RFP) for group-net-metered photovoltaic electricity generation on City-owned properties. The conclusion of the project will result in multiple solar arrays being constructed on City buildings and/or land, significantly reducing the City's electricity costs at no up-front cost to taxpayers. This project will bring the City closer to its ambitious energy goals set in the 2010 Master Plan, and should be completed no later than summer 2015.

GIS/E911

Geographic Information System: The City's GIS system is an important databank for information. The Planning and Zoning Assistant works with Public Works and the Information Technology department to update and maintain our GIS library, managing a central repository of all of the City's most current and relevant GIS data, coordinating with FEMA, Vermont Center for Geospatial Information (VCGI), and other agencies to obtain the most current GIS data layers and orthophotos for the City's data library, providing landowners with data they need to pursue their projects, including geographic information on floodplain analysis, zoning boundary determinations, and road frontage determinations.

E911: The Planning and Zoning Assistant is the E911 coordinator. She works with landowners, the E911 board, phone and cable companies, and the US Postal Service to determine correct E911 numbering for new building sites, as well as existing sites. The process of updating address information is ongoing. Each year the E911 Board audits telephone numbers and addresses that do not match when a 911 call is placed. If the address that is displayed doesn't match a location on the map that location is flagged and the E911 coordinator is responsible for researching and correcting this information. The City had approximately 577 of these mismatches in 2013.

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 Council and residents. Our department prepares the annual City budget, manages human resources and coordinates the annual audit. The Finance Department also oversees all grant activities to assure proper use and reporting of grant funds.

Many reports are available on the City's web site.

Budget information can be found online at:
<http://www.montpelier-vt.org/group/357.html>

The City of Montpelier Annual Audit can be found online at:
<http://www.montpelier-vt.org/page/286.html>

Employment Agreements can be found online at:
<http://www.montpelier-vt.org/page/430>

Periodically Released Financial Data (Voucher listings, etc.) can be found at:

<http://www.montpelier-vt.org/group/390/Financial-Documents.html>

The City of Montpelier has 22 active funds, 10 departments and 4 labor contracts/employee plans. Montpelier has \$61 million dollars invested in capital assets financed by 39 loans that total \$23 million dollars. The annual operating budgets for the City's governmental and business-type activities total \$18 million dollars. The City Ordinance requires that all school revenue be deposited with the City Treasurer. Therefore, the school system must provide requisitions for its funding needs. This adds another \$17 million to the City's annual financial transactions. Our Chart of Accounts has over 2200 accounts which is an indication of the complexity of our financial structure.

The City's District Heating Utility will add a business-type activity to our City's financial operations. There will be new billing procedures, reports and financial management responsibilities for the Finance staff as we transition from grant management to fiscal management of this new city utility fund.

During the past two years, we combined the Treasurer functions with the Finance Department to increase efficiencies and strengthen financial controls. Our department staff includes five full-time positions including my Finance Director position; Sharon Blatchford, Payroll and HR Manager, Kris Morande, Accounting Manager, Loretta Bresette, Billing Clerk and Marguerite Bolduc, Accounting Clerk. We have three part-time employees; Ruth Dockter, Senior Staff Accountant, Charlotte Hoyt, Treasurer and Beverlee Hill, Delinquent Tax Collector. We continue to work on strengthening our human resource services as recommended in the Matrix Management Study.

The Finance Department's Technology Division provides technology services to all city departments. Fred Skeels, Information Technology & Communication Manager works with Nick Daniels, Technology Technician, to maintain and safeguard the citywide computers, networks and telephone technology systems.

In the seven years that I have served as the Finance Director, the City faced many financial challenges that came with ever-increasing operating and infrastructure costs, unfunded state and federal regulations, and the extremes of Vermont's weather. The combination of limited economic and grand list growth and our relatively high property tax rates provides significant pressure to minimize increases in municipal spending. Our constant efforts are required to limit increases in the municipal tax rate and at the same time follow the multi-year plan to fund infrastructure and capital needs based on the "Steady State" plan adopted by the City Council.

Our city staff actively pursues state and federal grants to help pay for weather-related damages, a district heat utility, equipment replacement, capital improvement projects and community justice programs. In FY13, the city expended more than \$3 million in grant funds from 28 grants awarded from the federal and state programs.

I appreciate the support that the Finance Department receives from the City Councilors, William Fraser, City Manager and other members of the city's management team. Our office is located in City Hall and is open Monday-Friday from 8:00 AM to 4:30 PM. We welcome city residents' questions, comments and concerns. If I can be of service, do not hesitate to call me at the office (262-6253) or by e-mail: sgallup@montpelier-vt.org

SANDRA J. GALLUP, *Finance Director*

Technology Services Division

This division is a part of the Finance Department and provides support for all municipal departments with information systems, telephone and technology services. This support starts with the service and maintenance of our existing technology and continues with forecasting and implementation of upgrades to our existing technology and new applications.

This fiscal year, July 2012 through June of 2013, provided several upgrades to existing technology over several departments. The most significant was an upgrade to the Fire Department phone system.

The Technology Services implemented:

- Hosted Digital Telephone and Voice Mail system for the Fire Station.
- Implemented an upgrade in hardware and software for our accounting software.
- Purchase of additional backup and recovery systems.
- Initiated the City's participation in a Federal Grant through Sovernet Communications for a 'Dark Fiber' Network.

The City's Wide Area Network is routed through T1's (provided by SoverNet through FairPoint). This communication network between City Hall and the outlying facilities of the Public Works Garage, Waste Water Treatment Plant and Water Filtration Facility in Berlin is configured to enhance the secure management of the potable water and waste water systems and radio communications between the garage and various remote units.

The city continues to maintain its communication link with the local and world wide community via the internet. This communication, information and research tool also provides increasing levels of risk for the city's hardware, software and data. Our goal is to provide the city a knowledgeable, effective

and adequate level of security. The city continues to maintain a sophisticated firewall, virus protection standards and a redundant daily full system backup to insure the integrity and continued performance of the network and its applications.

FRED SKEELS, *Technology Services Manager*

Delinquent Tax Collector

You must file Vermont State Tax Forms HS122 and HS144 by APRIL 15, 2014 in order to get the full benefit of a Prebate (State assistance with your real estate tax payments) if you qualify. If you do not file by April 15, 2014, even if you believe you won't qualify for the Prebate (household income must be less than \$102,000) you have to file the HS122 Homestead Declaration form in order to be taxed at the Residential rate and not receive a State penalty (billed through the city). Again, if your household income (all people with earnings living at that address,) is less than \$102,000, you may qualify for help.

Last year, many residents did not file till after April 15th, and were taxed at the non residential rate when they received their tax bill in July. When they did file the Homestead Declaration late, they received a new tax bill from the City with the new amount, but also were charged a penalty by the State which in many cases was more than the credit they received for returning to a lower residential tax rate. So to avoid that happening to you, file all your Vermont State income tax paperwork, including HS 122 (Homestead Declaration) and HS144 (Household Income form) by April 15, 2014. You just might be surprised and get some help with your real estate taxes. Over 50% of Montpelier residents do. Each year I hear of more people saying, "I didn't think I qualified, and I did." It's worth the paperwork. If you are over 50 and belong to the Montpelier Senior Center, they have people who can usually assist you if you are just filing personal income tax paperwork. It is a low cost service.

Delinquent taxes are still quite low for the amount billed. At the time of writing this, 2010-2011 has a balance of \$372.69; 2011-2012 has a balance of \$146.70. This is due to the death of an elderly gentleman who owned a very small parcel of landlocked land in Montpelier that needs to be probated. For 2012-2013, the tax year that ended on June 30, 2013, there are outstanding taxes of \$34,400.18. Most of these are on a payment plan to get current. Those that aren't are facing a tax sale process. In Montpelier, we haven't had a tax sale in over 5 years, because we are able to set up payment plans and/or recover through the foreclosure process any unpaid taxes, penalties and fees.

Water and Sewer delinquencies are a different story. People seem to be willing to let those delinquencies run higher. Thus, we initiate many more tax sale processes because of unpaid utilities. Unpaid utilities have the same consequence as unpaid taxes – an automatic lien on the property served by the utility

that can result in a tax sale. We will be initiating another dozen or so tax sale processes the first of February on accounts that are severely delinquent.

Please feel free to contact me either at work (802-223-9512) or at home (802-223-5310). Since retiring from the full time Assistant Manager position in 2012, I am working a half time Finance position. I am usually in the office Monday, Tuesday, Wednesday and Thursday afternoons during the winter and mornings, Monday, Tuesday, Thursday and Friday during the summer in order to cover lunch periods during the vacation seasons. I am more than willing to work with you from my home if it is more convenient for you to call me in the evening or over the weekends.

Beverlee Pembroke Hill, *Delinquent Tax Collector*

City Clerk's Office

The City Clerk's Office is responsible for the administration of all elections, city business licenses and dog licenses. The City Clerk manages the city's voter checklist, and coordinates the Boards of Civil Authority and Abatement. The office's responsibilities in regards to recording and indexing of land records and vital statistics (births, death & marriages), and generating and archiving the official records of the City Council (the Clerk serves as Secretary to the City Council), make the Clerk the caretaker of the recorded history of the state's capital.

As of the 2012 Annual City Meeting, the City Clerk and Treasurer are separate entities. While the Clerk's office shares space with city Finance Department staff, responsibilities for tax collection and utility billing are no longer under the purview of the City Clerk, although clerk staff still assists in the customer service work associated with these duties. Currently, the City Clerk staffing structure consists solely of the Clerk and one Assistant Clerk, as well as temporary poll workers as needed.

The Clerk's office again decreased its operating expense budget through the now-complete transition to alternative land record indexing and access software (while increasing revenues by creating access to those records online). As a result of the new land records software, document recording and turnaround time has been reduced by approximately 99%, ranking the office among the most efficient in the state. By relying more on volunteers and members of the Board of Civil Authority for election support, we expect to bring down overall office expenses further.

To increase efficiency and move lines along during high traffic periods, the office held its first City Meeting election with two additional voting machines, making a total of three, or one for each city district. We also experimented with early voting hours on the weekend prior to City Meeting as a method to

minimize wait time on election mornings and further facilitate access to the polls.

The Clerk's office's efforts to modernize the business licensing process and eliminate some nuisance fees for local business bore fruit with sweeping changes to the city ordinances enacted by the City Council.

Finally, the office's partnership with the Quirky Pet to take up a collection from dog owners to provide police with a microchip reader was both a great success (that both encouraged the practice of microchipping, and will continue to help the return of lost dogs) as well as a good model for future opportunities to partner with local businesses.

In 2013, the Clerk's office recorded 84 births, 68 marriages, 81 deaths, and licensed 409 dogs.

Assessor's Office

The Assessor's Office is responsible for tracking ownership and the listing and valuation of all real and taxable personal property in the City. The Grand List is prepared as of April 1 each year and filed with the City Clerk in mid-June. Building and zoning permits, property transfer tax returns, surveys and field inspections are used to update assessments.

According to the latest equalization study conducted by the Property Valuation and Review Division of the Vermont Department of Taxes, Montpelier's CLA (Common Level of Appraisal), effective 1/1/2014, is 97.92%. This means that, on average, Montpelier properties are assessed at approximately 98% of current market value according to the State's analysis. This is about 1.6% percent below last year's CLA and indicates that property values, in general, increased during the past year.

The number of residential real estate sales in Montpelier was up 23% as compared to 2012. The average residential sale price was up 8% from the 2012 average price, to \$239,900.

Work on our Parcel (Tax) Maps is ongoing. The maps are updated on an annual basis reflecting new surveys, deed research, subdivisions and changes in ownership. I encourage property owners to check the maps for accuracy. Two versions of the parcel maps are available on the Assessor's page of the City website.

Property "Record Cards" for each property in the City, as well as property sales and Grand Lists, are also available on the Assessor's page of the website.

The 2013 Grand List includes 2,917 taxable real properties and 508 personal property accounts, plus cable and exempt properties. The final figures in the 2013 Municipal Grand List for taxable properties are as follows:

<u>Property type</u>	<u>Number of parcels</u>	<u>% of Grand List Value</u>
Residential	2,112	57.5%
Commercial	261	24.3%
Commercial Apartments	75	4.8%
Industrial	8	0.3%
Utilities- Electric	3	1.2%
Condominiums	395	7.6%
Misc- Land	63	0.6%
Cable	2	0.2%
Personal Property	508	3.5%

Total taxable property value by category:

Residential	\$489,761,500
Commercial	206,513,100
Commercial Apartments	40,938,300
Condominiums	64,654,100
Industrial	2,705,000
Utilities	10,599,100
Miscellaneous	4,849,800
TOTAL Real Property	\$820,020,900
Cable	1,493,178
Personal Property	29,774,375
TOTAL TAXABLE PROPERTY	\$851,288,453

The 2013 Grand List grew by \$14.1 million over the 2012 Grand List, of which \$4.4 million was Real Property and \$9.7 million was Personal Property.

From the above, just over \$7.4 million in exemptions for Veterans, Tax Stabilization Agreements and Current Use are deducted, resulting in a Total Municipal Grand List of \$8,438,342.99. Exemptions were up almost \$1.8 million as compared to 2012, resulting in a net increase of \$12.3 million in the Municipal Grand List.

I assisted with a number of facilities projects during the past year including air-sealing and insulation of the City Hall attic, skylight replacement at the Fire Station, insulation and new roofing at the DPW Equipment Storage Building and installation of a sprinkler system at the DPW Garage/Office Building.

Jane Aldrighetti, my Administrative Assistant, is in the office Monday through Friday. My position is a 60% contracted service. I am usually in the office on Tuesdays, Thursdays and Fridays. If you have questions or concerns regarding the valuation of real or personal property in the City, please feel free to contact our office. Jane's telephone number is 223-9504; my number is 223-9505.

I will continue to make my best effort to maintain accuracy and fairness in property assessment in the City.

STEPHEN TWOMBLY, *City Assessor*

Montpelier Senior Activity Center

The mission of the Montpelier Senior Activity Center is to enhance the quality of life for the older adults in Montpelier through opportunities that develop physical, mental, cultural, social, and economic well-being in a welcoming, flexible environment.

Home at Last – Thank You!

At the start of FY 2013, Montpelier Senior Activity Center (MSAC) moved back into its renovated space and permanent home at 58 Barre Street – a bright, comfortable, energy-efficient and ADA- accessible facility, realized after years of planning, fundraising and construction following the fire of 2009. We thank Gossens & Bachman Architects, Engleberth Construction and their subcontractors, City Liaison Stephen Twombly, former Assistant City Manager Beverlee Pembroke Hill, the late Garth Genge (formerly of Montpelier Planning Department), and all the community funding sources, MSAC members, volunteers, and individual and business donors whose financial support made the project possible. The upper floors have been renovated into fourteen apartments which are managed by the Montpelier Housing Authority, and we thank MHA's Executive Director, Jo Ann Troiano, for her steadfast leadership and valuable partnership in our new condo association relationship as we share ownership of the fabulous, historic building.

All are Welcome

We welcome all Montpelier residents to visit MSAC and see first-hand all that we have to offer. Our programming, for people aged 50 and older, supports healthy and active aging, regular socialization, lifelong learning and delicious meals. There is something for everyone, and many locals are surprised when they learn about the breadth of affordable choices. The facility's various rooms are also available for rent for private classes and functions, and on-site catering is now available.

New Kitchen and Meal Partnership

The most significant change at MSAC in 2013 was the development of our new commercial kitchen and establishment of the Feast senior meal partnership. Volunteer Project Manager Eric Seidel assisted with the design, RFP, vendor and contractor selection and oversight. Thanks to funds from the MSAC Endowment, by late June, the kitchen was complete and licensed by the State. City Council approved a Memorandum of Understanding between MSAC and non-profit partner, Just Basics, Inc. (JBI) to co-manage a new senior meal program in our facility that now includes on-site (congregate) meals as well as the home-delivered meals program that JBI was already administering in recent years. After another RFP process in the

spring, a third (for-profit) partner, Good Taste Catering, was contracted by JBI to produce the meals at MSAC. Senior meals are supported by a combination of federal funds, MSAC funds, consumer donations and fees, and community contributions. Learn more by visiting the MSAC and JBI websites and Facebook pages. Volunteers are always welcome. The food is fresh and fabulous!

Feast

Renamed "Feast" in early Fall 2013, the new meals program has been received with great enjoyment and appreciation by seniors and guests who take advantage of the great food, nutritional benefits and camaraderie. "Feast at Home" is delivered by loyal drivers to eligible seniors, Monday-Friday. "Feast Together" is served on-site Tuesdays and Fridays at noon. "Feast to Go" is open to the public, served Thursdays 11am-1pm, and offers meals sold as a fundraiser for the other two program components. Call 262-6288 to make a meal reservation or talk with the Feast coordinator, Anne-Marie Keppel, about volunteer opportunities. Feast thrives thanks to a loyal, multi-generational and ever-growing volunteer force and senior trainees of the VT Associates for Training and Development program, all supervised by Chef Justin Turcotte. Contributions in support of Feast are gratefully accepted by both JBI and MSAC. In the coming year, MSAC members and the public can look forward to more delicious meals, cooking classes and other educational outreach initiatives.

Membership and Town Funding

Our membership grew by 20% during FY 2013 to 811 paid members (up 135 from 676 in FY2012). People fifty years and over are eligible to join, and membership goes from July 1 to June 30. Currently, 73% of our members are from the City of Montpelier (up from 61% 2.5 years ago), 19% (up from 13%) are from our "supporting towns" (Berlin, Calais, East Montpelier, Middlesex and Worcester), and 8% are from other Vermont communities including Barre. We have been increasing tax appropriations from our supporting towns, totaling \$2050 in FY 2013 (up from \$1049 in FY 2012). We successfully quadrupled (nearly) that amount on Town Meeting Day in 2013 to \$7800 for FY 2014 as a result of stepping up our efforts in response to the relatively new City policy regarding public funds for services provided to non-residents. Note: At the March 2014 Town Meeting Day for FY15 funding, we are asking those five towns and Plainfield (a new effort for supporting town funding) for a total of \$18,300. If successful, this will represent over 10% of the public funding in our FY15 Revenue. Members from outside Montpelier pay higher annual dues and class fees.

FY13 Budget Report in Brief

Note: FY13 budget was written nearly a year before moving back into the newly renovated facility, so there were many unanticipated financial realities, for which better planning will be done in the future.

Dues, Class Fees and Contributions Revenues grew steadily and surpassed projections. Trip Revenue and Expenses were both down; this program still covered itself but was less of a programmatic focus compared with recent years. Meals contributions were very low as there was no on-site meal program in FY13 except for a monthly lunch prepared off-site; food and water expenditures also included the volunteer recognition luncheon and coffee provided to members. Corry Fund (Investment), Holiday Bazaar and Miscellaneous Income Revenues, all of which support operating costs, were below budget. Program and Operating Supplies, and Small Tools & Equipment Expenditures were over-budget due to relocation back to the new facility and loss of original furnishings budget to cover necessary outfitting of our facility. Programming Expenditures showed variation from budget, with contractor instruction payments up due to an increase in number of classes (offset by increases in revenue) and Tennis/Bowling expenses down due to decreases in hours/participation. Computer spending included purchase of new Senior Center software and annual maintenance, which was covered in part by a grant from Rotary Club of Montpelier. Condo Fees and Utilities aggregate expenses were close to budget (the breakdown of accounts was established post-budget). Kitchen supplies expenditures included purchases of various small wares, funded by a member appeal in June 2013, the revenue of which is included in Contributions Revenue. Capital Improvements Expenses for Kitchen Project were over \$77,000, and multi-year pledged Capital Campaign contributions continued to come in.

Programming and Class Fees

The Center is busy with 40-50 weekly classes and activities appealing to diverse demographics and interests, and there are classes available for working seniors' schedules. Regular activities range from painting to dancing, living strong exercise programs to yoga, bowling to swimming, and French, Italian and Spanish. There are classes in writing, poetry, drama, music appreciation, computer skills, rug hooking, iPhone, and film series with Rick Winston. Many people play bridge, mah jongg, cribbage and billiards. Some take advantage of discounted privileges at First in Fitness. The dedicated MSAC Swingin' Over Sixty Dance Band plays weekly before Tuesday lunches and welcomes new musicians of all ages. The Montpelier Ukulele group rehearses and hosts events at MSAC. Members active in the fine arts may take advantage of the facility's art gallery space in the Community Room, and MSAC regularly serves as a site during Art Walk. Proposals are

always welcomed for quarterly consideration of new classes, activities, and art events, and multi-generational collaborations are encouraged.

MSAC charges Montpelier residents lower class fees (typically \$20 or \$25 for a 10- or 12-week class) and gives Montpelier residents priority in registration scheduling. Members from other towns pay higher membership dues (\$30-\$50 compared with \$10 for Montpelier) and class fees (usually \$30 or \$35). Many members use the financial aid available. In FY13, a total of 2006 class registrations were processed for 163 different classes offered over four quarters, and there has been a steady trend of decreases in overall programming subsidy rates since 2012.

Community Resources

Many special events are free and open to the public, such as presentations by community partners and talks by specialists in fields of interest to seniors (including Medicare, Fall Prevention, Caregiver Resources and Advance Directives). MSAC is a place where seniors connect with community resources that can assist them in maintaining independence and health. The Resource Room contains a library of materials for seniors and caregivers. There are monthly sessions with community partners such as Homeshare Now and Central Vermont Council on Aging, a regular foot clinic with Central Vermont Home Health and Hospice staff, annual flu clinics, periodic cholesterol and blood pressure screening clinics and free assistance with income tax preparation provided by trained AARP volunteers.

Americorps in FY13

From September 2012 to August 2013, Lisbeth Dodd served as a Neighbor to Neighbor Americorps Member at MSAC, in partnership with Central Vermont Council on Aging. She established the Resource Room, recruited volunteers to do direct service in the community, led Growing Stronger classes, and did outreach on behalf of N2N and MSAC. Most notably, Liz also organized speakers events, including the "Successful Life Changes for Seniors" panels that covered topics as diverse as downsizing, employment and the brain. Liz continues to be involved at MSAC, organizing free film events and participating in a new initiative for people with dementia and their caregivers: The Montpelier Memory Café launches in 2014 as a once-monthly gathering on Saturdays at MSAC, and interested community members are invited to participate.

Trips

Trips throughout Vermont and New England are organized by member-volunteers and are facilitated by the use of our 12-passenger van. 2013 destinations included VT Stage Flynn Space, Hildene, Stowe/Mt. Mansfield gondola, St. Gauden's home,

Middlebury College Museum of Art, Wind Turbine Tour, and Montreal Museum of Art/Botanical Garden. Trips are financially self-supporting, and the van is occasionally rented to other area senior groups. In Fall 2013, a group participated in a nine-day trip to Italy sponsored by Globus Tours and Milne Travel, a valued local business partner.

Equipment and Technology

MSAC has six public computers, a multi-function Xerox machine, a digital projector, a public address system, a tabletop amplifier, WiFi, a Wii Game System, a piano and an electric piano available for members to use. Several volunteers, including students from the middle school, come weekly to offer drop-in assistance and training with technology.

Advisory Board

Advisory Board in FY13: Tina Muncy (Chair), Jane Osgatharp (Vice Chair), Sylvia Kingsbury (Secretary), Elizabeth Dodge, Fran Krushenick, Peter Harris, Janet Ressler, Brenda Snetsinger, Frank Woods. Current Advisory Board in FY14: Tina Muncy (Chair), Jane Osgatharp (Vice Chair), Sue Stukey (Secretary), Fran Krushenick, Sylvia Kingsbury, Janet Ressler, Elizabeth Dodge, Peter Harris and Frank Woods. Note: Nominations for the FY15 MSAC Advisory Board will be accepted through March 10, 2014, and new member/candidates are welcomed.

Staff and Volunteers

MSAC operations are maintained by the equivalent of 2.6 full-time staff members and over 150 volunteers. Volunteers are vital and contributed over 4500 hours in 2013, leading classes and activities, working with the Feast program, doing office work and data entry, planning and helping with events, preparing the mailing of the monthly newsletter, assisting with fundraising activities, serving on the Advisory Board, and more. We are extremely grateful to all of our volunteers for their generous commitments of time and energy that keep MSAC a vibrant community center.

Staff Changes FY13/FY14: In April 2013, the MSAC community bid farewell to long-time, valuable employee, Suzie Gomez, who retired after serving in the office for fifteen years, following a long career of service to the city in other capacities including the public school system. We are glad that Suzie remains involved at MSAC playing Bridge and volunteering. MSAC welcomed two new part-time employees in Summer of 2013: Lise Markus and James Sharp. Lise manages the front desk and has been implementing the new MySeniorCenter database, and James has increased awareness about MSAC by focusing on the newsletter, social media, advertising, signs and other outreach.

Current Staff: Janna Clar, Director; Johanna Nichols, Program Assistant; Lise Markus, Office/Membership Assistant; James Sharp, Outreach/Media Assistant. Johanna Nichols was scheduled to depart from her position in late January, 2014, and a search for a new Program and Development Coordinator was underway at the time this report was written.

Gifts and Appreciation

We are grateful to the members and families of members who remember MSAC through bequests and gifts. Such gifts are reserved and invested for Capital Improvements, unless otherwise specified. Donations are always accepted for immediate facility and equipment needs as well as the Scholarship Fund. We thank the entire Montpelier community for their strong support over the years.

Learn More

Information about MSAC is available through the monthly printed newsletter, Active Times, biweekly e-letters, and online at www.montpelier-vt.org/msac. There is an active Facebook site and we have begun announcing Feast menus over Tweet. MSAC office hours are 9 am-4 pm Monday through Friday, and the number is 223-2518.

Montpelier Community Justice Center

Montpelier's Community Justice Center (MCJC) contributes to community safety and harmony as it creates and promotes opportunities for learning about, developing skills in, and participating in restorative justice programs and other problem solving processes that encourage feelings of fairness, safety, and inclusion. The MCJC provides readily available conflict management and dispute resolution assistance in response to actual or potential conflicts in the community. It also recruits and trains community volunteers to deliver restorative justice programs serving people affected by and responsible for criminal wrongdoing, from pre-charge to re-entry.

A restorative approach to crime is one in which the focus is



on the needs created for those harmed by an offense; the responsibility of the person who caused the harm to do all that is possible to make reparations; and the community's role in supporting those affected by an offense and those responsible for it. Ideally, restorative justice meetings occur at the community

level in a structured but far less formal manner than what occurs in a courtroom.

The MCJC celebrated its tenth anniversary in 2013 with a gathering honoring the one hundred thirty-three past or continuing volunteers who typically give about five or more hours each month to serve on a Reparative Board or Circle of Support and Accountability. A Reparative Board is a group of 4-6 people trained to represent the community and lead a meeting with a person who offended and affected parties that results in furthering the understanding of the harm and amends making. A Circle of Support and Accountability is provided for people reentering community from prison, comprising the core member and three volunteers, to encourage the core members to succeed by living in ways that do not involve harm to others or self. In addition, the 10-member Citizen Advisory Board comprising representatives from municipal government, the Montpelier Police Department, Vermont Department of Corrections and volunteers from the community ensures that the community perspective is represented in the priorities of the CJC.

MCJC staff delivered 18.25 hours of training to new COSA volunteers and nine hours of training for new Reparative Board volunteers. MCJC held more than 300 Circles of Support and Accountability (COSA) meetings for participants in the Restorative Reentry Program and 69 Reparative Board meetings. The efforts of 61 talented and trained volunteers, who were instrumental in bringing these programs to the community, volunteered 1718 hours, valued at \$27,612, and made the resolution of crime and conflict a participatory endeavor. The police, State's Attorney, Washington County Sheriff's Department, City personnel, and residents refer cases to the MCJC. Washington County Diversion, Barre Probation and Parole and the Greater Barre Community Justice Center have all referred people to the Insights into Conflict class.

MCJC accomplishments during 2013 include the following:

- Increased conflict management skills for 25 people through delivery of 4 sessions of Insights Into Conflict class.
- With the assistance of 5 volunteer facilitators, delivered 10 weekly classes of Parenting With Respect, a class to help fathers with DCF or DOC involvement develop knowledge, skills and attitudes to become more responsive to their children's needs.
- Engaged 30 people in discussion (after showing the film "Beyond Conviction") about the healing possibilities for crime victims that can emerge from a victim-offender dialogue.
- Recruited and trained a volunteer to be the victim liaison dedicated to serving victims in cases handled by the Restorative Justice Programs.

- Victim liaison started providing more personalized outreach and meetings with all identifiable victims in restorative justice cases thereby increasing positive outcomes for victims (as reported by the victims).
- Further trained all Reparative Board volunteers in best practices for including victims in restorative justice processes.
- Responded to 15 requests for conflict assistance – consulting, coaching, mediation, meeting facilitation, etc.
- Handled 83 restorative justice cases (new referrals or open at beginning of fiscal year).
- Of cases not terminated for administrative reasons (inappropriate referral, death, etc.), 96 percent completed the program successfully.
- Prepared new outreach brochures, website and poster for the courthouse to educate defendants directly about restorative justice options.
- With the volunteer services of 27 people, created a Circle of Support and Accountability (COSA) for 9 new people returning from prison to live in the community, a proven means of reducing recidivism and making communities safer.
- Held more than 300 COSA meetings.
- Participants who had offended performed 570 hours of community service for non-profits in their communities.

Yvonne Byrd, *Director*

Montpelier Housing Authority

A Valuable Community Resource

The Montpelier Housing Authority is a local, independent government agency that has served our community for well over forty 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. We are funded entirely by federal funds and management fees paid by the properties that we manage. No local or state funds are received to operate our programs.

The Authority operates a wide variety of programs in its continuing effort to meet the need for affordable housing in our community. We own and manage Pioneer and Gould Apartments. We also serve as full managing agent for 58 Barre Street Apartments, Lane Shops Apartments, Cummings Street Apartments, and Prospect Place. In addition, we provide management services for two projects for Washington County Mental Health: a group home on St. Paul Street and a small apartment house on Prospect Street. 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 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 had five closings under this option. A total of 324 units of affordable housing are provided through these programs.

This past year has proved to be the most difficult with regard to federal funding for the Section 8 Voucher Program. Currently we are unable to use 18 of the 122 vouchers allotted due to severe funding cuts. While no household currently receiving housing assistance will lose their subsidy, many people in need of our help cannot be assisted until funding is restored.

Our nonprofit, Capital City Housing Foundation (CCHF) renovated Heaton Woods, an affordable residential care facility. Heaton Woods is a tremendous asset to the community. Several years ago, a generous gift from the Roselli family enabled us to add five more rooms when we renovated the third floor bringing the total number of rooms to 46. The public is welcome any time to tour the facility or visit with the residents. Please call 223-1157 if you have questions.

CCHF also owns Prospect Place and is the general partner for Cummings Street Family Housing Limited Partnership and 58 Barre Street Housing Limited Partnership.

CCHF continues sponsorship of the meals site at Pioneer Apartments. This program has operated continuously since 1973. The Senior Meals Program serves weekday noon meals to the elderly and disabled, along with weekend frozen meals on Fridays for those who need them. They also provide home deliveries to our elderly/disabled buildings and those living near the meals site. Please call 223-6357 for more information.

The Montpelier Housing Authority is 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. 58 Barre Street Apartments, Cummings Street Apartments, Prospect Place, Lane Shops Apartments, 7 St. Paul Street group home and the Washington County Mental Health Prospect Street property paid a total of \$114,900.88 in property taxes to the City for the 2012-13 tax year.

Pioneer Apartments paid \$2,465.91 in sewer benefit and \$11,702.66 in PILOT. Gould paid \$481.59 in sewer benefit and \$2,000 in PILOT

The Authority works cooperatively with city departments and other non profits, especially the Planning and Development Office and the Central Vermont Community Land Trust. We continue to work very closely with the Assistant City Manager and City Assessor on issues that arise in connection with the

58 Barre Street property. The Executive Director also serves on the Montpelier Housing Task Force and the Washington County Continuum of Care.

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*

Green Mount Cemetery

Highlights of 2013

Personnel – We welcome Adam Drake as our new Cemetery Technician. He comes to us with many years of construction experience and his work is of very high quality. Our main work force includes eight correctional inmates with a supervisor that are from the Caledonia County Work Camp. This or a similar type of correctional program of male and female offenders has been working at Green Mount since 1981. We are extremely satisfied with the overall work production of this past year's work crew with special emphasis mainly on lawn care and leaf pickup in the fall. Personally I do not know what we would be able to do without these incarcerated men.

This Year's Work – We continued to maintain Green Mount, Elm Street Cemetery and the various green spaces and traffic circles for the city. At Green Mount, we focused on repairing a 100 ft granite retaining wall (with burials directly behind), took down the granite facade on the original winter vault, began the process of installing a new flag pole, started to repair/renovate the Chapel/Vault building with a new flower bed underneath our sign, new bulkhead covers and had measured drawings of the building created.

Next Year's Goals – We will be looking at completing the following projects: Continuation of road repairs and improvements, installation of a new flag pole with light, resetting the facade on the old winter vault, developing a restoration plan for all the leaning and fallen monuments, renovation of the middle roof of the Chapel/Vault building .

Burial and Memorial Lots Available –There is a wide selection of lots available including family estate lots, mausoleum lots, cremation lots nestled within a woodland section. Let us know your needs and we will strive toward developing your personalized burial lot. A new area has been surveyed and is ready for use in our new section "Oak Hill" which can be seen from Interstate 89 as one heads north.

Rules and Regulations – Please, before planning any work on your family's lot including the installation of a monument, contact me for a copy of the Rules and Regulations.

Gift Giving – Giving to Green Mount is truly a community gift. Gifts can be specified toward a certain project or for general use. Present project needs include: Endowment Care funding, Plant Materials (trees, shrubs, perennials) new Flag Pole with lights, Entrance Enhancements, Visitor benches and Monument Repair. Please contact us to discuss your preferred method of presenting a financial gift to Green Mount. Our commissioners have retained a professional advisor for this private consultation. For a confidential discussion and/or a copy of our investment policy, 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 or email your request to cemetery@montpelier-vt.org.

Thank you – to the citizens of Montpelier for your continued financial support and all of those who give us feedback throughout the year.

Questions/ Comments? Please feel free to ask any cemetery related question even if it does not directly pertain to Green Mount. You can always feel free to call me at work at 223 – 5352 or at home in the evening/weekends at 426-3754. My email is cemetery@montpelier-vt.org

This year's Director's advice –discuss your plans with family and/or close friends, and a Funeral Director. Write them down and share with your loved ones. Death will happen and it is much easier for all those involved if a plan has been made. Factors that you will need to consider in buying a cemetery lot include: type of burial – full or cremation or both, number of each burial eventually placed in the lot, size and type of memorialization, rules and regulations relative to decoration of lots and is the cemetery closed for burials during the winter months. Feel free to contact me about Green Mount or any other cemetery that you may have a question about.

Patrick Healy, *Director*

Statistics 2013

Burials – 21, (13 Cremations, 10 Casket, 4 Winter burials, 1 infant)

Lots Sold – 12 full Burial graves, 2 Cremation lots

Removals – none

New Monuments installed - 11

Markers installed - 5

Monuments washed - 8

Monuments repaired – 6

Flower/wreath Placement - 12

Mausoleum cleaned – Jones, Eldredge, Lowe

Winter Vault entombments - 8

Parks, Conservation & Recreation Programs

Parks Commission

The Montpelier Parks have been fortunate to have the help of many individuals and groups in 2013. We would like to thank the Department of Labor for their strategic placement of job trainees in our parks, Vermont Housing and Conservation Board for sponsoring an AmeriCorps member in the Parks, and Vermont Youth Tomorrow for sponsoring a VISTA member doing parks and conservation work. We also are grateful for the many groups that have provided key help in improving and maintaining our local parks, including Women's International League of Peace and Freedom, Norwich University, Montpelier High School, Middle School, and Elementary School, River Rock School, New School, Norwich University, Community Connections, Three Penny Taproom, Youthbuild, Barre Technical Center, International Volunteers for Peace, Vermont Youth Conservation Corps, Yestermorrow, and Green Mountain Club among other groups and many individuals!!! We have had at least 332 volunteers work in the parks this year, for a total of 3,201 hours. The largest group was 80 students, teachers and parents from the Union Elementary School's second grade, working with the North Branch Nature Center's ECO program to help improve Hubbard Park.

New Caretaker in Hubbard Park

A significant transition occurred this year as Parks Director Geoff Beyer moved out of the Caretaker house in Hubbard Park after living there for 32 years. While Geoff remains the Parks Director, this opened up a new part-time position of Parks Caretaker. After reviewing almost 50 applications for the position, the Park Commission selected Alec Ellsworth. Alec started working in June. His primary duties include overseeing the parks during the evenings and on weekends, as well as other duties and times as needed.

During the transition, the park caretaker house was renovated, allowing for the completion of a number of long needed projects. Among other projects, the first floor was insulated, and the electrical wiring was brought up to code. We would like to thank Alec, his housemates, and others who contributed both labor and expertise to complete the much needed repairs and improvements to the house.

Invasive Plant work

Stephanie Olsen, the Parks AmeriCorps VISTA member returned for a second year of service, and continued to make progress controlling the spread of invasive plant species. Stephanie led a wide variety of groups in removing invasive plants.

Past efforts have been successful in eliminating most invasives. However, Goutweed, otherwise known as Bishop's Cap, has been particularly challenging. We have managed to eliminate it in one area in Hubbard Park, and contain it in four other areas. In North Branch Park, where invasives have a much stronger hold, we have pulled out over a thousand invasive plants, roots and all. The majority of these were tartarian, or bush, honeysuckle and Japanese barberry. This year's parks AmeriCorps member, Toby Cromer, has helped with the invasives management project and a wide variety of trail and park projects.

Blanchard Park

With interest from the River Rock School, we spent a substantial amount of time making improvements to Blanchard Park, a little known three-acre park that is located behind the police station. Blanchard Park is located on a clay hill, which has made creating and maintaining trails there challenging. In clay soil, trees aren't effective at slope stabilization. Tree roots only grow down into soil that can hold oxygen, and fine and dense clay does not allow sufficient oxygen to get lower than four or five inches below the surface. This has allowed several areas on the steeper side of Blanchard Park to slide 2 to 10 feet downhill. This can be an interesting event to "read in the landscape," and can be identified by the presence of trees that come out of the ground at a steep angle and then curve up toward the sky, indicating an older slide from which the tree has recovered and grown again straight upward toward the light. To stabilize the banks in Blanchard Park, an International Volunteers for Peace group and Department of Labor trainees helped drive hundreds of long stakes into the ground at various depths to provide resistance at a variety of levels to reduce "slope shear." International Volunteers, and River Rock School students, teachers and parents also helped to move about six tons of sand and gravel to make the trail not only drain properly but have a less slippery walking surface.

National Life Trail

For the third summer in a row, a group from the Vermont Youth Conservation Corps, through an Agency of Transportation enhancement grant, spent three weeks this summer to help finish the National Life Trail that travels through the woods from the corner of Routes 2 and 12 uphill to the National Life campus. This path is heavily used by pedestrian commuters traveling to and from the complex. Many improvements were made on the path, and the last 25 steps were put in. We also installed some stone benches with the left over stones so that people can rest along the way and enjoy the views. This trail connects to the National Life trail system and represents a great public-private partnership, and once again highlights the thoughtful and generous role that National Life has played in our community.

Dog Waste Stations and Canine Code of Conduct

The Parks Director and Parks Commission initiated a survey in 2012 to collect information from residents regarding their experiences in relation to interactions with dogs in the parks. The survey proved to be controversial, as some residents objected to questions that were stated in the negative, which could potentially skew responses. Others objected to the focus on one particular user group as opposed to all user groups and their use of Hubbard Park. More than 300 people utilized the survey mechanism and 121 people submitted written comments on the surveys or through e-mail. Several dozen people attended a public meeting held February 19, 2013 to share their experiences, concerns and suggestions. The Parks Commission then created two citizen subcommittees to focus on the subjects of dog waste and dog conduct and communications. Many additional volunteers have helped the Parks Commission to explore dog related topics in the city parks this year and comments have been received throughout the year on this issue.

The Dog Waste sub-committee, made up of Lyn Munno, Elizabeth Grupp, Danis Regal, Susan Ritz, Sharon Asay and Cindy Maker, was appointed to try to improve the situation regarding dog waste in the Montpelier Parks. The group had three main concerns about dog waste in the park: environmental and water quality impacts, health concerns and negative experience for children, particularly school groups using the woods, and the nuisance for all park users. Through their research, the group concluded that the most effective way of reducing dog waste in the Montpelier Parks was to provide dog waste stations for people to deposit the waste. After consulting with the Parks Commission, the City Council and the Recreation Department, the group proposed 11 dog waste stations, 5 in Hubbard Park, 1 at the Recreation Field/North Branch Park, 1 at Dog River Field, 2 along the bike path near the high school and two along Stonecutters Way. The Parks Commission and City Council approved the installation of these stations, and the stations were installed in November 2013. The waste stations were paid for out of the city's park impact fees, and the committee has done additional fundraising to pay for bags and garbage collection for the waste stations for the first year. We thank the generous individual and business donors who helped to make this happen. Future funding for the stations is likely to come from a combination of a fee on dog license registration and additional fundraising. The group will also focus on education and outreach to the public on the importance of waste clean-up as well as changing the city dog waste ordinance to require waste pick-up regardless of location.

A second sub-committee was appointed to look at issues of Dog Policy and Communications. This group consisted of Geoff Beyer, Jim Eikenberry, Wendy Harrell, Ben Huffman, Lynn McNamara, Dave Pelletier, Susan Ritz, Cara Robeck,

and Larry Sherwin. As a result of this group's work, and the input of other citizens and the Park Commission, the Canine Codes of Conduct for Hubbard and North Branch Parks below were adopted in November of 2013. Additional discussions about suggestions from this sub-committee are ongoing.

Canine Code of Conduct for Hubbard Park

- Dogs are welcome in Hubbard Park and may be off leash.
- City Ordinance requires dogs to be under voice control or leashed at all times.
- Always keep your dog in sight.
- Don't assume others want to interact with your dog.
- Carry a leash for each dog you walk, and be prepared to leash your dog as needed.
- Dog owners must pick up after their dogs. Use receptacles provided or carry out.
- Dogs must have current rabies vaccine.

Canine Code of Conduct for North Branch River Park

- Dogs are welcome in North Branch River Park and must be on a leash at all times.
- City Ordinance requires dogs to be under voice control or leashed.
- Don't assume others want to interact with your dog.
- Dog owners must pick up after their dogs. Use receptacles provided or carry out.
- Dogs must have current rabies vaccine.

Trail work and Shelter Improvements

Numerous park trails got attention this year. Of particular note is the steep section in North Branch Park that was hit hard by Hurricane Irene. Drainage swales on the trail were rebuilt, and the ditches along the sides were "armored" with stone to reduce erosion.

Meanwhile, work continued to improve the Old Shelter area in Hubbard Park. Support beams for the old shelter were replaced, as were the stairs leading up to the Old Shelter.

Mountain Bike Trail Proposals

In early 2013, members of the Montpelier Area Mountain Bike Association (MAMBA) came before the Park Commission to seek consideration of allowing bikes on certain existing Hubbard Park trails not currently designated for mountain bike use, as well as the possibility of creating new trails in Hubbard Park where bike riding would be allowed. The Park Commission did a site walk to envision potential areas for new and redesignated trails, though no action regarding biking in Hubbard Park was taken in 2013. The Commission anticipates more discussion of this topic, potentially in the context of a broader discussion of Hubbard Park and its current and future management, in 2014.

Supporting our Parks

Citizen support for Montpelier's Parks is always appreciated, and donations help us to leverage additional support and grants. If you would like to contribute to the Parks or assist in any way, please contact Geoff Beyer at the Parks Office (223-7335) or speak with a Parks Commissioner. The Parks Commission welcomes comments and suggestions from residents as we continue our work of protecting and improving Montpelier's parks to ensure a positive experience for all. More information about the work of the Parks Commission can be found at <http://www.montpelier-vt.org/group/66.html>. For information on Montpelier Parks, including maps and natural history information, please visit the Parks web site <http://www.montpelier-vt.org/department/81/Montpelier-Parks.html>.

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 the MCC joined the Association of Vermont Conservation Commissions and commission members attended the AVCC annual summit and participated as topic presenters. This year's highlights follow.

Zoning Revisions

The Conservation Commission has continued to be involved in the on-going zoning revisions throughout the year. The Conservation Commission sees a great opportunity in zoning to encourage city values outlined in the master planning process that included the input of many residents. Some of the values that came out in the master plan include focusing development in the growth center, increasing housing density where possible, and protecting strategic city natural resources. By allowing for incentives to cluster development in desired conservation areas of the city we see a valuable role in encouraging and rewarding thoughtful development that protects city goals and values. When zoning protects what we value as a community, values reflected in the master plan, we keep our community a place we appreciate and are more likely to attract the people who appreciate it as well. Commission members regularly attend Planning Commission meetings to provide input on conservation issues such as wetlands, buffers, and streams.

Berlin Pond Water Quality Protection

The Commission visited a parcel that is being considered for conservation in the Berlin Pond watershed that drains to Berlin Pond, a water body that is our only source of drinking water in Montpelier. A decision by the Town of Berlin on the project has not been made, but the Commission has joined the Berlin

Conservation Commission to consider how to help move this project forward.

Given a variety of issues that make Berlin Pond a vulnerable site to disturbance, including how shallow it is, the Commission remains in favor of closing the pond to public recreation, primarily to safeguard our City's only drinking water supply since we consider it a critical natural resource for our community.

High School Students Continue Service on the Conservation Commission

Mahima Poreddy is serving as the student representative on the Commission this year. Mahima has led the Conservation Survey (see below) and has begun to research limits on Styrofoam usage in the City. Past student members include Megan-Hoyne Wingate, Liam McSweeney, Caitlin Paterson, and Joshua Klavens. We are currently seeking an additional student representative and will be seeking new student representatives this summer. Anyone interested is encouraged to contact Matt McLane, Community Based Learning faculty, at Montpelier High School at 225-8052.

Conservation Survey

The Conservation Commission partnered with the Advanced Placement Statistics Class at Montpelier High School to conduct a Conservation Survey in the City. Surveys went out by mail to seek feedback on a range of conservation issues such as conservation zoning, Berlin Pond, and recreation. The survey results are in and being analyzed. Preliminary results show that a majority of respondents support water quality protection at Berlin Pond, value the recreation opportunities in the City's parks, and support zoning that protects open space. A series of fact sheets are in progress to share results with the city, check the conservation commission's link on the website sometime this winter to see the results posted. Special thanks to Matt MacLean, Susan Beem, Mahima Poreddy, and Enya Hughes of Montpelier High School for their support and excellent work on the survey.

Stormwater Management

Commission members have been participating with the Friends of the Winooski River project to highlight residential stormwater management in Montpelier. The Commission funded a portion of this work for the Friends and is now considering sites for a demonstration project in Montpelier.

VISTA

The Conservation Commission partially funded the Conservation and Parks VISTA Position again this year that is held by Stephanie Olsen. The VISTA member did substantial work with numerous volunteers and groups to remove invasive spe-

cies around Montpelier, and in many place plant native to displace the invasive. A highlight of Stephanie's work was the creation of an Invasive Species Interpretive Trail that allows visitors to learn about invasive plant identification and control. Additionally she has been deeply involved in the development of community gardens in Montpelier.

Stephanie has also worked with numerous classes to do conservation related education, including invasive management.

Other Topics

The Commission fields concerns about the City's natural resources from residents and brings up topics of concern to the Planning Commission and City Council. Please feel free to contact us with any questions. This year we discussed a wide range of topics that included:

- The rock blasting project at the highway exit to the City;
- Parking lot proposal at Montpelier High School;
- The change of operations at the conserved Two Rivers Center;
- The plans at the Carr Lot;
- A wish list of conservation targets in the City;
- Flooding;
- Climate change impacts/strategies;
- Invasive species;
- Sabin's Pasture;
- City wetland mapping; and
- MCC strategic planning.

Conservation Commission Website

<http://www.montpelier-vt.org/group/62/Conservation-Commission.html>

The Commission website is available for tracking meeting agenda and minutes, and provides access to reports that are part of the Commission's work.

Members

Commission members, alternates, and liaisons during all or part of the year included the following people (listed alphabetically).

Geoff Beyer, *Staff Liaison*
Ben Eastwood
John Fox
Karen Freeman
Mary Harbaugh
Christopher Hilke
Roy Schiff, *Chair*
Shawn White
Mahima Poreddy, *Student Representative*

The Conservation Commission is a group of Montpelier residents who are eager to assist the City in protecting its 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 Roy Schiff at 223-7214 or roy.schiff@aya.yale.edu.

Roy Schiff, *Chair*
Montpelier Conservation Commission

Montpelier Tree Board

Purpose of the Tree Board:

The purpose of the Tree Board is to protect the public health and welfare by improving and preserving the beauty of the city as it relates to street trees and park trees. The Board administers and updates a plan for the care, preservation, pruning, planting, removal, or disposition of trees and shrubs in parks, along streets, and in other public areas. The large Ginkgo tree on Barre Street (left) is just one example of the many fine trees we can enjoy in Montpelier.

The Board meets monthly (1st Thursday) at City Hall and schedules regular workdays. All are welcome to attend any of our meetings or workdays. We also have room on the Board for more members if you want to play a larger role in the City's urban forest.



Current Board Membership:

John Snell, Co-Chair	Sarah Hoffmeier, Co-Chair
John Akielaszek	Abby Colihan
Jeff Schumann	Geoff Beyer, Tree Warden

The board and a strong group of volunteers logged more than 1000 hours of service in 2013, from planting to weeding, meetings to completing grant applications. We do all our work with a \$2000 budget from the taxpayers.

We could not do our work without the very active support of the Parks Department, in particular Geoff Beyer, Stephanie Olsen and their crews.

Summary of our work for 2013

- Board members: Two long-time Board members, Carole Naquin and John van Deren, stepped down but both remain active volunteers. Many thanks to them for their devoted service. Board member John Snell was honored with the Tree Stewards Leadership Award by Vermont Urban and Community Forestry Program.

- **Tree planting:** We continue to plant trees in various locations around town using both trees purchased with grant funds as well as trees grown in our nursery. This year we replaced six trees in the downtown area that were in decline and added another six trees to the urban forest.
- **GreenUp Day celebration:** The Tree Board planted three trees for GreenUp Day in the downtown.
- **Arbor Day celebration:** The Tree Board planted two more trees from our nursery for Arbor Day at Union Elementary School. An Arbor Day Proclamation was read with the students.
- **Tree maintenance:** We continue to expand our work maintaining our existing trees. This summer we focused on the downtown trees, removing all grates and guards to add compost and gypsum to the planting areas and pruning the trees as needed. Unfortunately many of the grates and guards are in poor condition and some of the trees struggle because they were planted in soil that is less than adequate. Still, our work has made a difference, as in many instances the trees appear better than ever.
- **Tree nursery:** We maintain a small nursery, The Norm Hudson Nursery, at North Branch Nature Center, which donates the land for our use. We are working hard to improve the quality of the trees raised as well as refine the species to better suit our needs. This year we added two dozen new trees, including several varieties of fruit trees. We particularly appreciate the work done by the Parks Department, led by Stephanie Olsen, to mow the nursery and assist in transplanting.
- **Pruning workshops:** The Board and the Tree Warden hosted two hands-on workshops to teach people the basics of small tree pruning. These were attended by over two dozen people some of whom have continued to volunteer with us. We also actively support similar workshops offered by our local state foresters.
- **Educational activities:** The Board has hosted several educational days at the Farmers Market to help people understand our mission and the needs of the urban forest. We also created and staffed a State Street “parklet” with North Branch Nature Center and the Parks Department as part of a citywide effort to envision how the downtown can be made more friendly to people. Board co-chairs, Sarah Hoffmeier and John Snell, were interviewed about our work for an article in The



Bridge. The Board also sponsored a slideshow about our work for volunteers throughout Central Vermont as well as a presentation to a statewide gardeners club.

- **Volunteers:** We have worked hard this year to solicit and use volunteers, with good success! A group of about thirty interested people continue to be available to volunteer. One of our young volunteers, Earl Fechter, was honored and featured in a national publication, Faces of Urban Forestry, published by the National Arbor Day Foundation.



- **Watering downtown trees:** Due to limited quantity of soil in the small downtown tree pits, weekly hand-watering is required. Three volunteer teams did the bulk of the work during the summer; as a result, and because of good rainfall, most of the trees came through in excellent condition.
- **Protecting riverbank trees:** Predation by beavers of river bank trees continues to be a problem. The Board has held two workdays during which we fenced a number of trees (left) to protect them from further damage. More work remains to be done as this is an ongoing issue.
- **Sidewalk clearance pruning:** We have responded to a dozen situations, including several referrals from DPW, where trees overhanging sidewalks were causing problems. We are pleased to be able to provide these services to the city while also assuring the work will be done acceptably to relevant arboreal standards.
- **Tree City USA:** Montpelier once again qualified as a Tree City USA and was honored as such by the Vermont Urban and Community Forestry Program. A Tree City USA must have: (1) a tree board or tree warden; (2) a tree ordinance; (3) a tree program with an annual budget of at least \$2/person; and (4) an annual Arbor Day celebration proclaiming the importance of trees in our lives.
- **Consulting:** We provide informal, free consulting to citizens, businesses and community organizations with questions about their trees. This work ranges from advice on pruning and planting to questions about tree health or possible removal. In 2013 we provided these services in more than a dozen instances.
- **Emerald Ash Borer (EAB) Educational Project:** Regrettably this invasive pest now surrounds Vermont on all sides and is expected to infest the city within a few years. A group of volunteers has inventoried and mapped locations of all Ash trees (1200) on City property and along

pathways in Hubbard Park. In addition, Board member John Akielaszek has drafted a response plan and presented it to City Council with a recommendation that funding be set aside each year anticipating the need to remove trees as they are infested. Work will continue in 2014 refining and implementing the plan.

- Grants: The City, mainly through the efforts of the Board member John Akielaszek, received a \$500 grant from Vermont Urban and Community Forestry Program to develop and implement a plan to deal with the Emerald Ash Borer.

Planning for the future:

- We will continue planting trees in neighborhoods.
- We will continue to improve the use of the nursery as a way to grown high-quality trees at a lower cost.
- We will continue to work with DPW to improve the viability of downtown street trees, including possible testing of new designs for planting areas and better coordination with them on city projects.
- We hope to increase the use of lower cost wood/metal tree guards as a way of reducing costs.
- We will continue to educate community members of all ages as to the importance of Montpelier's trees and how they can better care for those on their property.

We appreciate the continued support we have from the citizens of Montpelier as well as the City Council and city government. Located as we are in the middle of the Green Mountain forest, it is easy to take our urban forest for granted. Many passersby express their appreciation while we are doing our work on the streets. Together we've made a difference that can be seen all around the city.

Montpelier Recreation Department

The Montpelier Recreation Department is proud of its service to the City of Montpelier and its citizens. As we look back on 2013, the Montpelier Recreation Department continues to make strides towards the future.

This year our Dog River Field was back in use after being restored. It received a lot of use from adult softball as well as high school soccer and other groups using the field. This facility was missed after the floods of 2011.

The shelter, in its second summer, was well used for birthday parties, family reunions, school reunions, and picnics for families. Day camp and other summer groups have benefitted from the shelter as well. The use of this facility has proven to be a fantastic addition to our facilities.

Our Capital Kids Summer Day Camp program enjoyed its second summer in the new picnic shelter. The shelter allowed

our program to do more activities that were not possible under a tent. Our numbers for this program continue to increase. The partnership with the Summer Lunch Program was once again very successful. Everybody enrolled can participate in the lunch program that is offered at camp and eligible participants can receive a free lunch to help provide a well-rounded Day Camp experience. Our Vacation Break Day Camps continue to be a successful.

The Recreation Department's overall attendance increased in 2013. Our program that saw the largest increase in numbers was our tennis programs. With the help of our new instructor, Scott Barker, promotions for the programs were very successful. Many of our special events also saw higher numbers of participation. Baseball, Basketball, and Fall Soccer saw a modest increase over last year's participation.

The Recreation Department offered many new activities including: Youth Adventure Camp, Fishing Camp, Sports Camps, and many other activities that draw people to participate. We also offered several after school classes: Fall Tennis Lessons, Zumba, Young Rembrandts Drawing, and Crafty Critters were among some of the programs. Many adult programs have encouraged more adult participation in our programs as well. Programs including Ballroom and Scottish Dance, yoga, dodgeball, and fitness hooping are just a few of the adult programs we offer.

We conducted our annual special events with more participants than past years. They consisted of: Father/Daughter Valentines Dance, Mother/Son Bowling, Halloween Party, Easter Egg Hunt, Touch a Truck, and State Street Slam at the Recreation Field.

At the swimming pool, we continue to enjoy our Summer Barbecues, Pizza Night, Moonlight Swim, Family Fun Day, and many other special events. The weather improved as the summer went on and over 11,000 people visited the pool.

Our lifeguards this year were trained by Red Cross. Audits we received from Red Cross confirmed excellent guard performance and safety standards.

Many of our programs rely on volunteers in order to help them run smoothly. We are very fortunate to have such a high number of very qualified and experienced volunteers. The Recreation Department Staff would like to express our gratitude to all our volunteers. Opportunities we provide would not be possible without the help, support, and commitment of volunteers and supporting organizations.

We enjoy looking back over the past year at our accomplishments, but are always seeking new ways to serving the community's needs. We hope that you will take advantage of your Recreation Department in 2014. 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 office at of 55 Barre Street.

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

“Serving our community since 1945”

- Arne McMullen, *Director of Recreation*
- Jenny Bartlett, *Program Coordinator/Pool Manager*
- Penny Downen, *Administrative Assistant*
- Norma Maurice, *Administrative Assistant*
- Rick Lachapelle, *Maintenance Forman*
- Mike Healy, *Maintenance*
- Carl Nunn, *Maintenance, ½ year*

Recreation Advisory Board Members:

- James Surwilo, *Chair*
- Karlynn Koenemann
- Ena Backus
- Brian Murphy
- Courtney Parento
- Sue Aldrich, *School Board Representative*
- Tom Golonka, *City Council Representative*
- Beth McGuire, *Student Representative*

Below is the Proposed FY 15 Budget for the Montpelier Recreation Department. The Recreation Appropriation will be level funded. Thank you and we look forward to serving our community.

FY 15 Recreation Department Budget					
Account	Description	Proposed Budget FY 14	Proposed Budget FY 15	Difference	% Change
06-1570	Administration	287,933	295,048	7,115	2.47%
06-1571	Recreation Indoor	75,341	71,955	-3,386	-4.49%
06-1572	Recreation Outdoor	323,374	329,517	6,143	1.90%
06-1573	Swimming Pool	120,763	120,763	0	0.00%
06-1574	Indoor Skating	1,000	1,000	0	0.00%
06 2600	Capital Improvements	0	0	0	#DIV/0!
06 5001	VMERS	10,890	10,890	0	0.00%
	Totals	819,301	829,173	9,872	1.20%
FY 15 Recreation Department Revenue					
Account	Description	Budget FY14	Proposed Budget FY15	Difference	% Change
06-1000	Rec Appropriation	575,230	575,230	0	0.00%
06-2700	Season Passes - Swim Pool	19,500	19,500	0	0.00%
06-2701	Season Passes - Rec. Center	600	600	0	0.00%
06-2720	Daily Adm. Fees - Swim Pool	9,500	9,500	0	0.00%
06-2721	Daily Adm. Fees - Rec. Center	2,800	2,800	0	0.00%
06-2730	Program Fees - Swim Pool	7,500	8,000	500	6.67%
06-2731	Program Fees - Rec. Center	40,588	40,588	0	0.00%
06-2732	Program Fees - Outdoor Fac.	106,130	115,502	9,372	8.83%
06-2740	Concessions - Swim Pool	7,800	7,800	0	0.00%
06-2751	Rentals - Rec. Center	7,000	7,500	500	7.14%
06-2752	Rentals - Outdoor Fac.	8,000	8,000	0	0.00%
06-2798	Ski & Skate Sales	9,000	8,500	-500	-5.56%
06-2990	Miscellaneous Revenue	7,000	7,000	0	0.00%
06-5900	Rec. Fund Balance	18,653	18,653	0	0.00%
	Totals	819,301	829,173	9,872	1.20%

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 in Montpelier and beyond.



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 camps (scholarships available), programs for school groups, nature walks, field trips and workshops for all ages, a regular Forest School and Preschool series and much more.

The North Branch Nature Center serves as a convenient trail head for a walk on our property or a more extended hike in North Branch River Park and Hubbard Park. There is also an exhibit room with live turtles, salamanders, snakes and more. There is no admission to visit the Nature Center and trail use is free for all.

In 2013, NBNC continued its partnership with the Union Elementary School to offer the ECO (Educating Children Outdoors) program for all children in second and third grade. NBNC also worked with all of the first graders at Union Elementary to assist teachers in leading ECO with their classes. A total of 80 children from Montpelier attended one or more of our summer camps, 26 attended our vacation day camps during February and April, and 5 Montpelier children are students at our Forest School and Preschool. While we do not record the addresses of participants in short-duration programs (less than 2 hrs), around 1800 people attended these programs in 2013.

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.NorthBranchNature-Center.org.

The board and staff of the North Branch Nature Center appreciate the continued support of the City of Montpelier and its residents. We look forward to serving as a local resource for natural science education in the coming year.

Chip Darmstadt, *Executive Director*

Cross Vermont Trail Association

Imagine a multi-use, four-season off-road trail across the width of Vermont following the Winooski River & Wells River valleys, a 90 mile greenway for cyclists, skiers and walkers connecting communities, their schools, and the natural areas between. This vision has steadily moved toward reality through the quiet work of the Cross Vermont Trail Association.

The Cross Vermont Trail Association, formed in 1999, is an incorporated, private non-profit organization that is member-based and volunteer-driven. We are funded by winning competitive grants and through individual donations from trail users. With part-time staff and donated office space, we are large enough to get things done, but small enough to be cost efficient. We work in partnership with community organizations across the state to develop and expand local trails. Already 30 miles of Cross Vermont Trail are signed and open to the public. These 30 miles are complemented by our 60 miles of "on-road" route signs that identify the best roads people can use to link together existing trail sections. Meanwhile, we continue to work towards the ultimate goal of connecting all local trails into a continuous, statewide, off-road network.

Maps and guidebook to the trail route are available free at www.crossvermont.org, or call us at 802-498-0079.

2013 was a busy year, still rebuilding from the historic floods of 2011, and also getting back into action building new sections of trail. Thanks to all the people who volunteered their time this year swinging picks and shovels to improve and expand their local trails! We are working together with interested land owners to establish right of way for many miles of new trail at locations across the state, including what will be a watershed project in the history of the Cross Vermont Trail, a new 200 foot bridge over the Winooski River in East Montpelier.

Residents of all towns through which the trail route passes are invited to get involved in the CVTA. Get better trails near where you live. Contact us at 802-498-0079 on at www.crossvermont.org.

Greg Western, *Executive Director*

P.S. We also host numerous recreational outings throughout the year. Check our website for further info on June's Central Vermont Cycling Tour in East Montpelier, the Fall Foliage Ride in Groton, Ryegate and Newbury, and more!

Wrightsville Beach Recreation District



The summer of 2013 was a great summer if not a little rainy. It started out with warm weather and little rain that encouraged plenty of people to come and enjoy the beach. This was our 2nd year with the full 18 hole disc golf course that brought people from around VT to come and play. The nice weather continued all the way into August and the attendance at the beach was consistent.

The WBR District also continued its popular canoeing and kayaking program and added a paddle boat, as well as improved and expanded hiking trails, the 18 hole disc golf course, hosted a weekly disc golf league, hosted a variety of day camps and community programs, held the 4th annual Wrightsville Beach Disk Golf Tournament and the 5th annual Green Mountain Water Skiers Tournament.

We also made improvements to the access paths to the ticket booth and beach by adding two benches and replacing grass surfaces with gravel.

The Board of Directors is committed to maintaining and improving the overall recreational experience for all recreation area users. This required continuing investment in the facility for maintenance, operations and capital improvements. The following figures summarize the District's financial operations from January 1, 2013 through year's end:

Revenue

Washington Electric	\$ 9,500
Municipal Assessments	\$ 6,683
Season's User Fees	\$18,050
Prior year's carryover	\$ 7,159
Prior year's reserves	<u>\$ 4,000</u>
Total Revenue	\$45,392

Expenditures

Personnel	\$33,235
Maintenance	\$3,602
Operating	<u>\$2,552</u>
Total Expenditures	\$39,389

The District has tried to set aside a reserve contribution each year of \$2,000 to use for capital improvements and the purchase of equipment, as needed. The balance in this account at the end of 2013 is \$4,000.

Any carryover from operating revenue and expenditures that is realized in any year is used to fund the next year's operating expenses. Since a successful beach season is contingent on the

weather, it is difficult to predict what the user fees will be and whether there will be a carryover from one year to the next. The dues for 2014 remain at the maximum currently allowed of \$.50 per capita.

The Board thanks the member communities for their continued support of Wrightsville Beach.

Carl Witke, *Worcester, Chair*
 Daniel Currier, *Montpelier*
 Jessica Chaves, *Montpelier*
 Bill Merrylees, *East Montpelier*
 Jane Dudley, *Middlesex*
 Collin O'Neil, *Beach Manager*

Montpelier Community Connections



Community Connections Kayak Summer Camp near Bolton Falls.

We did it!

In 2014, Community Connections begins its thirteenth year serving the children and families of Montpelier, Calais, Berlin, East Montpelier, Middlesex and Worcester. Underlying all programming is the mission to make a positive difference in the lives of the area's youth, encourage healthy behaviors and decrease substance abuse. With prevention strategies central to this mission, Community Connections continues to deliver engaging, enriching programs during all out-of-school-time periods – when youth are most vulnerable to risk.

During the past school year, **Montpelier's Community Connections afterschool and summer programming enrolled 156 Union Elementary students, 132 Main Street Middle students, and 167 students from Montpelier High School** including more than 50 members of the Ultimate Frisbee team – now the largest sport in the school. In addition, 61 Montpelier students came to summer camps; 22 kids got off to a great start in kindergarten courtesy of a two-week Boot Camp; and

over 50 came to in-service and vacation day camps. Across the towns, **1251** students were served in CC's out-of-school-time programs.

Community Connections serves a diverse population of Montpelier youth. Our programming, with its focus on healthy risk-taking, social skills development, fun, and enrichment, has offered many students chances to achieve when social, economic, or institutional barriers would otherwise inhibit out-of-school-time involvement.

A Montpelier parent wrote: "Too often in public schools if a child is not involved in team sports they miss out on the physical, social and self-esteem building benefits of participation. Community Connections fills that void for many children in our community. Both of my boys have participated in a wide variety of CC programs: mountain biking, rock climbing, project venture, outing club, Bolton Ski/Snowboard nights, wood-working, kayaking, computer repair and maintenance, steeps and deeps, and winter camping, to name a few. I cannot think of any one program that either of my boys has participated in where they did not make new friends, learn new skills, and gain physical strength, skills or endurance, and thoroughly enjoy themselves. During the 'tween' and teen years children are looking for people to admire and respect, looking for goals to reach and thrills to seek. When my boys are enthusiastically sharing their experiences they point out that these activities and all of the mentors are "cool" for the right reasons. Most of the programs allow the children to conquer fears, achieve goals and experience the thrills that they need during these years and too often seek in dangerous ways and do these things in a safe and respectful environment."

For the 2013-2014 school year, the Board of Directors of Montpelier Public Schools has partially funded Community Connections in the budget. It is not known what the 2014-2015 budget will include. Other changes include a new Site Coordinator for MHS – Annie Bellerose has joined CC as David Bennett moves on to a new life in Colorado. Dave will be missed by all!

Youth Outreach and High School Completion

The **Alternative Path to Diploma** program, shared between Montpelier High School and U-32, graduated 13 students in June 2013 –8 from Montpelier High and 5 from U-32. Fifteen MHS students were enrolled during the year. 2013 was the last year that Montpelier High School participated in the program, due in part to funding limitations.



Community Connections at UES takes a nature hike in Hubbard Park.



Montpelier High School Outing Club celebrates a great view on a winter adventure in New Hampshire's White Mountains.

Mentoring

Community Connections partners with the Central Vermont New Directions Coalition to bring you **Girls/Boyz First Mentoring, which served over 70 children** last year including 17 Montpelier mentees and 17 adult mentors. Mentors encourage, offer perspective, help their mentees develop decision making and leadership skills, and offer meaningful ways for their mentees to experience engagement in their communities.

Thank you all for supporting these many great youth programs over the course of 2013!

Over 53% of students in our communities attend Community Connections afterschool programs. The impact is even greater when mentoring and the alternative program are added in. However, town and school contributions are minimal and most grant funding has ended. We will need additional support from the community if we are to continue to provide these valuable services.



Community Connections Kayak Summer Campers show their paddling skills.



Union Elementary School's CC students celebrate Lights On Afterschool with LEGO projects.

**Area Agencies
Social Services**

Central Vermont Home Health and Hospice



**Central Vermont
Home Health & Hospice**
A Century of Caring and Quality

Central Vermont Home Health and Hospice (CVHHH) is a 102 year-old full service, not-for-profit Visiting Nurse Association governed by a local voluntary Board of Directors. Serving the residents of 23 Central Vermont towns in the comfort and privacy of their own homes, CVHHH is committed to providing high quality, medically-necessary home health and hospice care to all Central Vermonters regardless of their ability to pay. 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 international travelers' health.. In addition to direct patient care, our hospice program offers comprehensive bereavement services and volunteer training.

Twelve Month Report of CVHHH Services to the City of Montpelier

December 1, 2012 to November 30, 2013 *

Program	# of Visits
Home Health Care	6,076
Hospice Care	1,570
Long Term Care	4,660
Maternal Child Health	130
TOTAL VISITS	12,440
TOTAL PATIENTS	393
TOTAL ADMISSIONS	518

*** Audited figures not available at the time of report submission. Preliminary figures are not expected to vary significantly.**

People's Health & Wellness Clinic

The Mission of the People's Health & Wellness Clinic is to provide primary health care and wellness education to uninsured and underinsured central Vermont residents who could not otherwise afford these services.

In 2013, the People's Health & Wellness Clinic provided 2551 patient interactions, including 1464 medical visits, to 654 individual patients, a 19% increase over 2012. 336 of these patients were new to the Clinic. We provided 220 medical consultations, 602 diagnostic tests, and 52 dental referrals. Our services include screening all patients for eligibility in a variety of health insurance and assistance programs. We also helped many of the 654 patients navigate the application process for a variety of programs including, VHAP, Medicaid, Catamount, Ladies First, Medicare, Healthy Vermonters, Affordable Meds, and Central Vermont Medical Center's patient financial assistance program. We were able to successfully enroll them 658 times, many in more than one program.

In 2013, Montpelier residents came for 48 medical visits, representing 89 unduplicated patients. We provided 84 case management visits, 22 medical consultations, 173 diagnostic tests (labs, x-rays, etc.) and provided prescriptions and pharmaceutical samples 79 times. We helped 54 individuals navigate the new health care system and other assistance programs and successfully enroll into health insurance and assistance programs, many in more than one. Since we began our oral health care program in July of 2013 we have had 27 dental history screenings and referrals for Montpelier residents.

Volunteer practitioners are the heart of our service model. In 2013, over 120 volunteers gave over \$179,000 worth of their time serving our patients. We also received over \$273,000 worth of pharmaceuticals and medical supplies for our patients, paid for \$17,066 of diagnostic testing, and got another \$29,000 of tests donated.

2013 was our fourth year of providing special Women's Clinics, in collaboration with Central Vermont Medical Center, and funded by the Susan G. Komen for the Cure and Ladies First. Complete women's physicals, self-examination techniques, and access to free mammograms, other diagnostic tests, and insurance coverage have brought comprehensive and preventive care to another group of central Vermont's uninsured residents.

We define our primary service area as all of Washington County, plus the Orange County towns of Orange, Washington, and Williamstown, but we do not restrict geographic access, and ended up serving people from 49 Vermont towns. While our income guidelines go up to 300% of the Federal Poverty Level (FPL), over 83% of our patients fall under 185% FPL (\$21,257 gross a year for an individual - \$28,694 for a couple).

2014 will continue to bring changes to Vermont's health care system, as the federal Affordable Care Act and state legislation continue to be implemented. The new Health Care Exchange, called "Vermont Health Connect" began in October 2013 and has brought many challenges to those wanting to sign up. This on-line system is supplemented by face-to-face "patient navigators," very much along the lines of what PHWC has been doing for years to assist our patients apply for and enroll in various health insurance and assistance programs.

However, many of Vermont's current programs have disappeared, including Catamount Health Assistance Plan and Vermont Health Access Plan (VHAP). Cost-sharing for patients – premiums, co-pays, and deductibles – are currently proposed to change significantly. Dental care for adults is not covered under Exchange plans.

This has caused uncertainty and some turmoil among our patients, current policy-holders, and the public, as employees and employers are examining how they currently provide and access health coverage. We are intimately involved in the public policy discussions on how these changes will occur and impact our patients, and intend to do all we can to help our patients continue to access quality and affordable health care, both through private and public insurance coverage, and at the Clinic.

We are very grateful to have had the support of every town in central Vermont, including Montpelier, as we do our work. The level of funding doesn't come close to covering our costs, but it helps us leverage other funding from foundation and corporation grants. Donations are actively sought, and gratefully accepted. Thank you again for continuing to support the efforts of the People's Health & Wellness Clinic.

Peter Youngbaer, *Director*

The Vermont Center For Independent Living



Since 1979, The Vermont Center for Independent Living (VCIL) has been teaching people with significant disabilities and the Deaf how to gain more control over their lives and how to access tools and services to live more independently. VCIL employees conduct public education, outreach, individual advocacy and systems change advocacy to help promote the full inclusion of people with disabilities into community life.

Data for our FY'13 (Oct. 2012-Sept.2013) show VCIL responded to over **2,218** requests from individuals, agencies and community groups for information, referral and assistance and program services for individuals living with a disability. VCIL Peer Advocate Counselors (PACs) provided one-on-one peer

counseling to **310** individuals to help increase their independent living skills (including **10** peers who were served by the AgrAbility program and **11** peers who received specialized Benefits to Work Counseling). VCIL's Home Access Program (HAP) assisted **173** households with information on technical assistance and/or alternative funding for modifications; 47 of these received financial assistance to make their bathrooms and/or entrances accessible. Our Sue Williams Freedom Fund (SWFF) provided **164** individuals with information on assistive technology; 40 of these individuals received funding to obtain adaptive equipment. **428** individuals had meals delivered through our Meals on Wheels (MOW) program for individuals with disabilities under the age of 60.

VCIL's central office is located in downtown Montpelier and we have five branch offices in Bennington, Chittenden, Lamoille, Rutland and Windham Counties. Our Peer Advocate Counselors and services are available to people with disabilities throughout Vermont.

During FY '13, **47** residents of **Montpelier** received services from the following programs:

- Information Referral and Assistance (I,R&A)
- Meals on Wheels (MOW)
(over \$6,000.00 spent on meals for residents)
- Home Access Program (HAP)
- Peer Advocacy Counseling Program (PAC)
- Sue Williams Freedom Fund (SWFF)
(over \$2,300.00 spent on assistive technology)

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

Project Independence serves 18 people from Montpelier five days a week and six people four days a week.

Our staff is highly trained and skilled, and each one has had many years of experience at PI. Each day the staff provides these services so our participants can improve their health, maintain their ability to remain independent and be an active member of the community:

- Physical Therapy Support & Nursing care
- Balanced meals (breakfast and lunch) & Activities
- Outings & Entertainment
- Support groups for family members & Respite
- Transportation



On June 23, 2010 Project Independence, (PI) Barre purchased a new home for it's adult day center. The move provides much needed improvements on a number of different levels:

A more central location in downtown Barre for our participants' to remain being a vital member of their community.

Increased square footage allowing PI to potentially double the number of participants in the near future. Currently we are serving 33 participants and are planning to serve 65.

An upgrade of the physical structure allows for better services. For example we now have more wheelchair accessible bathrooms and a larger shower; our physical therapy room is more spacious and upgraded; the kitchen is expanded and will easily adapt to providing more meals.

The move has proved to be a welcomed improvement for us and more financial obligations.

The participants' call their new space the PI Palace. Miracles happen every day at PI and you are welcome anytime to visit and join us for lunch at noon.

Project Independence' Work

Keeping the elderly, frail, mentally and physically disabled at home with their loved ones and independent for as long as possible is at the core of our mission.

Project Independence was founded in 1976 and was housed in the same location up until our new purchase. Yet over the last 30 years the expectations and requirements for adult day care centers have changed. As a society we are expecting to be able to provide more stimuli for our elderly so they may stay physically, socially and mentally active. It is also a sign of the times that more family members are forced to work away from home.

Adult Day, (AD) care centers are the necessary link to make this above goal possible. For the family it means to be able to leave the house knowing their loved ones are safe, cared for and stimulated. AD are also a source of respite and counsel for the caring family.

For the elderly themselves it means to come to a familiar place that offers social, intellectual, physical engagement and medical support.

Sincerely,
Dee Rollins, *Executive Director*

Vermont Association for the Blind and Visually Impaired

More than 10,500 Vermont residents are blind or visually impaired. Vision problems can complicate an individual's ability to perform daily tasks, stay mobile inside and outside the home, and enjoy leisure activities. Additionally, Vermont's rural nature makes it less likely for those with visual impairments to encounter others who face similar challenges, and thus creates feelings of isolation and a sense that they are not understood by their peers.

During Fiscal Year 2013, VABVI served 1,417 clients from all 14 counties in Vermont, including 35 adults and 3 students in Montpelier and 114 adults and 24 students in Washington County.

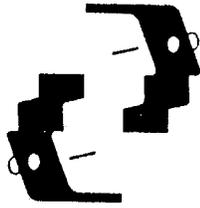
Since 1926, VABVI, a nonprofit organization, has diligently pursued our mission of enabling Vermonters with vision problems, whether blindness or impairment, to achieve and maintain independence. We are the only private agency in Vermont to offer a complete range of services to visually impaired residents – and at no cost to the client.

Services include Rehabilitation (adapting daily living tasks to allow those with low vision to live independently); Orientation and Mobility (providing white cane and guide dog instruction, allowing individuals to navigate through their home and community independently); Assistive Technology (adaptive aids allow clients to successfully perform most activities they desire); Social Networking (improving social skills and providing a support network); and Statewide Transportation (volunteer drivers provide rides to medical appointments, grocery stores and for personal visits).

VABVI has four offices statewide, located in Brattleboro, Montpelier, Rutland and South Burlington. For more information about VABVI's services, or to volunteer, please contact us at (800) 639-5861, email us at general@vabvi.org or visit our website at www.vabvi.org.

Sexual Assault Crisis Team

The Sexual Assault Crisis Team (SACT) is a private, non-profit organization that offers free of charge advocacy for male and female victims of sexual violence. This advocacy includes emotional support both one on one and groups, 24/7 emergency hotline, legal support, medical and hospital support, emergency overnight shelter support and shelter use for victims/survivors, their non-offending family members during the legal process including



court, depositions, rape exam recovery, time before or after individual counseling sessions through private therapist, other times when victims/survivors need a private space or bed for an hour or a day. SACT also provides education around all sexual violence issues for Washington County Schools K-12 and colleges, service groups and other public organizations.

This year SACT is facing additional demands on our resources as we attempt to provide the services needed for male and female shelter residents who are leaving behind their homes, belongings and financial resources for medical, food and restart costs. Victims and survivors not only look to us to provide food, emergency dental and or medical assistance but also look to us for transportation funds and relocation funds including rent deposits etc. We have also found our shelter staff are having to provide assistance to people using our shelter to apply for or change location information for SSI and other resource needs. We are working closely with Norwich University and the Vermont National Guard Sexual Violence Response Coordinator to ensure returning soldiers and their family members, who are struggling with sexual violence issues, are offered all of our services to facilitate their transition to civilian life.

SACT operates using paid staff and during 2012-2013 we had five volunteers and five part time stipend paid hotline staff from local communities who trained for twenty hours to provide confidential advocacy to victims by responding to hotline calls. During 2012-2013 SACT received 1978 calls for services including crisis calls for sexual assaults, requests for emotional support, hospital advocacy, criminal justice advocacy, information and referral, and requests for education and training. These calls for services were handled by both paid staff and volunteers. During fiscal year 2012-2013 SACT provided services to 186 new unduplicated and 3 return clients. SACT served survivors who suffered from a variety of abuse, including sexual assault, sexual abuse, stalking, pornography and human trafficking.

SACT provided shelter for male and females survivors of sexual violence. SACT also provided shelter for male victims of domestic violence and for special needs victims, primarily those needing a handicapped accessible facility which allows the non-offending care provider to stay in shelter with the victim/survivor. During the 2012-2013 fiscal year, SACT provided shelter for 59 people, including 41 adult females and 9 adult males and 7 female children and 2 male children for a total of 658 bed nights. SACT remains dedicated to providing services to all survivors of sexual violence and remains committed to identifying new needs and meeting that challenge.



Circle

Circle continues to evaluate and improve upon existing services available to victims of intimate partner violence. In fiscal year 2013, services were modified and expanded in order to better accommodate the increased needs of victims living in a rural community. Throughout all of these changes, Circle staff and volunteers were kept extremely busy providing the following services:



- Staff and volunteers responded to 5,399 hot line calls, an average of 449 calls per month, and an increase of 4% from last year.
- Shelter services were provided to 32 women and 27 children for a total of 1,326 bed nights.
- Our prevention based programs in schools reached a total of 2,055 students in Washington County through the 79 presentations and long-term support groups held during this fiscal year.
- Circle provided community presentations to 806 individuals through the 41 trainings and workshops offered to individuals and professionals in Washington County.
- Advocates provided support to 108 plaintiffs during Final Relief from Abuse Hearings, and assisted 111 individuals file for temporary orders.
- Court Education Program was presented to 261 individuals, and our Court Hour Program, which offers one-on-one support to plaintiffs as they prepare for their final hearings, was offered to 61 individuals.
- Over 1,500 people received direct services from Circle, which are maintained by trained staff and volunteers.
- Our organization continues to rely heavily on the vast support of its many dedicated volunteers; Board Members, Hotline Advocates, Group Facilitators, and Shelter Support have all contributed 7,125 hours to the work of Circle.



Photo courtesy of Linda Hogan

The Washington County Youth Service Bureau/Boys & Girls Club Is an Important Resource to the Residents of Montpelier

From July 1, 2012 through June 30, 2013, the Washington County Youth Service Bureau/Boys & Girls Club provided the following services to 470 young people and families in **Montpelier**:



- 201 Teens participated in the Base-ment Teen Center in Montpelier that provides supervised drop-in time, leadership opportunities, and many activities & events.
- 26 Youths and their Families were assisted by the Country Roads Program that provides 24-hour crisis intervention, short-term counseling, and temporary, emergency shelter for youth who have runaway, are homeless, or are in crisis.
- 37 Teens were provided with Substance Abuse Treatment through the Healthy Youth Program. This includes substance abuse education, intervention, assessments, treatment and positive life skills coaching, and support for families.
- 8 Family members (4 teens and 4 children) participated in the Teen Parent Program that helps teen parents build parenting and life skills, continue their education, and create healthy homes.
- 14 Teens participated in the Transitional Living Program that helps homeless young people make the transition to independent living. This program teaches life skills and budgeting; assists with employment and education goals; and provides direct rent assistance.
- 184 Community Members were served through the 40th Community Thanksgiving Dinner organized by the Bureau (47 were provided with home-delivered meals).

This year's funding request represents a small fraction of the cost of the services provided by the Bureau. Most of the services provided to Montpelier residents have involved multiple sessions, counseling services were provided by certified or licensed counselors, and emergency temporary shelter included 24-hour supervision, meals, and transportation. No one is turned away for inability to pay.

The Bureau's mission is "To provide a wide range of innovative and effective programs that empower and enrich the lives of youth and families in Washington County, and to provide leadership and support to other youth programs throughout Vermont." We accomplish this through a variety of programs including:

- Youth & family counseling.
- A program for runaway youth.
- A transitional living program for homeless youth; an adolescent substance abuse treatment program; a teen parent program.
- A transitional living program for young men returning from jail.
- A peer outreach program; two teen centers.
- A substance abuse prevention program.
- And a 24 hour crisis service.

The Bureau also operates 6 statewide youth-focused coalitions. All Bureau services are available to Montpelier residents.

Referrals to our services come from parents, school personnel, other organizations, the VT Department of Children and Families, the VT Department of Corrections, churches, police officers, and young people themselves. Many are received through our **24-Hour Crisis Response Service**.

The Washington County Youth Service Bureau/Boys & Girls Club is a private, non-profit, social service agency. All programs and services are funded by foundations, state government, federal government, private donations, area towns, Medicaid, private insurance, and fundraising activities. Thank you for your continued support!

**For Information and Assistance Call 229-9151
24 Hours a Day / 7 Days a Week**

Washington County Diversion Program, Inc.



The Washington County Diversion Program's mission is to engage community members in responding to the needs of crime victims, the community, and those who violated the law, holding the latter accountable in a manner that promotes responsible behavior.

- Diversion is a voluntary, confidential alternative to the formal court process for certain juvenile and adult offenders. Cases are referred by the State's Attorney to Diversion on an individual basis.
- We are a local program that addresses unlawful behavior, supports victims of crime and promotes a healthy community.
- We follow a balanced and restorative justice model by putting right the wrongs that have been done and addressing the needs of all stakeholders, including the victim, the community and the offender. Participation is voluntary; but requires individuals to accept responsibility for their unlawful action(s).
- Court Diversion is the community alternative to court for low level offenders in Washington County.

- Our volunteer Review Board hears both adult and juvenile cases that are referred to us.
- We also administer the Youth Substance Abuse Safety Program (YSASP), a program created by the legislature to deal with underage drinking and possession of marijuana by a minor.

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 for low-level offenders charged with an illegal act.

In Fiscal Year 2013 (July 1, 2012 - June 30, 2013):

- We received 182 referrals to Diversion and 274 referrals to YSASP, for a total of 456 clients served in the period. Montpelier residents comprised 18.2% of that caseload.
- Our clients performed 1,604 hours of community service to various non-profit organizations throughout the county.
- Restitution paid back to crime victims totaled \$12,577.46, while donations to charities amounted to \$885.87, which comes to \$13,463.33 for the year.

Over 84% of the individuals referred to Court Diversion complete successfully. The majority who complete the Diversion Program do not re-offend. Diversion collects more than 95% of the restitution due to victims. And, Diversion is cost effective to tax payers because it takes less time and less money to process a case than through the court system.

We appreciate the consistent support the residents of Montpelier have provided to us over the years.

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

Central Vermont Community Action Council



Since 1965, the Central Vermont Community Action Council has served low-income residents of Lamoille, Orange, and Washington Counties and nine communities in Windsor, Addison, and Rutland Counties. We help people build better lives for themselves, their families and their communities. This year, Central Vermont Community Action Council served 17, 753 people in 9,264 Vermont households through Head Start and Early Head Start, business development, financial education, food shelves and nutrition resources, housing counseling, tax preparation, teen parent education, emergency heating assistance, home weatherization, workforce training, healthcare navigation, ongoing disaster relief, and more.

Programs and services accessed by 320 Montpelier households representing 578.5 individuals this past year included:

- 306 individuals in 162 households accessed nutritious meals and/or meal equivalents at the food shelf.
- 47 households with 108 family members were able to keep heating their homes with help from our Crisis & Supplemental fuel programs as well as other utility costs.
- 55 individuals in 27 households worked with housing counselors to find and retain affordable, safe, secure housing.
- 6 people and 3 households used our Low Income Taxpayer Clinic to resolve IRS controversies and learn about their rights and responsibilities as taxpayers.
- 26 children were in Head Start and Early Head Start programs that supported 7 additional family members.
- 13 households were weatherized at no charge, making them warmer and more energy efficient for residents, including seniors.
- 3 people found and maintained reliable transportation with support from the Vermont Car Coach, including car purchases.
- 16 people attended classes or met one-on-one with a financial counselor to be better able to manage and grow family finances.
- 16 entrepreneurs received counseling and technical assistance on starting or growing a business.
- 8 women received training, counseling and technical assistance from the Vermont Women's Business Center to pursue dreams of business ownership.
- 1 child care provider received nutrition education and was reimbursed for the cost of serving nutritious meals and snacks to the 1.5 children in their care.
- 8 people saved towards an asset that will provide long-term economic security. With savings, homes were purchased; businesses were capitalized and people enrolled in higher education or training.

Community Action thanks the residents of Montpelier for their generous support this year!

Central Vermont Adult Basic Education in Montpelier

~Local Partnerships in Learning~

Montpelier adults and teens (ages 16-90+) who need help learning basic reading, writing, math, and/or English as another language may receive free, local instruction through Central Vermont Adult Basic Education (CVABE). We also help students who are working to earn their high school credential or preparing for employment and/or college.



CVABE's Montpelier Learning Center is located at 100 State St., Suite 3, in the Capitol Plaza. We collaborate with schools, libraries, employers, and a great number of other community resources to make our unique service locally accessible. Our welcome extends to everyone.

Last year, 63 Montpelier residents enrolled in CVABE's free programs. Teachers instructed students one-to-one and/or in small groups. Each student had a personalized education plan to address his/her learning goals. Students' goals included: getting/ improving one's job, earning a high school credential, helping one's children with homework, budgeting and paying bills, reading important information, obtaining a driving license, preparing for college, gaining citizenship, and more.

Approximately 700 people are provided with free instruction annually in CVABE's overall service area of Washington, Orange and Lamoille Counties. Nearly all students are low income. It currently costs CVABE \$2,080 per student to provide a full year of instruction. Last year, 120 community volunteers—including 22 volunteers from Montpelier—worked with CVABE's staff to meet the large need for these services while keeping overhead low.

We are deeply grateful for Montpelier's voter-approved support. Only a portion of CVABE's budget is comprised of state and federal support. Funding is needed each year from the private sector and from the towns and cities served, or we could not help many neighbors who need education for a better life.

For more information regarding CVABE's basic education and literacy services or volunteer opportunities, contact:

CVABE's Montpelier Learning Center
100 State Street, Suite 3, Montpelier, VT 05602
(802) 223-3403 www.cvabe.org or call (802) 476-4588 for information on other learning center locations throughout CVABE's tri-county service area.

Central Vermont Council on Aging

One call to our Senior Helpline at 1-800-642-5119 can connect an older central Vermonter or a concerned family member with essential services that support an elder in remaining independent. For over forty years, Central Vermont Council on Aging (CVCOA) has assisted elders in leading healthy, meaningful and dignified lives in their homes and communities. We provide a network of programs and services to help make this a reality for older residents of Montpelier.

Among the services provided directly by or under contract with CVCOA are health insurance counseling; community and home delivered meals; case management; transportation to essential destinations; family caregiver support and respite grants; mental health services; legal services; food stamp and

fuel assistance outreach; companionship; and help with household tasks. Programs sponsored by CVCOA include the Senior Companion Program and RSVP.

Older residents of Montpelier often require the services of a case manager to assess their specific needs, develop an individualized case plan, and to connect with them with public benefits programs and other community and state resources. The CVCOA Case Manager of Montpelier is Wanda Craig who can be reached at 802-479-7553. CVCOA served 327 residents of Montpelier in fiscal year 2013.

Central Vermont Council on Aging is a private nonprofit organization. There is no charge to elders and their families for services provided. All programs and services are made possible by local communities, state and federal funds, and private donations. CVCOA recognizes and appreciates the valuable support for older central Vermonters provided by the City of Montpelier.

RSVP FOR CENTRAL VERMONT AND NORTHEAST KINGDOM AND VOLUNTEER CENTER

RSVP 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 serves the Counties of Washington, Lamoille, Orleans, Caledonia, Essex and Orange.

RSVP

During the fiscal year beginning July 1, 2012–June 30, 2013, RSVP was able to involve 56 residents of Montpelier as RSVP volunteers. Those residents gave 4,483 hours of service to 18 organizations within the boundaries, or serving, the City of Montpelier. Organizations and services such as health clinics, food distribution centers, blood drawings, library service, RSVP bone builders, tax preparation and many, many more were enhanced by the participation of RSVP volunteers.

RSVP members also have played an important part in the recovery from the floods by staffing recovery centers and helping in the original response to the damage.

If one uses the State average wage, it means that RSVP volunteers donated the equivalent of \$ 92,842 worth 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.

Respectfully,
J. Guy Isabelle, *Director*

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 and preschool child care, 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, and planning and coordinating the Central Vermont Building Bright Futures Council's region-wide programs for parents as first teachers of their children.



Among the 1,076 individuals in Montpelier who benefited from the Family Center's programs and services from July 1, 2012 – June 30, 2013 were:

- *178 who consulted our **Child Care** and other **Resource and Referral services**, receiving assistance in finding suitable child care to meet their needs, answering questions related to child care and child development, and receiving information about other community resources available to them.
- * 70 families who received **assistance paying for child care**.
- * 17 **licensed and registered child care providers** and other support agencies who consulted our **Provider Support services**, and received monthly newsletters and training on a wide variety of topics through home visits, conferences and workshops. 2 of these providers received intensive mentoring at their child care program.
- *106 **children and 100 adults** who participated in our **Playgroups**. Playgroups are free, open to all families with children birth to five, and have no eligibility requirements. Children have a chance to 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.
- *148 **adults and 163 children** who participated in **Parent Education Workshops** and related activities for children.

- * **31 children** who attended our 4 STARS **Early Childhood Education** program.
- * **150 children and parents** who attended our community events.
- * **78 individuals** who were served by one of our specialized **Home Visiting** services, providing parent and family education and support.
- * **25 community members or child care professionals** who planned local and regional **Building Bright Futures Council** activities.
- * **9 children** who received **transportation assistance** through our bus.
- * **1 individual** who received employment training in our **Family Works** program.

We are grateful for the support shown by the voters of Montpelier. For more information about any of our programs, please contact Lee S. Lauber, Executive Director, at 262-3292, Ext. 118, e-mail us at familycenter@fcwcv.org, or visit our website at www.fcwcv.org.

“...fostering the positive growth and development of young children and their families.”

Home Share Now

It is my pleasure to be in touch with you again to report on the work delivered to the City of Montpelier by Home Share Now.

Home Share Now has been facilitating and mediating shared housing in central Vermont since 2003 and Montpelier was our birthplace; our matches are traditionally between people who need affordable housing and the elderly who want to remain in their own homes for as long as possible. Instead of fairmarket rent, services are performed by vetted home seekers in exchange for housing; some matches involve a monthly contribution to house hold expenses like utilities.

Home Share Now is the only organization doing this work in Orange, Washington, and Lamoille counties and in some adjacent towns in Caledonia, Orleans, and Windsor counties.

Last year we helped 567 people consider homesharing as a strategy to meet their needs. For those who decide that home sharing is not a good fit for them, do not find a suitable match in the program, or who require additional services, we serve as a referral organization.

Specifically in Montpelier we responded to 38 homesharing inquiries from 21 home seekers and 17 home providers. Of those inquiries, 30 people enrolled in Home Share Now, 17 home seekers and 13 senior home providers. To enroll in the program means to be interviewed, complete a background check, and

provide personal/landlord/employment references. Of those found appropriate for homesharing, 10 people were matched (and provided on-going support).

Outcomes of homesharing are many, here is a brief sample:

73% of our participants were low income lastyear;

Home Share Now helped divert nursing home eligible home providers with a potential savings up to \$289,645;

Home Share Now saved home seekers \$75,000 in rental expenses last year;

97% of matched participants say that Home Share Now allows them to live where and how they would like.

Homesharing doesn't just happen; it requires outreach and a public presence. Examples of outreach that occurred in Montpelier last year include:

Home Share Now's photography exhibit, the Portrait Project, was exhibited at the National Life Group building in Montpelier and then Montpelier's City Hall.

Guest speaker at Montpelier Senior Activity Center and all of Montpelier's community meal sites.

Monthly tabling outside the Hunger Mountain Co-Op.

Money Follows the Person Mini-Conference.

Posted the area with the assistance of Onion River Exchange (ORE) volunteers.

Connected with all the institutions of higher learning.

Community Bank Notes feature (CommunityNationalBank).

Times Argus (front page story).

Seven Days (interview).

Senior Moments via ORCA Media.

Bill Doyle on Vermont Issues via ORCA Media.

Radio PSA recorded by Willem Lange and aired probono by The Point.

Over 20 weeks of print advertising ran in Montpelier thanks to National Life Group.

In celebration of Older Americans Month, Home Share Now waived its enrollment fee for an entire quarter and discounted final match fees.

All of the above was made possible on a shoestring; last year's budget was \$207,504. Here is the break down of funding sources:

22% Foundations, Corporations, and Community Organizations.

67% VT Department of Disabilities, Aging, and Independent Living.

2% Municipal Appropriations.

6% Individual Donations.

3% Participant Fees

I hope that you'll agree that Home Share Now made good use of the city's generosity of \$1,000.

With many thanks,
Christina Goodwin, *Executive Director*
(802)479-8549

Community Services

Montpelier Food Pantry

The need for emergency meals remains consistent for residents of the Montpelier area. In 2013, the Montpelier Food Pantry served 70,160 meals to more than 1500 households.

We are very fortunate to continue our good work with the help & generous support of our many volunteers, the Montpelier area community, service organizations, individuals and local businesses. Together we are meeting the needs with compassion and a spirit of helpfulness.

While food rescue continues to be at the heart of our programming, we also rely on food drives and local donations to keep our shelves stocked throughout the year. We also purchase staples from local businesses and farms.

For more information about the Montpelier Food Pantry please visit: http://justbasicsvt.org/JBI/Food_Pantry.html or call 229-9158.



Green Mountain Transit Agency

GMTA is the public transportation provider for the northwest and central regions of Vermont, offering a variety of services to the communities in which we serve. GMTA is proud to offer traditional public transportation services like commuter, deviated fixed routes and demand response shuttles to densely populated municipalities, while providing individualized services such as shopping and health care shuttles, Medicaid, Elderly and Disabled services to both urban and rural locations.



General Public Transportation

GMTA provides traditional general public transportation service directly supporting the increasing demand for affordable commuter, environmentally efficient and essential daily need transportation solutions. General public transportation is available through a variety of services including:

- Deviated Fixed Routes
- Health Care Shuttles Local and Regional Commuter Routes
- Demand Response Service
- Local Shopping Shuttles
- Direct Connections to Chittenden and Caledonia Counties

Individual Medicaid, Elderly and Disabled Transportation

In addition to general public transportation service, GMTA provides medical and non-medical transportation service to those who qualify for either Medicaid or Elderly and Disabled funds, or both. We offer individual specialized services for those in need of the scheduling and payment of rides which are provided through volunteer drivers or shuttle service. Through our individual service network, we are able to coordinate and provide rides for those most in need to:

- Medical treatment
- Prescription and Shopping
- Meal site programs
- Social and Daily services
- Senior Center and Adult Day Care
- Critical Care Transportation

GMTA provides free transportation for those in need of critical care services such as radiation and dialysis treatment. Critical Care services are available to anyone within our service regions for local or long distance treatment locations.

- Radiation and Dialysis treatment

Social Service

GMTA collaborates with the VT Agency of Human Services and area providers to support the needs of those seeking access to locations providing essential human services, such as:

- Vermont Association of the Blind
- Washington Family Center
- Reach Up
- Washington County Mental Health
- Central Vermont Substance Abuse
- Vocational Rehabilitation

Individual Special Services

For FY13, 272 Montpelier residents received ongoing indi-

vidual transportation services through GMTA's Medicaid, Elderly and Disabled or Social Service programs. These services were coordinated and administered by GMTA in addition to our regular general public transportation services and directly assisted those in need of special medical and daily needs transportation assistance.

- 272 City of Montpelier residents received individual special transportation service, equaling 14,707 trips and 60,317 total miles traveled.

General Public Transportation Service

Total FY13 GMTA ridership for all regions served (Washington, Lamoille and Franklin/Grand Isle) was 453,229. GMTA provides direct or connecting service to the City of Montpelier through the following general public transportation service routes:

<u>ROUTE</u>	<u>RIDERSHIP</u>
Montpelier Link Express	118,486
City Commuter	50,060
City Mid Day	30,311
Us 2 Commuter	22,791
Waterbury Commuter	12,484
Route 100 Commuter	12,409
Barre Hospital Hill	25,586
Montpelier Hospital Hill	22,517
Barre Hospital Hill Demand Response	1,732
Plainfield Health Cntr Shuttle	884
Montpelier Circulator	21,679
Hannaford Shopping Special	3,236
Capital Shuttle	5,106
Northfield Commuter	New Service

Thank You

Thank you to the taxpayers of the City of Montpelier for your continued financial support of GMTA's public transportation service and for your commitment to affordable and efficient transportation solutions.

Information

Please feel free to contact us with questions or to request additional information on GMTA services at 802.223.7287 or gmtaride.org.

Community Development

Montpelier Alive

Supporting the unique spirit of Montpelier since 1999

Vision: Montpelier is a vibrant community center with a thriving downtown and unique sense of place.

Mission: To achieve our vision, Montpelier Alive will:

Collaborate with Montpelier businesses, civic and governmental organizations and the wider community to enhance the city's position as a preferred location for business.

Focus on keeping Montpelier an accessible and pedestrian-friendly working downtown with aesthetically pleasing streetscapes and design.

Support compact, land-efficient development that enhances the city's environment and preserves its historic character and unique sense of place.

Develop Montpelier as a center for social, cultural, retail and culinary experiences.

Accreditation

Montpelier Alive has received accreditation from the National Main Street Center® for the 2nd year in a row in June 2013 for our excellent work in the field of downtown revitalization. The Designated Downtown qualifies projects within the district for benefits such as tax credit incentives, tax stabilization and grant funding opportunities. Montpelier Alive is a member of the Vermont Downtowns Program, which is coordinated at the state level through the Agency of Commerce and Community Development.

Awards Received

- Vermont Downtowns & Village Center Awards
- Best Special Event: PoemCity
- Best Public/ Private Partnership: Volunteer Program
- Times Argus Readers' Poll
- Best Arts Festival: Montpelier Art Walk
- Downtown Improvement District

A boost in streetscape and promotions efforts came via funding from the new Downtown Improvement District. We were granted \$23,500 for the following projects:

- Flower plantings summer 2013: added 50 new barrels
- Flower plantings summer 2014: total 80 barrels
- Benches summer 2014: 11 new benches to replace and add to stock

- Holiday decorations 2013: new centerpiece, more lights, garland
- Montpelier Branding 2014: for marketing and promotional efforts

Downtown Business Activity

Montpelier Alive continues to support the Montpelier Business Association (MBA) during its monthly meetings, communicating their issues with City staff and by coordinating retail promotions. Daily business was often unpredictable with the changing construction schedule.

Openings, Closings, Expansions

A few downtown businesses celebrated their 1-year anniversary this year, while a couple also celebrated their 40th. New businesses also opened including a night spot, a restaurant, an art gallery and a thrift store. Tenancy seems to remain stable, with some businesses “popping up” strategically.

Capital City Cash

The universal downtown gift certificate kept over \$34,000 circulating among Montpelier businesses in 2012—a 60% increase in local investment over 2011 sales figures. This year’s Capital City Cash Flash in particular raised new awareness of the program such that we have sold out of all our stock for the 2013 holiday season. 2013 sales figures are expected to surpass those of 2012.

We have partnered for two years running with Shaw’s to utilize Capital City Cash as a fundraiser for the Montpelier Food Pantry. 2013 sales figures should far exceed the \$610 raised in 2012.

The MBA continues to meet monthly on the first Wednesday of the month at 8:30 in City Hall.

Downtown Promotional Activities

The Promotions Committee focused on executing its regular schedule of events, as well as supporting the festivals coordination of July 3rd, PoemCity, the MontPolar Frostival, and hosting Green Up Day.

Marketing

The Promotions Committee maintains the Montpelier Alive website and Facebook page, and writes and distributes press releases and PSAs to print, radio, TV and online outlets, including regular spots on WDEV. ORCA Media has recorded and broadcast many of our programs.

Montpelier Alive continues to purchase \$3,000 worth of rack space in area welcome centers to attract tourists to Montpelier with full color tri-fold brochure. Montpelier has been featured in outlets such as: The New York Times, The Boston Globe,

and CNN.

The MBA continued cooperative advertising. The following outlets have donated considerable space to Montpelier: WDEV, The Point, The Time Argus, The Bridge, and Seven Days, among others.

Events

In addition to everything mentioned above, Montpelier Alive created the following programs in whole or in partnership to bring people into downtown Montpelier.

- Montpelier Art Walk – expanded from 4 to 6 times a year.
- Green Up Day – 300 volunteers, plus corporate organizers.
- Brown Bag 2013 Concert Series – Expanded programming to 10 weeks of free music.
- July 3rd Festival – implemented Zero Waste initiatives, diverting 1,400 pounds of compost from the waste stream. Also modified the parade route and utilized crowd barricades.
- MontPolar Frostival – a new winter festival, featuring three days of movement and storytelling.
- PoemCity – In partnership with the Kellogg Hubbard Library, participation increased to over 200 individual poets and 90+ venues featuring poetry.
- Park(ing) Day – a demonstration of the potential of parklets.
- Holiday Events – including Santa, wagon rides, and more.

Streetscape and Design

The Design Committee focused mostly on parklets and benches, trash receptacles and banners.

Parklets

City Council approved a pilot project to install parklets in up to 6 parking spaces in downtown Montpelier. The committee vetted proposals and greenlighted three of them. Two have since been withdrawn and one is still under review for an outdoor consumption permit. We anticipate one or more parklets installed in 2014.

Benches and Barrels

The committee researched and is purchasing a new style of durable bench, to be installed in 2014. We are testing pole-mounted trash receptacles this winter.

Banners

The Montpelier Arts Fund granted \$1,000 for new banners at City Hall Plaza, which were designed by Rob Hitzig and Steve Frey and constructed and installed by Trumbull-Nelson.

Citizen Participation

Montpelier Alive is able to offset our small budget with the donation of human capital in all aspects of work, from planning through execution. On average, we utilize 35 core volunteers putting in 200 combined hours per month.

Committee Composition

All committees welcome new and returning members, as well as able volunteers. If interested, contact either a committee chair or the Montpelier Alive office.

Design Committee is tasked with maintaining the look and feel of downtown Montpelier, to include capital improvements, streetscape and public art projects. Chair: Paul Carnahan.

Economic Development Committee is tasked with monitoring the economic health of downtown by supporting and promoting the marketplace as well as working on recruitment and retention issues. Chair: Jon Anderson.

Organization Committee is tasked with maintaining the organization through developing and sustaining partnerships, funding sources, human capital, and brand identity. Chair: Jon Anderson.

Promotions Committee is tasked with promoting downtown Montpelier as a destination by creating and promoting cultural programming, creating and distributing marketing materials, and maintaining the image of Montpelier. Chair: Rob Chapman.

From the Director

I have been honored and privileged to serve as your downtown manager this year. Montpelier Alive's work could not have been this successful without the full support of the City and its staff, who contribute expertise, time, and in-kind support. We are ever grateful for the generosity that the City and its residents give to support our unique sense of place.

Respectfully submitted,
Phayvanh Luekhamhan, *Executive Director*

Montpelier Green Up Committee

- As always, Green Up Day got an early start, this year on Friday, May 3rd, with some advance work by our corporate groups from National Life Group, Union Mutual, NECI, and others, picking up around their respective campuses and along riverbanks.

- Lots of folks signed up to take part in the official day on Saturday, May 4th in front of the Farmer's Market to tidy up around downtown and in the residential and park areas of Montpelier. It proved to be another great weather day for it, and we had over 300 folks turn out. Thanks to all the businesses that also offered coupons to our helpers. We hosted a raffle for a couple of Green Up Day t-shirts too!
- We'd like to thank the assistance of Casella Waste Management Systems, Hunger Mountain Coop, Subway, Public Works, and Green Up Vermont for assisting us this year. The City of Montpelier contributed \$300 towards the efforts this year (FY13).
- We would also like to note that the 2013 poster was created by Aurora Brush, Montpelier High School student. Thanks, Aurora, for a great poster!

The 2013 Green Up activities were organized by Pinky Clark and the volunteers of Montpelier Alive.

Pinky Clark, *Green Up Montpelier Chair*



Vermont League of Cities and Towns

Serving and Strengthening Vermont Local Government

The Vermont League of Cities and Towns (VLCT) is a non-profit, nonpartisan organization that is owned by its member municipalities and directed by a 13-member Board of Directors comprised of municipal officials from across the state elected by the membership.

VLCT's mission is to serve and strengthen Vermont local government. All 246 Vermont cities and towns are members of VLCT, along with 145 other municipal entities, including villages, solid waste districts, regional planning commissions 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 answered nearly 3,000 inquiries for assistance from municipal officials. Our Municipal Assistance Center (MAC) conducted 23 workshops that attracted more than 1,500 attendees. Our new Municipal Dog Control Workshop, for example, drew an audience of more than 100. Additionally, MAC conducted 14 "on-site" workshops held at municipal offices on a wide range of topics. Handbooks produced by MAC—including our new best-

seller, “The Big Book of Woof,” which explains municipal officials’ responsibilities to dog issues—may be purchased or accessed free of charge on the Resource Library page of our website. The Library also contains nearly 1,000 other electronic documents, including technical papers, model polices, and newsletter articles that are accessible to the general public. MAC has also retained the services of professionals in municipal finance, administration, and policing to provide consulting advice to towns.

- Advocacy. VLCT’s Advocacy Department lobbies the state and national governments to ensure that municipalities have the resources and authority they need to serve their citizens. VLCT is a leader in the education property tax debate, enhancing local voter authority in governance decisions, land use discussions such as lakeshore zoning and renewable energy generator siting, and securing revenues for town highway and bridge maintenance programs. Municipalities will face significant challenges in the 2014 legislature as limited financial resources at the national and state level force more demand for services to the local level.
- Purchasing opportunities to provide needed services at the lowest cost. Examples include municipal unemployment, property, casualty, and workers’ compensation insurance coverage for town operations. The VLCT Health Trust continues to assist towns with Vermont Health Connect and to help municipalities not in the exchange secure health insurance through the marketplace. The substantial municipal damage resulting from Tropical Storm Irene and the storms of the summer of 2013 makes the value of VLCT Property and Casualty Intermunicipal Fund (PACIF) to all our members painfully clear, as they benefitted from the broad coverage, excellent re-insurance, and prompt service and claims payments. In 2010, our three Trusts were responsible for \$43 million in municipal tax dollars spent for insurance and risk management services.

To learn more about the Vermont League of Cities and Towns, including its audited financial statements, visit the VLCT website at www.vlct.org.

Central Vermont Economic Development Corporation

At the end of 2012, CVEDC, GMNEDC, and CVCAC were awarded a \$1Million CDBG-DR Grant for businesses in the Washington and Windsor County regions for ‘unmet needs’ from Tropical Storm Irene. CVEDC went to work to bring assistance to the affected businesses in our region. We partnered with the Central Vermont Community Action Council (CVCAC) and Green Mountain Economic Development Corpo-

ration (GMEDC) to administer the grants and we are pleased to announce that we have issued awards to 42 businesses. Assistance went to manufacturers, service providers, restaurants, farms, and property owners of commercial buildings.

Additional federal funds are being made available and CVEDC, GMEDC, and CVCAC have applied for another round of grant funding. We anticipate a formal response by early November. If a business still has ‘unmet needs’ from Tropical Storm Irene, please contact Sam Andersen, Central Vermont Economic Development Corp., 802-223-4654, or cvedcevp@sover.net for businesses located in Washington County and the towns of Orange, Washington, and Williamstown.

CVEDC continues to focus on ‘Retention and Expansion’ of our existing businesses. To accomplish this goal, staff conducts an active Business Contact & Visitation Program. Establishing a working relationship with the Central Vermont business community is paramount. Staff not only gathers information regarding specific challenges and issues for the business but also relays the suite of tools available from the State of Vermont and other program partners such as USDA Rural Development, the Small Business Administration, as well as our regional partners. CVEDC maintains a strong relationship with the Department of Economic, Housing, and Community Development staff on a regular basis. CVEDC implements a coordinated response to business needs, leveraging all the available economic development tools. CVEDC is actively engaged with over 20 municipal and regional organizations and committees. We work closely with the local development corporations in our region to bring coordinated assistance to business projects.

The Central Vermont Economic Development Corporation (CVEDC) provides a suite of programs and services that include; 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 City of Montpelier as important to their residents and the economic well-being of the community. In addition, the issues of workforce development, telecommunications and housing remain top priorities for CVEDC.

Workforce development is a top priority for CVEDC. CVEDC initiated the first Workforce Investment Board and helped to restructure the organization into the Central Vermont Workforce Development Board. We continue to participate both on the Advisory Board and the Executive Committee. CVEDC is very committed to two of the initiatives as we participate in a leadership role with the Annual Job Fair and the Annual Business Survey. The past year’s Fair was held on April 4, 2013. Approximately, 785 job seekers attended the event. Over 40 busi-

nesses and State of Vermont Agencies participated in the event. The 2014 Job Fair will be held on April 3, 2014 at the Barre Auditorium. Please visit www.centralvtjobfair.com for more information.

CVEDC continues our Revolving Loan Fund for Telecommunications Infrastructure projects. The original initiative, funded by USDA Rural Development, was extended and additional funds were granted so that the service can continue to be brought to un-served municipalities in our region. To date, the initiative has brought high-speed wireless internet to several hundred residents/businesses in our outlying rural communities. This initiative was the first of its kind conducted by a regional development corporation in partnership with a wireless service provider.

CVEDC also continues to administer USDA RBEG/RBOG grants in our region. We have secured funds for a number of small businesses to assist with either marketing initiatives and /or product development. The businesses are from a variety of industry sectors including value-added agri-business, alternative energy, and digital/web services.

In June, 2013, CVEDC held its annual business seminar. Approved for continuing education credits by HRIC for Human Resource staff, the event hosted over a hundred business people at Norwich University. This year Pat Cashman from the state of Washington spoke on the topic, 'Are you still relevant?'. He dissected the reasons for the staggering success stories and he pinpointed the warning signs that were ignored by those who failed. Pat also discussed the 12 reasons why smart organizations thrive in any economy.

The Small Business Development Center is co-located in CVEDC' offices and continues to provide the City of Montpelier residents with information and assistance regarding starting a new business or assistance to an existing business with marketing, financing and other issues. In addition, the 'How to Start Your Own Business' seminars are offered both on line and in person to all Central Vermont residents.

We greatly appreciate the 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. Your financial support is critical so that we may continue or work on the issues of economic vitality for the Central Vermont region. We are always available to meet with Town Select Boards, Councils, and special committees on economic development and vitality issues.

Central Vermont Regional Planning Commission

The Central Vermont Regional Planning Commission is a consortium of 23 towns and cities in Washington County and western Orange County. The Commission has been providing planning and development assistance to communities since 1967 through its experienced and knowledgeable staff. CVRPC is governed by appointed representatives from each municipality in the region.



The Commission provides assistance on municipal plan and bylaw updates, and this year continued its focus on town planning and enhanced consultations with local officials. The Commission's Transportation Advisory Committee (TAC) continued to evaluate the regional inter-modal transportation needs and make recommendations on projects that should be included in the State Transportation Agency's 5 year capital program. CVRPC also continued its work on the development of local hazard mitigation plans, population and housing growth, and river and stream assessments to support transportation and water quality improvements. The Commission has also been actively involved in assisting towns with the development or updates of BEOP's (Basic Emergency Operations Plans). Continuing with its energy work from 2010, CVRPC worked with Efficiency Vermont on the Home Energy Challenge assisting the 15 Central Vermont communities that joined the Challenge. The Commission's work continued this year with providing assistance to towns on flood issues from Tropical Storm Irene and subsequent storms. Assessment and mapping services were provided to those towns impacted, and work is ongoing as it relates to procuring grant funds for repairs to local infrastructure. CVRPC received a grant to work with towns on assessing green infrastructure barriers and developing language for town plans and bylaws. CVRPC began its Regional Plan 2016 update process with its "Plan Central Vermont" outreach effort to involve members and residents in the work of building a sustainable and engaged Region.

This year, the Commission supported the efforts of the City through administration of the Wrightsville Beach Recreation District, emergency management assistance, updating the local hazard mitigation plan, Home Energy Challenge, updating the City's E-911 map, performing traffic counts, developing online mapping tools and developing the parcel map for the website, zoning ordinance review, bike and pedestrian path development, and Act 250 and Section 248 project reviews.

The Commission also sponsors regional planning programs, provides a forum for inter-municipal cooperation, and participates in state regulatory proceedings for projects that have impact across municipal boundaries. Significant staff time this

year was spent working with municipalities on mapping and analysis of current bylaws to understand how they influence future development patterns. CVRPC can also provide model bylaws and assist municipalities with the administration of grants.

Thank you for your continued support for local and regional planning. Please call us for assistance with planning, zoning, transportation, recreation, mapping, or data needs. For more information, you can reach us at (802) 229-0389, or visit our website www.centralvtplanning.org and Find us on Facebook!

Susan M. Sinclair, *Executive Director*

Tina Ruth, *Commissioner*

Central Vermont Solid Waste Management District

CVSWMD is made up of 18 member cities and towns and approximately 52,000 residents. Mia Moore represents Montpelier on the CVSWMD Board of Supervisors. Andy Hooper is the alternate.



In FY13, \$10,580.51 in Municipal Assistance Grants was provided. The CVSWMD also provided \$14,211.31 in School Zero Waste and Walbridge Reuse Grants. The Main Street Middle School received \$778 to purchase reusable water bottles, and materials for zero waste station.

The district continues to provide award-winning programming, including:

- **Residential Composting:** We sell Green Cone food digesters and Soilsaver composting units at a reduced cost to district residents. We also gave several of them away in raffles.
- **Business Composting:** CVSWMD has 95 participating businesses and institutions throughout Central Vermont, which, combined, diverted an estimated 2.6 million lbs. or 1307 tons of food scraps to composting facilities.
- **School Composting (part of our School Zero Waste Program):** All 24 public schools in the district participate in this program. Over the course of the 2012-2013 school year, our schools diverted an estimated 125.83 tons (251,705 lbs.) of high quality food scraps.
- Union Elementary School has diverted over 3 tons of food scraps in FY13 alone!
- Main Street Middle School has diverted nearly 3.5 tons of food scraps in FY13.
- Montpelier High School has diverted 5.595 tons of food scraps in FY13.
- **Special Collections:** In 2013, nine events were held, in

which we collected hazardous waste, electronics, textiles, tires and books including our largest event of the year, the Montpelier Household Hazardous Waste Collection in the fall.

- **Web Site:** We post useful information about what can be recycled, how to dispose of hazardous waste, and about our goal to move toward Zero Waste, including the “A to Z Guide,” dates and times of our special collections, and strategies for achieving a Zero Waste household.

For more information go to www.cvsmd.org or contact us at 802-229-9383 or comments@cvsmd.org

ECFiber

In 2013 the ECFiber network grew by extending into 6 new towns, building 140 miles of new fiber, connecting over 200 additional customers. At year end the network extended into Barnard, Bethel, Chelsea, Norwich, Pomfret, Royalton, Sharon, Strafford, Thetford and Tunbridge. By the time of Town Meeting, close to 600 customers will be enjoying reliable, symmetrical high-speed Internet service at 5, 10 or 20 Mbps, together with Internet Protocol-based telephone service with toll-free long-distance throughout the US and Canada, and a comprehensive package of features. ECFiber expects to introduce a 40 Mbps tier in 2014, in response to customer demand.

As a Vermont municipal entity, ECFiber cannot be funded from local taxes. In 2013 ECFiber held several rounds of investment financing through the sale of promissory notes to mainly local investors. Since 2011, it has now raised over \$5 million, most of which goes into building additional route miles and connecting customers along those routes. As the network is built, individuals and businesses on roads adjacent to the built routes ask to have the network extended to their neighborhoods. This engenders interest in future rounds of capital-raising, which ECFiber expects will continue in 2014.

ECFiber also received significant assistance in 2013 from the Vermont Telecom Authority (VTA). A grant awarded in April facilitated reaching several homes mostly located near Union Village on the Thetford-Norwich border, and a more recent award will enable extension of the network into southeastern Randolph in the third quarter of 2014. Meanwhile, construction of the VTA's 39-mile Orange County Fiber Connector made it possible for ECFiber to reach many more customers in Chelsea, Vershire, Thetford, Norwich, Strafford, and Sharon than ECFiber's locally-raised funds alone could have served.

ECFiber expects to become “operating cash flow positive”, i.e., able to pay for all operating expenses from customer revenues (but excluding debt service and further capital investments) in 2014. ECF Holding LLC, ECFiber's wholly-owned subsid-

inary which borrows investment funds and repays investors, had its first audit and received a “clean” audit opinion. Copies of the audit report have been provided to the Selectboards of the member towns.

Tim and Leslie Nulty retired from the project after 6 years of visionary leadership. Tim will continue to serve as Chairman of the Board of ValleyNet, ECFiber’s operating company partner, and Leslie as a member of that Board. Stan Williams, formerly Chair of ValleyNet, is serving as ValleyNet CEO on an interim basis.

ECFiber Governing Board meetings are held on the second Tuesday of every month at 7 pm at Vermont Law School, Royalton. These meetings are open to the public. More information is available at www.ecfiber.net or contact your local delegates listed below.

Respectfully Submitted,
John Bloch, *ECFiber Montpelier Representative*
Rob Chapman, *ECFiber Montpelier Alternate*

Culture and The Arts

T.W. Wood Gallery & Arts Center

The T. W. Wood Gallery and Art Center at 46 Barre Street provides the City with professional care of its treasured art collection and a destination for art lovers, artists and tourists. The Gallery’s Collection was established in 1895 as a gift to the people of Montpelier by native son and nationally renowned artist Thomas Waterman Wood.

Over the years many lectures, school tours, intimate theater and musical presentations, and special events have been hosted by the Gallery, in addition to the exhibitions of Wood’s work and those of many Vermont contemporary artists. As we move closer to owning the building we currently share with The Monteverdi Music School and The River Rock School (together as “The Center for Arts and Learning”) we will again be providing these activities in our permanent home.

Activities at the Wood Gallery in 2013 included: the popular Summer Art Camp held at the Vermont College of Fine Arts campus and attended by 60 local 7 to 14 year-olds, participation in the December Art Walk, bus tours to museums in Shelburne, VT and Boston’s MFA, and the hosting of local art groups. Most importantly has been the ongoing work with the Collection: the addition of modular units for proper storage of paintings, extensive digital photo documentation of much of the Collection (with a digital slide show available in the Gallery) along with the creation of a new digital data base for the Collection’s records. Works from our Collection are on view at

the State House, City Hall, and several local non-profit organizations.

In keeping with our mission’s goals to care for and display the Collection, and educate and enrich the artistic community and the general public, the Gallery has depended on the City for support in accomplishing this mission. Resources have not always allowed for all of the Collection’s ongoing conservation needs, and much work is needed to assure its preservation for coming generations. It is many years since the Gallery has had a home of its own, having been generously housed in the past by the Kellogg Hubbard Library and the Vermont College of Fine Arts. Having a permanent home can assure facilities dedicated to the proper care and exhibition of this irreplaceable treasure; in addition, we are dedicated to providing display and performance space for the vibrant visual, musical, and performing arts community. The City’s ongoing support is deeply appreciated in helping to maintain this unique piece of Montpelier’s history.

We welcome visitors during office hours (Tues. - Fri. or by appointment) to check our progress, to view artwork in our intimate gallery, to volunteer to help organize and grow, and to inquire about use of space for public or private events. More information about the Gallery’s history and past events can be found at our website, twoodgallery.org, and updates on our progress will be added as available.

William Pelton, *Acting Executive Director*

Kellogg-Hubbard Library

The Kellogg-Hubbard Library, a private non-profit corporation that serves the community as a free public Library, was founded in 1894. To this day, it continues to serve as a dynamic community center for Central Vermont. Open to any and all, and located in the heart of Montpelier, the Library is probably the most actively visited building in the city. Open six days a week, its beautiful granite edifice welcomes hundreds of people per day as they read and borrow books, use the free internet service, and attend programming. Run by the Kellogg-Hubbard Library Corporation, its fundraising activities and endowment have contributed millions of dollars over the years to support this amazing cultural center.

On Town Meeting Day in 2014, the Kellogg-Hubbard Library requests support from Montpelier in the amount of **\$308,673**. This is a **level funding request** from last year. The cost of Library services has continued to rise, as has the high standards of service provided. The Library’s highest priority is meeting the needs of our Library patrons and our community while maintaining financial sustainability.

Montpelier patronage continues to grow. In December of 2013, **Montpelier** had **6405** active registered patrons, an increase of 26% over the previous year. These patrons borrowed **124,011** items.

The Library's Collection continues to grow and is the second largest in Vermont. As of early December 2013, it included **77,508** items, including books, DVDs, audiobooks and magazines. Kellogg-Hubbard's computers also host heavy traffic (which doesn't include the many personal computers using the Library's free wifi) ; as of October 31, 2013 **17,796 internet users sessions** were initiated, boosted by the **installation of a fiber optic network** through the Fiber Connect project in conjunction with the Vermont Department of Libraries. This upgrade, which also included **wireless services throughout the building**, radically increased download speeds and enabled the Library to host **videoconferencing services**, with the necessary equipment funded through a Google grant.

Patrons now have access to the Library's catalog and individual accounts both onsite and online through the Library's website, allowing remote users to login, peruse the catalog, place a hold on items for pickup later, submit interlibrary loan requests, and renew materials. Online patrons can also access **e-books** (Kindle, PDF, audiobooks) and downloadable materials through ListenUp! Vermont. As of early December 2013, **patrons had either checked out, or were waiting to check out, 3540 digital items, an increase of 60% over 2012**, and a number that places Kellogg-Hubbard at 5th in the state for this service.

Kellogg-Hubbard Library has always been a leader in Vermont in offering a wide variety of cultural and educational programming. This past year, the Library supported the following: **167 children's programs attended by 4,275, and 276 adult programs attended by 4,880.**

Kellogg-Hubbard employs seven full-time employees, five part-time employees, and benefits from the volunteered services of 99 individuals. The Library's former Director, Richard Bidnick, left the employment of Kellogg-Hubbard in November; Thomas McKone of Montpelier has been hired as Interim Director, effective January 2, and a national search for a permanent Director has begun.

Contributions from the Library's endowment distributions and service area towns have been steady sources of income, with the exception of Berlin, which did not support the Library in 2013. However, other sources of funding, which include private donations and grants, have decreased in recent years. In response to a decline in funding sources, the Library reduced expenses from \$978,000 in fiscal year 2011 to a budget of \$860,000 for fiscal year 2014. Expenses have been reduced by \$118,000 since 2011 and cannot be reduced further without a reduction in operating hours. Given the recent departure of the

Library's director and the necessary transition time ahead, the Board is delaying a decision regarding operating hour reductions until a permanent director has been hired.

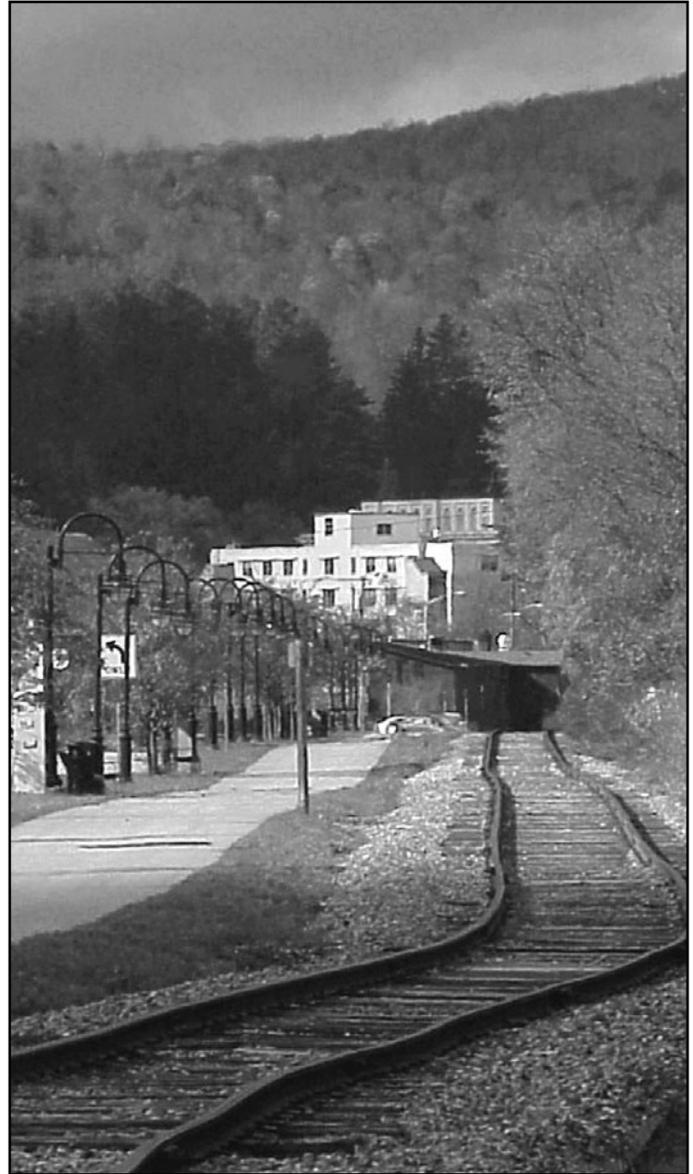


Photo courtesy of Linda Hogan

KELLOGG-HUBBARD LIBRARY
Profit & Loss Budget vs. Actual
 January through December 2012

	Jan - Dec 12	Budget
Ordinary Income/Expense		
Income		
LIBRARY REVENUES	64,922.04	70,500.00
MISC REVENUE	7,945.75	6,000.00
OTHER FOUNDATION GRANTS	11,063.16	
FUNDRAISING	169,006.27	145,199.00
CITY/TOWN CONTRIBUTIONS	405,600.00	405,600.00
Total Income	658,537.22	627,299.00
Expense		
BOOKS & PROGRAM	67,015.41	68,793.00
GENERAL & ADMIN	63,544.18	65,270.00
PAYROLL & BENEFITS	599,242.77	644,243.00
OCCUPANCY	107,657.95	105,300.00
TECHNOLOGY AND COMMUNICATIONS	11,456.22	12,691.00
Total Expense	848,916.53	896,297.00
Net Ordinary Income	-190,379.31	-268,998.00

KELLOGG-HUBBARD LIBRARY
STATEMENT OF ACTIVITIES
DECEMBER 31, 2012

	<u>Jan - Dec 12</u>	<u>Jan - Dec 11</u>
Ordinary Income/Expense		
Income		
LIBRARY REVENUES	64,922.04	68,314.33
MISC REVENUE	7,945.75	9,460.70
OTHER FOUNDATION GRANTS	11,063.16	68,474.28
FUNDRAISING	169,006.27	171,592.83
CITY/TOWN CONTRIBUTION	405,600.00	405,600.00
Total Income	<u>658,537.22</u>	<u>723,442.14</u>
Expense		
BOOKS & PROGRAM	67,015.41	73,919.21
GENERAL & ADMIN	63,544.18	68,344.59
PAYROLL & BENEFITS	599,242.77	713,992.30
OCCUPANCY	107,657.95	109,085.19
TECHNOLOGY AND COMMUNICATIONS	11,456.22	12,412.05
DEPRECIATION EXPENSE	72,132.02	75,326.83
Total Expense	<u>921,048.55</u>	<u>1,053,080.17</u>
Net Ordinary Income	-262,511.33	-329,638.03
Endowment Income/Expense		
Endowment Income		
ENDOWMENT INVESTMENT INCOME	120,604.95	107,645.16
ENDOWMENT INTEREST INCOME	239.40	564.28
ENDOWMENT MANAGEMENT EXPENSES	-17,164.45	-17,242.08
NET MKT G/L (Realized)	130,761.35	76,684.97
NET MKT G/L (Unrealized)	111,751.96	-135,309.66
NET ASSET INCR (DECR) - UNRESTRICTED	<u>346,193.21</u>	<u>32,342.67</u>
Total Endowment Income	<u>346,193.21</u>	<u>32,342.67</u>
Net Income	<u>83,681.88</u>	<u>-297,295.36</u>

* Library Revenue line includes fines, non resident fees, and book sales.

KELLOGG-HUBBARD LIBRARY
Statement of Financial Position
 As of December 31, 2012

	Dec 31, 12	Dec 31, 11
ASSETS		
Cash - checking & petty cash	125,642.46	175,877.73
Cash - money market	370,716.08	356,851.75
Total cash and cash equivalents	496,358.54	532,729.48
Investments, at market value	3,984,508.64	3,818,985.11
Due from city/towns	41,692.00	41,692.00
Unconditional promises to give	5,276.10	3,809.37
Prepaid expenses	15,152.41	20,049.17
	4,542,987.69	4,417,265.13
Building, furniture and equipment		
Building	2,605,829.29	2,593,369.28
Furniture & equipment	165,435.36	165,435.36
Accumulated depreciation	-906,308.02	-834,176.00
Total building, furniture and equip	1,864,956.63	1,924,628.64
	6,407,944.32	6,341,893.77
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	24,817.95	11,091.77
Unearned grant income	2,000.00	6,109.16
ACCRUED WAGES & BENEFITS	9,430.48	11,700.00
	39,300.00	68,800.00
Accrued Compensated Absences	39,300.00	68,800.00
Total liabilities	75,548.43	97,700.93
	5,927,870.05	5,839,667.00
Net assets - unrestricted	5,927,870.05	5,839,667.00
Net assets - permanately restricted	404,525.84	404,525.84
Total net assets	6,332,395.89	6,244,192.84
Total liabilities and net assets	6,407,944.32	6,341,893.77

Lost Nation Theater

"You have a rare jewel of a theater here. If you keep it polished – I promise I will come back."

- **Gordon Clapp, Emmy-Award Winning Actor – at LNT to perform Robert Frost: This Verse Business**

Lost Nation Theater celebrated its 25th Season at City Hall Arts Center in 2013!

To mark the occasion, Governor Peter Shumlin officially proclaimed 2013 The Year of Lost Nation Theater in Vermont!

The Main Stage season began in April with Ransom, the professional premiere of an original drama with music about the life and death of Civil War soldier Ransom Towle, of Rochester, Vermont. LNT partnered with the Vermont Historical Society, the Vermont 18th Regiment, the Friends of the Statehouse, and the Vermont Department of Tourism and Marketing to bring this extraordinary, authentic Vermont tale to life.

Ransom was followed in June by Charles Ludlam's The Mystery of Irma Vep, in July by The Cemetery Club, and in August by My Buddy Bill. Then in September, LNT staged the Vermont premiere of Robert Frost: This Verse Business, a new play by Andy Dolan performed by Tony nominee & Emmy-Award winning actor, Gordon Clapp. After its Montpelier debut, "Frost" toured throughout Vermont, the show went to New York City's Solo Theatre Festival where it won top honors.

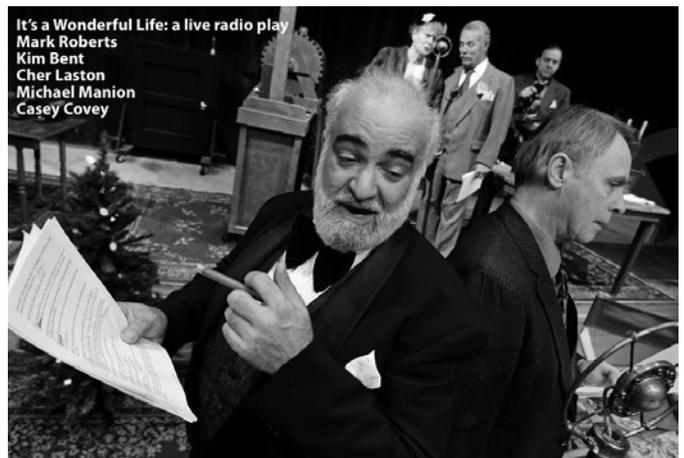
The Main Stage season concluded with a production of Arthur Miller's The Crucible, staged in-the-round and featuring a cast of 20 actors. The Crucible and Ransom offered opportunities to a dozen young aspiring artists (from 11-17) to be part of a professional production. Each one of these shows also provided numerous educational opportunities and special matinees for schools.



Ransom Full Cast

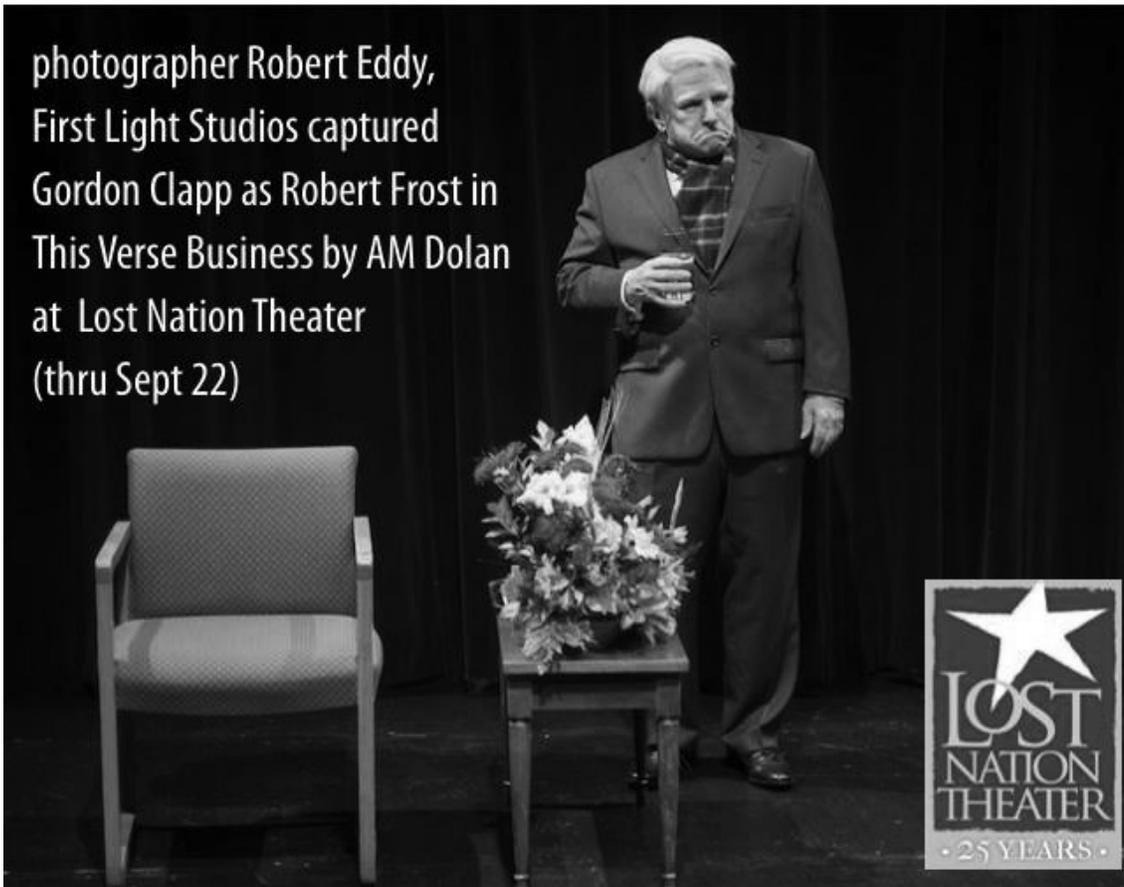


Ransom
Avalon Kann
Aaron Aubrey

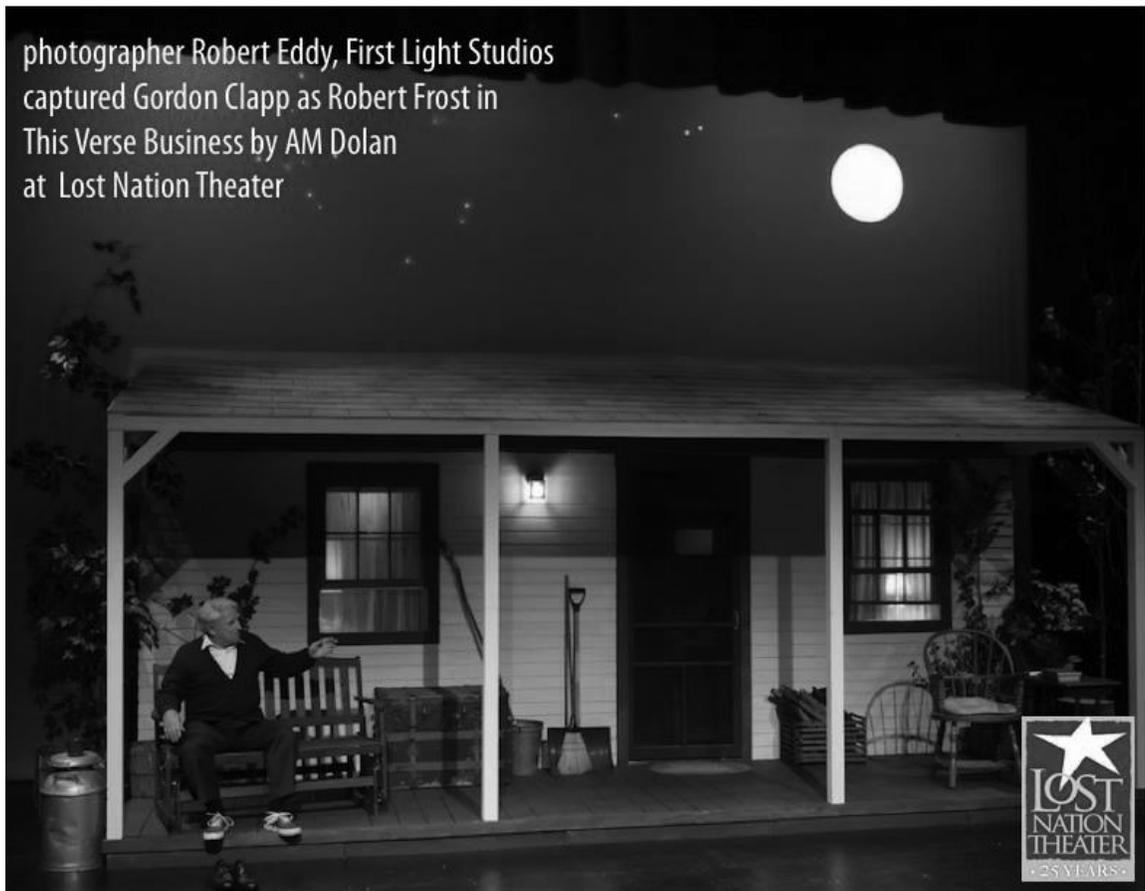


It's a Wonderful Life: a live radio play
Mark Roberts
Kim Bent
Cher Laston
Michael Manion
Casey Covey

photographer Robert Eddy,
First Light Studios captured
Gordon Clapp as Robert Frost in
This Verse Business by AM Dolan
at Lost Nation Theater
(thru Sept 22)



photographer Robert Eddy, First Light Studios
captured Gordon Clapp as Robert Frost in
This Verse Business by AM Dolan
at Lost Nation Theater



Thanks in part to a contribution from the taxpayers of Montpelier, Lost Nation Theater continued to grow its education & outreach programs in 2013:

- 11 different Camps and/or Classes serving 170 students age 6-76
 - ~ **\$6,732 in cash scholarship assistance distributed**
 - ~ Additionally, LNT “bartered” skills with parents or more experienced/older students to further defray costs for families.
 - ~ the highlight of these programs was the production of *Annie Jr*, which served 24 aspiring actor-singers and technicians age 8-19, guided by 9 professional artists. The production camp expanded our musical theater dance component and also added aerial silks circus work to skills included, and enjoyed 4 sold out performances.
- 6 middle/high school students and “special needs” community members received mentoring internships (for free)
- 7 Clients of Return House in Barre, ages 15 – 21, worked on marketing & theater facility support.
- 11 special school matinees (with pre/post shows discussions with cast and crew and some interactive workshops) – including MPSS, MSMS, & UES were conducted
- 2 LNT professional productions (Ransom and Crucible) provided acting and technical roles for 15 students (age 10-19)
- 10 other performance groups were presented by LNT at City Hall Arts Center, including Stage 32 (Union 32’s High School Drama program), which raised funds for its production of Strider to go to the State One-Act Festival to compete for Best Production. These efforts by LNT provided over \$20,000 of inkind support to these diverse groups and individual artists.
- LNT’s special “senior matinees” of main-stage shows (with tickets just \$5 for those 65+) were more popular than ever.

Thanks to the community and to the support of the City of Montpelier, LNT continued to produce a wealth of performance, education, and outreach programs – bringing acclaimed artists from across the country to Vermont as well as providing opportunities for Vermont’s own stellar theater professionals.

The Background:

LNT is one of the state’s “original” year-round professional theater companies. Artistic Director Kim Bent founded Lost Nation Theater in 1977 in Bristol, Vermont. In residence at City Hall Arts Center since 1989, LNT helped transform the Hall into a vital gathering center for theater, music, dances, and

community events. LNT’s work now includes musicals, a host of education and professional training programs, and many partnerships with social service and other arts organizations. In 1989, LNT’s annual budget was under \$20,000. In 2013 its cash budget was approximately \$275,000 (our matching in-kind budget is more). LNT’s annual economic contribution is approximately \$1 million. LNT donates more than \$35,000 in goods and services each year to the community.

The Programs

PERFORMANCES! — Over 120 each year -- featuring the best Vermont and “Imported” professionals

- Six Mainstage Shows
- WinterFest!
- An Edgar Allan Poe & Fiends Halloween
- It’s a Wonderful Life-Radio Play
- Cabarets
- Theater For Kids By Kids shows

EDUCATION! — Opportunities for all ages and Experience Levels

- Youth Theater Classes & Camps — summer & winter-break day camps for ages 6-21; winter/spring skill development classes – includes technical and performance
- Professional Theater Training Program—bridging academic & professional worlds
- Will on Wheels & other Workshop Programs—for elementary through college-level students
- Master Classes in specific skills (like stage-combat, acting techniques, directing) for a wide variety of ages and proficiency levels
- Mentorships, Individual Learning Plans, Community Based Learning and Independent Studies

OUTREACH! — A Professional Theater Rooted in Community

- Benefit Performances
- Ticket Donations to non-profit arts, human service, education & other organizations
- Facility Management of City Hall Auditorium Arts Center, making possible such events as:
- Hunger Mountain Coop’s Food Fair and assisting groups such as Dave Keller’s 1st Annual New Year’s Eve Bash, Green Mountain Youth Orchestra, Justice Center, Montpelier Alive, CV Land Trust, with their events
- Mini-Performances to Nursing Homes, Assisted Living Facilities, Adult Day Cares, and Low-Income Children’s Day Care programs
- Custodians of City Hall Auditorium
- Consultation, Referral, & Technical Support Services for area schools and others



My Buddy Bill
Ethan Bowen



The Cemetery Club
Maura O'Brien
Jude Millstein
Emme Erdosy



The Mystery of Irma Vep
Christopher Scheer
Eric Love



PHOTO CREDIT:
ROBERT EDDY
"THE CRUCIBLE"
PICTURED PAUL
RIOPELLE & IRA
SARGETN



Edgar Allan Poe Spooktacular:
A Dark Carnival
Kim Bent
Taryn Noelle

- Accessibility Initiatives — with Adult Basic Education, VCIL, Heaton Woods, VSA, Headstart, 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.

2013 LNT Staff

- Kim Bent and Kathleen Keenan –Producing Artistic Directors
- Casey Covey – Technical Director/CHAC Facilities Manager
- Kris Weir – Production Stage Manager
- Dona Bate – Outreach Development & Bookkeeping
- Wendy Stephens – Master Electrician & Social Media

2013 LNT Board of Directors & Advisors

- Rob Chapman, Dan Jones, Warren Kitzmiller– VP, Ted Richards – Secretary, Amy Willis
- Dona Bate, Joan Black, John Fricke, Bronwyn Fryer, Linda Henzel, Betty Lord, Eric Michaels, Maura O'Brien, Anthony Otis, Tim Tavcar, Alan Weiss, Ron Wild, Sue Zeller
- Volunteer Staff:
 - Hank Babcock–Asst. Technical Director, Amanda & Sarah Menard–Management & Marketing
 - Pat Babcock – Office Assistant Lauren Aradi and Pat Keenan – Executive Assistants
 - Louise & Ray Menard-Concessions
 - Mitch Osiecki – Volunteer Coordinator
 - Robyn Osiecki, Un-Ruly-E
 - Sam Biondolillo – IT Advisor

City Hall Arts Center

In 2013, City Hall Auditorium Arts Center was host to some 40 events (plus some small meetings) over 230 days. And some of these days held multiple events!

These events were diverse occurrences; ranging from rummage sales, annual meetings, craft fairs, Hunger Mountain's Health & Wellness Fair, education workshops, and city meetings, to the MontPolar Frostival's Snow Ball, LNT productions, and Dave Keller's 1st Annual New Year's Eve Bash, then back again to hosting practices for the Central Vermont Women's Roller Derby Team. Of course, twice a year the Hall hosts Voting!

Lost Nation Theater is the facility manager for City Hall Arts Center. What does that mean?

It means helping renters plan their use of the Hall, opening the Hall and then securing it; determining what kind of technical support (lighting, staging, tables, additional electricity) they will need, and arranging for qualified support staff when necessary; and even hanging the banners on the building that advertise events or community projects like Blood Drives.

– It also means the Theater is in charge of maintaining the Hall for all users: 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. Sometimes these duties are much larger, such as assisting the City with a massive energy-efficiency improvement project. In 2013, Lost Nation Theater donated well over \$7500 worth of technical support and services to other users of City Hall Arts Center (in addition to those groups presented by LNT). 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, different areas in which to have “break-out” meetings, or to host 100 vendors at a time. Over the years, LNT has invested over \$120,000 in City Hall Arts Center.

Capital City Band

The Capital City Band had another successful summer season providing ten free concerts on the State House lawn that were attended by enthusiastic audiences. In addition to playing our regularly scheduled State House lawn concerts, we play in the Montpelier Independence Day parade. This year we were pleased to be asked by the City of Montpelier to also play a concert on the State House steps for the Montpelier Independence Day celebration. At the end of our summer concerts on the lawn, we play an additional concert at one of the local nursing homes. This year we played at Rowan Court in Barre.

The Band plays a variety of marches, show tunes, popular numbers, old-time favorites and other selections. The total number of Band participants this summer was 56. The band is open to

all band instrument players who like to play. For more information, call 223-7069.

Carolyn Silsby, *Manager*

Committees Appointed by City Council

Conservation Commission

Roy Schiff, <i>Chair</i>	Karen Freeman
Christopher Hilke	Shawn White
Mary Harbaugh	Ben Eastwood
John Fox	Mahima Poreddy, <i>Student Rep</i>
Geoff Beyer, <i>Parks/Tree Warden</i>	

Tree Board

John Snell, <i>Co-Chair</i>	Sarah Hoffmeir, <i>Co-Chair</i>
Abby Colihan	John Akielaszek
Jeff Schumann	Geoff Beyer, <i>Tree Warden</i>

Design Review Committee

Stephen Everett, <i>Chair</i>	James Duggan, <i>Vice Chair</i>
Kate Coffey	Eric Gilbertson
Jay White	Seth Mitchell, <i>Alternate</i>
Liz Pritchett, <i>Alternate</i>	

Central Vermont Regional Planning Commission

Tina Ruth, *Representative of the City of Montpelier*

Montpelier Business Loan Fund Committee

Beth Boutin	Jo Ann Gibbons
Stephen Klein	Kim Phalen
Claude Stone	

Note: Please advise this office if you know of any alternative needs necessary for reading this report.

Phone 802-223-9504.

Tax Exempt Parcels

Property Owner	Exempt Value	Payment in Lieu of Taxes as of 1/2014	Property Owner	Exempt Value	Payment in Lieu of Taxes as of 1/2014
			Resurrection Baptist Church 144 Elm St, 2 properties	512,100	--
American Legion 21 Main Street	341,500	--	Roman Catholic Diocese of VT Rectory/Church, 16 Barre St	3,528,000	--
Brown Johnson Post #792 (VFW) 1 Pioneer Center	374,900	--	Convent/School, 1 Msgr. Crosby	1,025,200	--
Beth Jacob Synagogue Harrison Avenue	235,100	--	Shepherd of the Hills Lutheran Church 115 Northfield St.	398,100	--
Bethany Church Main Street	1,814,600	--	Social Security Building School Street	643,700	--
Capitol City Housing Foundation Heaton Woods	2,394,500	--	Trinity Methodist Church of Montpelier, VT Inc. Main Street	1,252,400	--
Cemeteries:		--			
Elm Street	76,900		Unitarian Church Main Street	793,900	--
Green Mount	453,000				
Roman Catholic	99,900		US Post Office State Street	4,818,500	--
Central VT Solid Waste Management District 137 Barre Street	259,800	--	VT Center for Independent Living 11 East State Street	575,600	--
Christ Church – Episcopal State Street	2,577,800	--	Vermont College of Fine Arts 7 properties College St, West St.	6,916,000	--
Family Center of Washington County 285 Sherwood Drive	1,430,100	--	Vermont Humanities Council 11 Loomis Street	561,000	--
First Baptist Church School Street	484,000	--	VT Institute of Natural Science 713 Elm Street	299,800	--
First Church of Christ 145 State Street	429,800	--	VT Program for Quality in Health Care Inc.	296,200	1,500.00
Fisher, OM Home 149 Main Street	1,122,000	--	Vermont, State of 39 properties State St., Baldwin St., Gov. Aiken Ave, Green Mt. Dr., Stone Cutters Way, Taylor St., Terrace St.	116,127,900 763,557.00	184,000.00
Kellogg Hubbard Library 135 Main Street	1,950,200	--	Washington, County of 3 properties State Street, Elm Street	1,956,000	--
Montpelier, City of 3 school properties	11,692,600	--			
Montpelier, City of 16 properties	13,032,000	--			
Montpelier Elderly Housing Project 155 Main Street	2,739,900	11,702.66	Washington County Mental Health 90 & 157 Barre Sts	421,400	--
120 Northfield Street	535,100	2,000.00			

Calendar Year 2012 Compensation

Employee	Department/Office	2013 Wage	Employee	Department	2013 Wage
Aldrighetti, Jane P	Assessor's Office	\$53,819	Elliott, Kyle M	Public Works	\$5,476
Alexander, Nancy A	Elections	\$157	Ellis, Frank P	Public Works	\$71,707
Alexander, Priscilla L	Elections	\$157	Ellsworth, Alec G	Parks Department	\$7,248
Amaral, Michelle F	Police Department	\$42,661	Facos, Anthony John	Police Chief	\$78,706
Apgar, Andrew P	Police Department	\$31,347	Farnham, Michael	Public Works	\$52,275
Armantrout, Michael A	Police Department	\$1,331	Fischer, Robert K	Public Works	\$65,578
Bagg, Scott	Police Department	\$3,209	Fraser, William J	City Manager	\$101,839
Baker, Burtis W	Public Works	\$37,813	Gallup, Sandra J	Finance Director	\$70,389
Baker, Jessie	Assistant City Manager	\$50,007	Gibson, Judith A	Community Justice	\$51,209
Balseiro, Barbara	Elections	\$157	Gidney, Jane C	Elections	\$157
Bean, Chad	Police Department	\$61,315	Golonka, Thomas	City Council	\$1,200
Beyer, Geoffrey	Parks Director	\$57,889	Gomez, Maria A	Senior Center	\$2,399
Bilodeau, Michael J	Public Works	\$46,757	Goslant, Cheryl C	Police Department	\$65,160
Blatchford, Sharon A	Finance Office	\$58,885	Gowans, Robert A Jr	Fire Chief	\$76,106
Blodgett, Zachary R	Public Works	\$40,606	Gray, Christopher C	Public Works	\$38,602
Blouin, Tyson J	Public Works	\$54,119	Hallsmith, Gwendolyn	Planning	\$68,168
Bolduc, Marguerite A	Finance Office	\$45,094	Healy, Patrick R	Green Mt Cemetery Director	\$59,302
Bookmyer-Baker, Christine C	Planning	\$25,653	Hill, Beverlee P	Delinquent Tax Collector	\$39,363
Bousquet, Jeffrey S	Public Works	\$42,474	Hoagland, Devin F	Public Works	\$48,831
Breakstone, Leslie A	Senior Center	\$136	Hollar, John	Mayor	\$3,000
Bresette, Loretta	Finance Office	\$46,378	Hood, George E	Public Works	\$52,722
Bresette, Nicholas P	Fire Department	\$58,319	Hooper, Timothy A	City Council	\$1,200
Brown, Audra K	Planning	\$51,408	Hotchkiss, Bonnie L	Police Department	\$45,075
Brunell, David	Parks Department	\$21,630	Hoyt, Charlotte L	City Treasurer	\$39,563
Byrd, S. Yvonne	Community Justice Director	\$61,333	Hull, Douglas R	Public Works	\$44,587
Casey, Kevin S	Planning	\$53,819	Huntsman, William T	Fire Department	\$60
Charron, Paul R	Fire Department	\$64,227	Huoppi, Dana L	Fire Department	\$81,325
Chase, Crystal A	Clerk's Office	\$43,494	Jasman, Douglas C	Fire Department	\$63,195
Christman, Kenneth J	Fire Department	\$50,145	Jennings, William M	Police Department	\$14,757
Clar, Janna M	Senior Center Director	\$42,403	Kachajian, David W	Police Department	\$69,468
Clark, Mary Alice	Police Department	\$19,505	King (Utton), Annette	Police Department	\$65,104
Cleveland, Richard D	Police Department	\$97,599	Knisley, Matthew	Police Department	\$68,431
Cochran, Wade R	Police Department	\$84,889	Ladd, Eric R	Public Works	\$69,558
Conneman, Thomas M	Police Department	\$65,450	Lamson, Matthew J	Public Works	\$11,314
Cowens, Nathan J	Public Works	\$53,641	Larrabee, Jacob	Fire Department	\$63,158
Cox, Christopher P	Public Works	\$49,597	Larson, Cynthia J	Elections	\$190
Daniels, Nicholas M	IT	\$43,137	Lavallee, Michelle	Police Department	\$40,398
Day, Suzanne G	Elections	\$157	Law, Todd C	Public Works Director	\$80,772
Deyo, Craig J	Public Works	\$4,467	Lee, James G	Public Works	\$2,864
Dockter, Ruth A	Finance Office	\$39,217	Lee, Richard W	Public Works	\$48,086
Drake, Adam	Public Works	\$40,920	Lewis, Jeremy A.	Public Works	\$43,221
Durgin, Steven	Public Works	\$35,887	Luce, Peter C	Public Works	\$44,155
Edgerly Walsh, Jessica A	City Council	\$1,000	Lucenti, Salvatore J	Elections	\$72
Eggleston, Leon	Fire Department	\$73,522	Lumbra, Christopher H	Planning	\$51,236
			Lyford, Nelson H	Public Works	\$24,628
			Mackey, Virginia G	Public Works	\$46,656
			Macura, Joshua J	Police Department	\$67,928
			Marineau, Andrew	Fire Department	\$49,332

Markus, Lise E	Senior Center	\$6,923	Provencher, Todd R	Public Works	\$38,379
Marold, Glen M	Fire Department	\$53,459	Purcell White, Kathryn A	Police Department	\$47,987
Martel, Neil E	Police Department	\$82,529	Quinn, James	Fire Department	\$64,733
Mcardle, Thomas J	Public Works	\$67,919	Redmond, Justin P	Fire Department	\$48,670
Mccool, Carrie E	Police Department	\$19,444	Redmond, Pauline B	Elections	\$157
Mccullough, Adam P	Fire Department	\$320	Richardson, George W Jr	Public Works	\$53,098
Mercadante, Michael	Public Works	\$48,450	Rousseau, Frances M	Fire Department	\$30,898
Michaud, Benjamin R	Police Department	\$50,805	Ruggles, Daniel J	Fire Department	\$50,650
Mills, Alfred S	Community Justice	\$30,100	Ruggles, Donald E	Fire Department	\$130
Monteith, Gabrielle C	Parks Department	\$2,314	Schamberg, Eric	Planning	\$4,712
Moody, Mark L	Police Department	\$48,749	Sharp, James A	Senior Center	\$5,700
Morande, Kristine M	Finance Office	\$53,349	Shaw, Richard	Police Department	\$9,287
Morse, Chad M	Fire Department	\$58,031	Skeels, Frederick H	IT	\$56,521
Motyka, Kurt	Public Works	\$68,298	Smith, Leslie E	Public Works	\$53,404
Moulton, Kevin T	Police Department	\$75,947	Snetsinger, Robert W	Public Works	\$3,916
Naikus, Seth	Public Works	\$10,691	Swenson, Sandra K	Police Department	\$16,381
Naikus, Vytas J	Public Works	\$43,455	Taylor, Samuel W	Fire Department	\$50,642
Nichols, Johanna	Senior Center	\$26,226	Thereault, Galen	Fire Department	\$50,221
Nolan, Stephen P	Police Department	\$64,130	Thompson, Robert	Public Works	\$2,143
Nordenson, Eric W	Police Department	\$76,381	Thurston, Peter B	Fire Department	\$2,843
Odum, John M	City Clerk	\$56,493	Thurston, Richard W	Fire Department	\$804
Olson, Sharon K	Police Department	\$52,954	Tillinghast, Mark A	Fire Department	\$40,573
Papineau, Michael V	Public Works	\$58,225	Timpone, Angela M	City Council	\$200
Pearson, Jeffrey A	Police Department	\$60,425	Truhan, Christopher M	Police Department	\$62,395
Pelletier, Charles E	Police Department	\$13,461	Tuttle, Brian L	Public Works	\$64,864
Pembroke, Sheila	Fire Department	\$23,697	Utton, Michael D	Public Works	\$61,241
Perry, Daniel	Public Works	\$57,848	Watson, Anne E	City Council	\$1,200
Persons, Albert C	Public Works	\$45,239	Weiss, Alan H	City Council	\$1,200
Philbrick, Michael B	Police Department	\$53,217	Wilson, Geoffrey P	Public Works	\$65,539
Pitonyak, Sandra June	City Manager's Office	\$51,435	Zeno, Tonia M	Police Department	\$6,775
Potter, Michael T	Public Works	\$53,313			
Powers, Scott V	Public Works	\$50,256			

CITY OF MONTPELIER, VERMONT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2013

Fothergill Segale & Valley, CPAs conducted an audit of the financial statements for the fiscal year ended June 30, 2013. 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 our Financial Statements and the audit report.**

The Management's Discussion and Analysis for the Year Ended June 30, 2013 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 the 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//page/286.html>. If you have questions or comments regarding this financial report, please call or email Sandra Gallup, City Finance Director at (802)262-6253, sgallup@montpelier-vt.org.

**CITY OF MONTPELIER, VERMONT
Management's Discussion and Analysis
For the Year Ended June 30, 2013**

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, 2013. Please read it in conjunction with the City's financial statements which begin on Exhibit A.

Financial Highlights

Government-Wide Statements

As a result of the implementation of GASB #63 "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" the government-wide and proprietary financial statements and this Management's Discussion and Analysis now use the term "net position" in place of "net assets". Net position is the residual of all other elements presented in a statement of net position.

During the current fiscal year, the District Heat Project became a viable utility under which the City will be providing heat to various customers who sign up and pay to be connected to the City's distribution system. As a result, the assets, liabilities and net position related to District Heat were transferred from the Capital Projects Fund, which is a governmental activity, to a new District Heat proprietary fund which is a business activity. This decreased the net position of the governmental activities by \$1,806,669 and increased the net position of the business-type activities by \$1,806,669.

Excluding the effect of the transfer of District Heat discussed above, the total net position of the governmental activities increased by \$909,101 or 4.4 percent and the total net position of the business-type activities increased by \$1,686,616 or 8.2 percent. The City's total net position increased by \$2,595,717 or 6.3%, as a result of this year's operations. This increase is the result of a large amount of capital grant, operating grant and contribution revenue.

The cost of all of the City's programs was \$16,935,220 in fiscal year 2013 which is almost exactly the same as the \$16,975,707 cost in fiscal year 2012. Total revenue for all the City's programs decreased from \$20,387,744 in 2012 to \$19,530,937 in 2013, which is a 4% decrease from the previous year. This decrease is due to a reduction in capital grant activities although overall, capital grant and contributions remains high at \$2,199,618.

Fund Statements

During fiscal year 2013, the General Fund reported a net increase in the fund balance of \$48,026.

The General Fund balances totaled \$1,667,549 as of June 30, 2013. The fund balances that are nonspendable, restricted, committed and assigned totaled \$954,472 as of June 30, 2013. These fund balances are either nonspendable or have spending constraints placed on the purposes for which they can be used. This leaves an unassigned fund balance of \$713,077 which is \$251,064 lower than the prior year's unassigned fund balance.

The Community Development Fund ended the year with a restricted and committed fund balance of \$476,927, which was \$17,378 higher than the prior year fund balance of \$459,549. This fund balance is reserved by various sources for Community Development programs and activities.

The Capital Projects Fund ended the year with a fund balance of \$2,025,571 which was \$1,248,393 higher than the prior year fund balance of \$777,178. Much of the increase in the Capital Projects fund balance is the result of the receipt of \$1,462,500 in bond proceeds for public works projects. A transfer of a negative fund balance of \$278,277 to the district heat fund also added to the fund balance. \$1,579,588 of these funds are restricted by bonding constraints and impact fee ordinances, \$619,129 are committed for various capital improvement projects leaving an unassigned fund deficit of (\$173,146).

Other nonmajor governmental funds ended the year with a fund balance of \$964,180, which was \$38,322 lower than the prior year fund balance of \$1,002,502. \$474,392 of these funds are Non-Expendable by Trust Agreements. \$640,630 of these funds are restricted and committed by donations and permanent funds. The unassigned deficit of \$150,842 is a result of interfund loans payable in the Montpelier Senior Citizens fund which will be paid back with future operations revenue.

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The Water Fund ended the year with a net position of \$8,932,191 which was \$110,801 more than the prior year balance of \$8,821,390. Of the total net position balance, \$9,400,979 is invested in property and equipment. This leaves an unrestricted deficit of \$468,788 to be recovered in future periods. This unrestricted deficit is \$15,048 more than the \$453,740 unrestricted deficit as of June 30, 2012. An unexpected major water line repair limited the Water Fund's ability to reduce its unrestricted deficit in fiscal year 2013. \$297,500 of the unrestricted deficit is debt related to the refinancing of the unfunded pension liability. Principal repayments on this debt are not due until November, 2017.

The Sewer Fund ended the year with a net position of \$11,684,618, which was \$242,711 higher than the prior year balance of \$11,441,907. Of the total net position balance, \$11,566,086 is invested in property and equipment. This leaves an unrestricted net position balance of \$118,532.

The Parking Fund ended the year with net position of \$314,560, which was \$24,538 higher than the prior year balance of \$290,022. Of the total net position balance, \$342,848 is invested in property and equipment and \$2,417 is restricted for various projects. This leaves a deficit of \$30,705 to be recovered in future periods. Included in this deficit is \$192,500 in debt related to the refinancing of the unfunded pension liability. Principal repayments on this debt are not due until November, 2017.

As discussed earlier, the District Heat Fund was established in fiscal year 2013 and ended its first year with a total net position of \$3,115,235. Of the total net position balance, \$3,115,235 is invested in property and equipment.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position 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.

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 Position 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 position and changes in them. You can think of the City's net position - 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 position 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.

In the Statement of Net Position 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, parking and district heat activities are reported here.

CITY OF MONTPELIER, VERMONT
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For the Year Ended June 30, 2013

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 Financial Position 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 Financial Position 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
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Our analysis below separately considers the operations of governmental and business-type activities as well as the City as a whole.

The City as a Whole

The City's combined net position increased by \$2,595,717 from a year ago - increasing from \$41,086,641 to \$43,682,358. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

**Table 1
Net Position**

	<i>June 30, 2013</i>			<i>June 30, 2012</i>		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
			Primary Government			Primary Government
Current and other assets	\$ 7,316,724	1,008,662	8,325,386	6,317,659	715,829	7,033,488
Capital assets	21,788,552	39,541,908	61,330,460	22,958,068	35,817,293	58,775,361
Total assets	29,105,276	40,550,570	69,655,846	29,275,727	36,533,122	65,808,849
Long term liabilities	8,535,691	15,105,910	23,641,601	7,494,327	15,767,516	23,261,843
Other liabilities	933,831	1,398,056	2,331,887	1,248,078	212,287	1,460,365
Total liabilities	9,469,522	16,503,966	25,973,488	8,742,405	15,979,803	24,722,208
Net position:						
Invested in capital assets, net of debt	18,032,714	24,425,148	42,457,862	19,337,797	21,042,778	40,380,575
Restricted	2,426,160	2,417	2,428,577	2,051,598	2,417	2,054,015
Unrestricted	(823,120)	(380,961)	(1,204,081)	(856,073)	(491,876)	(1,347,949)
Total net position	\$ 19,635,754	24,046,604	43,682,358	20,533,322	20,553,319	41,086,641

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Table 2
Change in Net Position

	June 30, 2013			June 30, 2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
			Primary Government			Primary Government
REVENUES:						
Program revenues:						
Charges for services	\$ 970,495	6,742,163	7,712,658	954,703	6,397,323	7,352,026
Operating grants and contributions	949,812	0	949,812	1,931,796	0	1,931,796
Capital grants and contributions	380,452	1,819,166	2,199,618	2,724,031	133,541	2,857,572
General Revenues:						
Property taxes, penalties and interest	7,537,608	0	7,537,608	7,124,124	0	7,124,124
Payment in lieu of taxes	940,841	0	940,841	964,912	0	964,912
Unrestricted investment earnings	110,293	0	110,293	88,998	0	88,998
Gain (loss) on sale of capital assets	(4,995)	0	(4,995)	8,328	(321)	8,007
Other revenues	76,727	0	76,727	54,709	0	54,709
Contributions to permanent endowments	8,375	0	8,375	5,600	0	5,600
Total revenues	10,969,608	8,561,329	19,530,937	13,857,201	6,530,543	20,387,744
PROGRAM EXPENSES:						
General government	1,607,457	0	1,607,457	1,797,853	0	1,797,853
Public safety	4,455,692	0	4,455,692	4,410,840	0	4,410,840
Public works	2,525,163	0	2,525,163	2,608,649	0	2,608,649
Culture and recreation	1,045,957	0	1,045,957	1,348,697	0	1,348,697
Community development	9,089	0	9,089	296,673	0	296,673
Cemetery	188,072	0	188,072	173,854	0	173,854
Interest on long-term debt	239,077	0	239,077	233,305	0	233,305
Water	0	2,338,067	2,338,067	0	2,254,147	2,254,147
Sewer	0	3,295,906	3,295,906	0	3,159,956	3,159,956
Parking	0	723,882	723,882	0	691,733	691,733
District Heat	0	506,858	506,858	0	0	0
Total program expenses	10,070,507	6,864,713	16,935,220	10,869,871	6,105,836	16,975,707
Excess before special item and transfers	899,101	1,696,616	2,595,717	2,987,330	424,707	3,412,037
Flood/Fire Insurance Proceeds	0	0	0	43,742	158,402	202,144
Transfers	10,000	(10,000)	0	10,000	(10,000)	0
Increase (decrease) in net position	909,101	1,686,616	2,595,717	3,041,072	573,109	3,614,181
Transfer to District Heat Fund	(1,806,669)	1,806,669	0	0	0	0
Total increase (decrease) in net position	\$ (897,568)	3,493,285	2,595,717	3,041,072	573,109	3,614,181

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

Excluding the transfer of District Heat, the total net position of the City's governmental activities increased \$909,101 or 4.4%. This increase is the result of capital grants for storm-related damages and a new fire truck.

Excluding the transfer of District Heat, the total net position of the business-type activities increased by \$1,686,616 or 8.2%. This increase is due to a \$374,308 operations surplus and \$1,312,308 in capital grants for District Heat.

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Governmental Activities

The City's tax rate increased from \$0.8489 to \$0.8823 per \$100 of assessed value (up 4%) from fiscal year 2012 to fiscal year 2013.

Table 3 presents the cost of each of the City's eight largest programs - general government, public safety, public works, culture and recreation, community development, water, sewer, parking and district heat - 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
Costs of Programs**

	June 30, 2013				June 30, 2012			
	Governmental Activities		Business-type Activities		Governmental Activities		Business-type Activities	
	Net Revenues		Net Revenues		Net Revenues		Net Revenues	
	Total Cost of Services	(Cost) of Services						
General government	\$ 1,607,457	(1,226,051)	0	0	1,797,853	(1,364,405)	0	0
Public safety	4,455,692	(3,426,841)	0	0	4,410,840	(3,611,000)	0	0
Public works	2,525,163	(1,992,362)	0	0	2,608,649	492,735	0	0
Culture and recreation	1,045,957	(717,230)	0	0	1,348,697	(711,608)	0	0
Community development	9,089	(9,089)	0	0	296,673	301,354	0	0
Water	0	0	2,338,067	98,301	0	0	2,254,147	85,534
Sewer	0	0	3,295,906	255,211	0	0	3,159,956	357,344
Parking	0	0	723,882	34,538	0	0	691,733	(17,850)
District Heat	0	0	506,858	1,308,566				
All others	427,149	(398,175)	0	0	407,159	(366,417)	0	0
Totals	\$ 10,070,507	(7,769,748)	6,864,713	1,696,616	10,869,871	(5,259,341)	6,105,836	425,028

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 \$5,134,227 which is \$1,275,475 higher than last year's total of \$3,858,752. Included in this year's total change in fund balance are an increase of \$48,026 in the City's General Fund; an increase of \$17,378 in the Community Development Fund; an increase of \$970,116 in the Capital Projects Fund and a decrease of \$38,322 in Other Governmental Funds. A transfer of a negative fund balance of \$278,277 to the District Heat Fund also increased the Capital Projects Fund balance. Much of the increase in the City fund balance is in the Capital Projects Fund as a result of the receipt of bond proceeds for public works projects in the amount of \$1,462,500.

General Fund Budgetary Highlights

When comparing budget to actual net change in fund balance for the year ending June 30, 2013 there is a favorable variance of \$122,526 (as presented in Exhibit F).

Revenue is \$217,005 more than budgeted. Although there are many variances in many revenue line items, overall, this additional revenue is grant funds received for public safety equipment. Other significant favorable variances in revenue are \$67,356 ambulance call charges, \$26,566 project management fees and \$22,530 local payment in lieu of taxes (PILOT). Unfavorable variances in revenue are \$49,071 State PILOT and \$20,911 Transfer from Community Development Fund for administrative fees.

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Expenditures are over budget by \$302,850. Similar to revenue, a significant amount of the unbudgeted expenditures is related to equipment purchased with federal grant funds and the purchase of a fire truck. The cost of the fire truck was covered by bond proceeds (\$207,500 see Debt Proceeds in Other financing sources) and a federal grant. Some of the significant unbudgeted expenditures are; \$39,732 City Hall Building Repair (Elevator repair), \$36,346 Misc. Use of Fund Balance and \$24,475 Police Overtime. The \$88,495 overage in Small Equipment is partially offset by grant funds. Savings of Department of Public Works Operating Supplies and Salaries in Planning and City Manager Departments (vacancies) help offset these overages in expenditures.

Employee health insurance costs are lower than anticipated and \$26,700 in funds are set aside (committed) for possible, future health reimbursement arrangement overages.

The unassigned fund balance decreased from \$964,141 on June 30, 2012 to \$713,077 on June 30, 2013. This \$251,064 reduction is due to the fiscal year's \$48,026 net change in fund balance less the \$299,090 increase in nonspendable, restricted and committed funds. \$250,000 of this increase is funds committed by the City Council to Capital Projects in June of 2013. The City of Montpelier's Fund Balance Policy sets a long-term goal of an Unassigned Fund Balance that is 15% of budgeted General Fund Expenditures.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2013, the City has \$61,330,460 compared to \$58,775,361 at June 30, 2012 invested in a broad range of capital assets, including police, fire, and department of public works equipment, buildings, park facilities, roads, bridges, water, sewer, district heat lines. (See Table 4 below) This amount represents a net increase (including additions and deductions) of \$2,555,099 over last year. This increase is related to the District Heat construction in progress and many other improvements to facilities, infrastructure and equipment.

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

	<i>June 30, 2013</i>			<i>June 30, 2012</i>		
	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
Land	\$ 742,050	250,672	992,722	742,050	250,672	992,722
Capital improvements and equipment	19,879,395	34,576,537	54,455,932	19,271,741	35,566,621	54,838,362
Construction in progress	1,167,107	4,714,699	5,881,806	2,944,277	0	2,944,277
Totals	\$ 21,788,552	39,541,908	61,330,460	22,958,068	35,817,293	58,775,361

**CITY OF MONTPELIER, VERMONT
Management's Discussion and Analysis
For the Year Ended June 30, 2013**

This year's major additions included:

City Hall Elevator	\$	42,423
City Hall Access Control for Doors		21,018
City Hall Attic Insulation		38,750
Senior Center Kitchen Improvements		21,646
Senior Center Kitchen Equipment		45,509
Police 2012 Chevrolet Impala		22,978
Police Roof Top Chiller		13,909
Fire Station Skylight		20,344
Fire 2013 Ford Explorer		24,166
Fire-2 Autopulse Resuscitation Systems		17,174
Fire Truck -Typhoon Pumper		357,073
Fire -2 Mounted Cameras on Fire Truck		12,759
Infrastructure-Streets		615,594
Infrastructure-Flood Repairs		152,713
Infrastructure-Retaining Walls		163,441
Infrastructure-CV Bike Path		64,151
Infrastructure-Carr Lot		78,695
DPW vehicles (3 Dump Trucks & Wheel Loader)		144,009
DPW - Wheel Loader		121,820
GPS Equipment-Shared-DPW, W&S		13,950
DPW Generator Project -In Progress		5,121
Water-2 vehicles 50%		25,553
Water -Dump Truck with hydraulics-50%		34,723
Water-Electric Generator Repairs		24,032
Water -Pump Repairs		19,680
Water System Improvements -In Progress		85,954
Sewer-2 vehicles 50%		25,553
Sewer -Dump Truck with hydraulics-50%		34,723
Sewer -Bridge & Tank Refurbish		47,080
Sewer -River St Line - In Progress		69,812
District Heat Project-In Progress		2,528,814
	\$	<u>4,893,167</u>

**CITY OF MONTPELIER, VERMONT
Management's Discussion and Analysis
For the Year Ended June 30, 2013**

Long Term - Debt

At June 30, 2013, the City has \$23,246,619 in bonds and notes outstanding versus \$22,812,377 on June 30, 2012 - an increase of \$434,242 - as shown in Table 5.

**Table 5
Outstanding Debt at Year-End**

	Balance at June 30, 2012	Additions	Payments	Balance at June 30, 2013
Notes, capital leases and bonds payable:				
Governmental activities	\$ 7,145,362	1,670,000	571,735	8,243,627
Proprietary Funds	15,667,015	435,060	1,099,083	15,002,992
Totals	\$ 22,812,377	2,105,060	1,670,818	23,246,619

New debt in Governmental activities resulted from loans for the City's multi-modal transit center project street and facilities Improvements as well as a fire truck replacement. New debt in Proprietary Funds was for the District Heat project.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials consider economic factors and the community's priorities when setting the fiscal year 2014 budget, property tax rates, and fees that will be charged for the business-type activities.

Economic factors considered include the unemployment in the City, which stood at 5.3% (August 2013) compared with 4.1% (August 2012). Also considered was the Consumer Price Index percent change over one year (August 2011-August 2012) which was 2%. Montpelier's estimated household income in 2011 was \$56,951 which is higher than the Vermont average of \$52,776. Montpelier's estimated median house or condo value in 2011 was \$203,165 which is lower than the Vermont average of \$213,700.

In recent years, the City of Montpelier's budgets contained no appreciable annual revenue growth or increase in taxable property. Annually, costs rise and demands for services remain. The combination of a slow-growing economy, little growth in the grand list and Montpelier's relatively high property tax rates, has resulted in a council goal to produce budgets with tax rate increases at or below inflation. The 2014 municipal budget provides for an increase equivalent to the change in the consumer price index, with all additional revenues dedicated to infrastructure investments.

To meet the City's fiscal challenges, it was necessary to reduce staffing in the 2014 budget. 4 full-time city positions were eliminated in the agencies of Fire, Police, Public Works and Planning. Although these changes will have some impact on City services, the City's ability to meet basic public health and safety will not be adversely affected. The City Council approved a multiyear capital plan to rebuild and maintain the city's infrastructure. The FY14 municipal budget requires a one-half cent tax rate increase which, at 0.5% is less than the 2% inflation rate for 2012.

Looking ahead, the City is partnering with federal and state agencies to study flood mitigation measures to alleviate the threat of damages due to ice-jam flooding of the Winooski River in the downtown area. The installation of flood gauges significantly improves the City's ability to monitor the river water levels. A new flood mitigation project, which was completed in March of 2012, will reduce risk of ice-jam flooding.

As for the City's business-type activities, water and sewer rates increased very slightly effective July 1, 2013. The combination of users' water conservation and the lack of growth in numbers of users provide challenges to the Water and Sewer Funds. The Water and Sewer Rate Committee is proposing a new rate structure to assure annual revenues will be generated to cover all costs and eliminate previous years' deficits in the Water Fund

**CITY OF MONTPELIER, VERMONT
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Current quarterly water rates are as follows: \$7.73 per 1,000 for the first 50,000 gallons, \$8.21 per 1,000 for the next 200,000 gallons, \$13.32 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 \$37.50.

Current quarterly sewer rates are as follows: \$8.72 per 1,000 gallons of water used and a fixed charge for all for meter reading, billing and other administrative service costs of \$31.25.

The City's District Heat utility will begin operating a "mini-system" in the fall of 2013 as it awaits the completion of the state's bio-mass heating plant. Full operation is planned for the 2014-2015 heating season.

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 6, Montpelier, VT 05602.

Other Financial Information

**Statement of Taxes (School and City), Sewer Benefit,
Sewer Separation (CSO) Benefit Charges Raised for Fiscal Year
July 1, 2012 - June 30, 2013**

Taxes & Charges Billed

Real Estate/Personal Property	\$18,854,199
Sewer/ CSO Benefit Charges	\$854,434
Delinquent Taxes - Total	
As of June 30, 2012	\$127,925
TOTAL TAXES/CHARGES	<u>\$19,836,558</u>

Accounted For As Follows:

Collections/Adjustments/Abatements	\$19,714,077
"Delinquent as of June 30, 2013"	\$122,481
TOTAL TAXES/CHARGES	<u>\$19,836,558</u>



Photo courtesy of Linda Hogan

**ANNUAL CITY MEETING
CITY OF MONTPELIER, VERMONT
MARCH 5, 2013**

ARTICLE 1 (Candidates)

POSITION	TERM	CANDIDATES	VOTES	RESULT
Green Mount Cemetery	5 years	Meri	1861	ELECTED
Park Commissioner	5 years	Cara	1760	ELECTED
School Commissioner	3 years	Sue Aldrich	1674	ELECTED
Council Person District 1	2 years	Tom	575	ELECTED
Council Person District 2	2 years	Anne Watson	678	ELECTED
Council Person District 3	2 years	Jessica Edgerly Walsh	295	ELECTED

ARTICLE 2. Shall the voters appropriate the sum of \$7,145,818 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, 2013 to June 30, 2014? (Requested by the City Council)

YES: 1693 NO: 572

ARTICLE 3. The total proposed budget of \$17,359,522 (local budget of \$16,986,916 plus grant budget of \$372,606, for a total school budget of \$17,359,522) is the amount determined by the school board to be necessary to support the school district's educational program. State law requires the vote on this budget to be divided because (i) the school district's spending per pupil last year was more than the statewide average and (ii) this year's proposed budget is greater than last year's budget adjusted for inflation. (Requested by the School Board)

Part A. Shall the voters of the school district authorize the school board to expend \$16,970,390, which is a portion of the amount the school board has determined to be necessary?

YES: 1426 NO: 891

Part B. If Part A is approved by the voters, shall the voters of the school district also authorize the school board to expend \$389,132, which is the remainder of the amount the school board has determined to be necessary?

YES: 1209 NO: 1062

ARTICLE 4. Shall the voters appropriate the sum of \$575,230 for the support of the Recreation Department for the fiscal year July 1, 2013 to June 30, 2014? (Requested by the School Board)

YES: 1732 NO: 573

ARTICLE 5. Shall the voters appropriate the sum of \$3,000 as compensation to the Mayor for services for the fiscal year July 1, 2013 to June 30, 2014? (Requested by the City Council)

YES: 1782 NO: 527

ARTICLE 6. Shall the voters appropriate the sum of \$7,200 (\$1,200 each) as compensation to the Council Members for their services for the fiscal year July 1, 2013 to June 30, 2014? (Requested by the City Council)

YES: 1775 NO: 535

ARTICLE 7. 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, 2013 to June 30, 2014? (Requested by the School Board)

YES: 1686 NO: 622

ARTICLE 8. Shall the voters authorize the Board of School Commissioners to hold any audited fund balance as of June 30, 2013 in a reserve (restricted) fund to be expended under the control and direction of the Board of School Commissioners for the purpose of operating the school? (Requested by the School Board)

YES: 1660 NO: 580

ARTICLE 9. Shall the voters authorize the City Council to borrow a sum not to exceed \$710,000 for street improvements including sidewalks, retaining walls, storm drains and culverts? If approved, bonds for these capital items would be issued for a term of 20 years. With a 20 year bond, approximately \$15,600 would be required for the first year interest payment and approximately \$53,900 for the second year principal and interest payment and future payments declining each year as the principal is repaid. (Requested by the City Council)

YES: 1851 NO: 448

ARTICLE 10. Shall the voters authorize the City Council to borrow a sum not to exceed \$670,000 for sewer line improvements in and around River Street? If approved, bonds for these capital items would be issued for a term of 20 years. With a 20 year bond, approximately \$14,700 would be required for the first year interest payment and approximately \$50,900 for the second year principal and interest payment and future payments declining each year as the principal is repaid. The Town of Berlin will share in the cost of a 20 year bond as outlined in the Agreement on Sewage Treatment and Collection Between the City of Montpelier and the Town of Berlin. (Requested by the City Council)

YES: 1749 NO: 530

ARTICLE 11. Shall the City of Montpelier make the following public school building improvements, namely, repairs, renovations, system replacements, and betterments to the Union Elementary School, Main Street Middle School, and Montpelier High School, and incur indebtedness not to exceed \$2,300,000 for such purpose, subject to reduction from available state and federal grants-in-aid? If approved, bonds would be issued for a term of twenty years, with first year interest payments of approximately \$54,795, and approximately \$179,892 of second year principal and interest payments, with declining principal and interest payments in subsequent years. (Requested by the School Board)

Notice required by 24 V.S.A. 1758(b)(3)- State funds may not be available at the time this project is otherwise eligible to receive state construction aid. The City is responsible for all costs incurred in connection with any borrowing done in anticipation of state school construction aid.

YES: 1401 NO: 875

ARTICLE 12. Shall the City raise \$75,000 by levying a special assessment on properties within Montpelier's Designated Downtown not used entirely for residential purposes? The assessment shall be apportioned according to the listed value of such properties except that the assessment for any property also used for residential purposes shall be reduced by the proportion that heated residential floor space bears to heated floor space for such property. Funds raised by the assessment shall be administered by a Downtown Improvement District Committee, appointed by the City Council, and will be used to improve the downtown streetscape and to market the downtown. (Requested by the City Council and Montpelier Alive.)

YES: 1216 NO: 1031

ARTICLE 13. Shall the voters appropriate the sum of \$308,673 to be used by the Kellogg-Hubbard Library for the fiscal year July 1, 2013 to June 30, 2014? (This amount is in addition to the \$42,378 for the library bond payment included in the City General Fund Budget, ARTICLE 2) (By Petition)

YES: 1518 NO: 771

ARTICLE 14. Shall the City of Montpelier appropriate the sum of \$40,000 towards the Montpelier Circulator year-round bus route within the City of Montpelier? This \$40,000 will match approximately \$120,000 from GMTA to fully fund the service for a third year of operation. (This amount is in addition to the \$29,371 for other GMTA services which is included in the City General fund Budget). (By Petition)

YES: 1539 NO: 748

ARTICLE 15. Shall the registered voters of the City of Montpelier, appropriate an additional \$54,669.00 (cut by the City Council) into the Fire Department budget for the sole purpose of retaining the Full-Time Firefighter/EMT position in an effort to maintain the current safety and staffing levels? (By Petition)

YES: 1198 NO: 1098

ARTICLE 16. Shall the voters of the City of Montpelier instruct the City Council to enact the following resolution to protect citizen health and safety, water bodies and other natural resources, in relation to tar sands oil transport through Vermont?

WHEREAS, the oil industry appears to be planning to use an aging oil pipeline, built in 1950, to bring Canadian tar sands diluted bitumen through Vermont on its way to Portland, Maine for export; and

WHEREAS, the mining, drilling, and processing of tar sands requires a vast and destructive industrial operation that emits 3-5 times more carbon pollution per barrel than conventional U.S. crude oil, among many other problems; and

WHEREAS, pipelines carrying tar sands have a greater likelihood of leaks and spills because of the corrosive properties of tar sands, and such spills are more costly and difficult to clean up than conventional oil spills, as demonstrated by a 2010 tar sands spill that contaminated the Kalamazoo River in Michigan.

NOW, THEREFORE, BE IT RESOLVED:

1. That the City expresses its opposition to the transport of tar sands oil through Vermont, and its deep concern about the risks of such transport for public health and safety, property values, and our natural resources; and
2. That the City shall require every fuel vendor, as a precondition for doing business with City, to provide complete and current lists of the refinery sources of origin for all fuel the vendor sells, and thereby direct the City's purchases as much as possible toward vendors whose refinery sources do not use any material derived from tar sands; and
3. That the City encourage the State of Vermont and other northeast states to support policies phasing out fuel purchases as quickly as possible from vendors whose refinery sources of origin use any form of tar sands, and support policies such as a Clean Fuels Standard to help keep such fuels out of the region's fuel supply; and
4. That the City call upon the Vermont State Legislature and the U.S. Congress to ensure thorough environmental impact reviews of any tar sands-related pipeline proposals, including the health and safety impacts of potential tar sands oil spills, along with clear guidelines for tracking the origins and chemical composition of pipeline contents and feedstocks; and
5. That the City transmit a copy of this resolution to all relevant state, federal and Canadian officials, and the CEOs of Portland Pipe Line Corporation, Montreal Pipe Line Limited, Imperial Oil, ExxonMobil, and Enbridge Inc. (By Petition)

YES: 1650

NO: 643



Photo courtesy of Linda Hogan

School Superintendent's Report

As I reflect on my brief tenure as Superintendent of Schools in the Capital City, I find myself impressed by the students in this District. Our students demonstrate a remarkable commitment to their own education whether in Kindergarten or Twelfth Grade; simply put, it is inspirational. Further, they are accompanied on their educational journeys by a student-centered and mission-driven faculty and staff in every one of our buildings. From Union Elementary to Main Street Middle School, right here to Montpelier High School, every adult seeks to connect with each and every learner that crosses our paths.

My challenge to all the adults in Montpelier Public Schools this year was to make mistakes. Yes, you read that correctly; I encouraged every adult in the District this year to make more mistakes in their work. Life is messy, education is messy. Rarely is an educational journey a straight line from beginning to end. Even rarer is the educational journey that is mistake free. Mistakes are critical to the learning process and provide the opportunity to practice perseverance. Whether an Instructional Assistant, a Classroom Teacher, a Food Service Professional, a Head Custodian, a Principal, an Administrative Assistant, a District-Level Employee, or a Technology Support Specialist; all contribute to this wonderful enterprise that is Montpelier Public Schools. We all make mistakes, we are all life-long learners.

One of the ways we honor life-long learning is by celebrating two of our teachers, both of whom were honored as University of Vermont Outstanding Teachers of the Year for Montpelier Public Schools. The UVM Teachers of the Year are nominated by their peers and then selected by the Administrative Team.

Since 1988, Mike Baginski has taught the children of Montpelier. When one walks into his room at Main Street Middle School, they are immediately captivated by the bright, colorful, engaging materials that tickle the brain into wanting to learn. The environment encourages both personal and academic growth and learning. Mike has worked extremely hard over the past several years to expand the repertoire of instructional strategies to better meet the needs of today's learners. As one colleague stated, "Mike is always looking for ways to improve teaching. It is refreshing to see a veteran teacher acknowledge that things can always be better and one can still learn about teaching." What a tremendous example of life-long learning.

Katy Chabot's tenure at Montpelier High School is not nearly as long. Yet it is still meaningful. Powerful teachers teeter on a difficult balance. Can the teacher challenge students while maintaining compassion and understanding? Can the teacher engage students in content but dedicate herself to the teaching of life-long skill? Can the teacher see the individual while thinking about all kids? In one year of service to the students of

Montpelier High School, Katy has distinguished herself as just such a teacher. To observe one of her classes is to see lessons that inspire engagement and curiosity. Students experience science while enjoying a classroom community that is playful, positive, and focused. In celebration of the intellectual curiosity that is cultivated on a regular basis, we are proud to celebrate Katy and we look forward to many more years with her in our high school.

These are just two examples of what we do in Montpelier Public Schools on a daily basis. When I visit our schools, in the cafeterias, hallways, offices, gymnasiums, athletic fields, or classrooms, I see adults advocating for children, challenging them to think in a different way, and learning from their mistakes. Adults are no longer "keepers" of knowledge and information. Those students depend on us to make that information relevant, through the relationships that we build one child at a time.

Our work continues to be guided by the Montpelier Board of School Commissioners. Their thoughtful, respectful work encourages us to articulate the reality of our mission consistently in the work that we do for our students. Our new Administrative Team embodies the excellence that is expected of us by the School Board.

The students of Montpelier Public Schools remain the sole reason for our work. Every single adult in this District is focused on the goal for all students that they "will be capable, motivated contributors to their local, national, and world communities." I invite you to visit our schools and see first hand what we are proud of and what we celebrate. Thank you for all the ways that you support our work. I am honored to serve this community as Superintendent of Schools.

~Dr. Brian G. Ricca, Superintendent

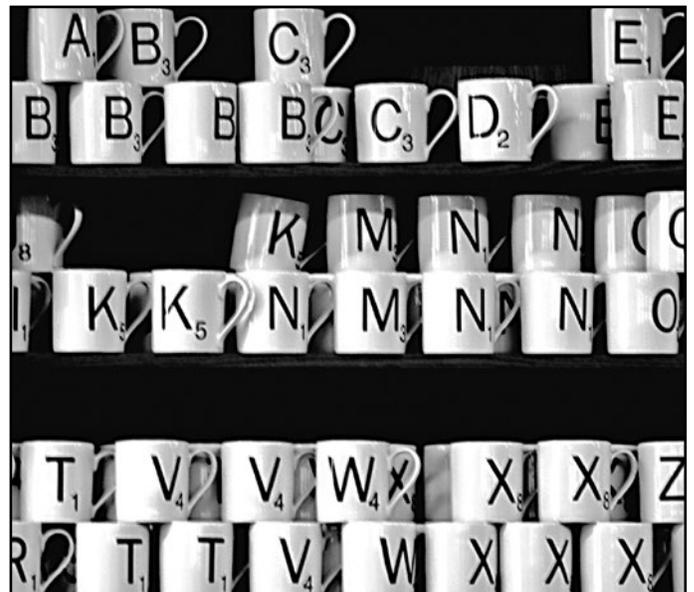


Photo courtesy of Linda Hogan

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PRELIMINARY

Three Prior Years Comparisons - Format as Provided by AOE

ESTIMATES
ONLY

District: Montpelier County: Washington		T129 Montpelier				Statutory calculation See note at bottom of page	Recommended homestead rate from Tax Commissioner. See note at bottom of page
				9,382	1.01		
Expenditures		FY2012	FY2013	FY2014	FY2015		
1.	Budget (local budget, including special programs, full technical center expenditures, and any Act 144 expenditures)	\$15,400,250	\$16,153,790	\$17,359,522	\$17,985,069		
2.	plus Sum of separately warned articles passed at town meeting	-	-	-	-		
3.	minus Act 144 Expenditures, to be excluded from Education Spending	-	-	-	-		
4.	Act 68 locally adopted or warned budget	\$15,400,250	\$16,153,790	\$17,359,522	\$17,985,069		
5.	plus Obligation to a Regional Technical Center School District if any	-	-	-	-		
6.	plus Prior year deficit repayment of deficit	-	-	-	-		
7.	Gross Act 68 Budget	\$15,400,250	\$16,153,790	\$17,359,522	\$17,985,069		
8.	S.U. assessment (included in local budget) - informational data	-	-	-	-		
9.	Prior year deficit reduction (included in expenditure budget) - informational data	-	-	-	-		
Revenues							
10.	Local revenues (categorical grants, donations, tuitions, surplus, etc., including local Act 144 tax revenues)	\$3,248,640	\$3,669,163	\$3,504,642	\$3,414,380		
11.	plus Capital debt aid for eligible projects pre-existing Act 60	-	-	-	-		
12.	plus Prior year deficit reduction if included in revenues (negative revenue instead of expenditures)	-	not allowed	not allowed	not allowed		
13.	minus All Act 144 revenues, including local Act 144 tax revenues	-	-	-	-		
14.	Total local revenues	\$3,248,640	\$3,669,163	\$3,504,642	\$3,414,380		
15.	Education Spending	\$12,151,610	\$12,484,627	\$13,854,880	\$14,570,689		
16.	Equalized Pupils (Act 130 count is by school district)	971.32	975.39	997.09	987.95		
17.	Education Spending per Equalized Pupil	\$12,510.41	\$12,799.63	\$13,895.32	\$14,748		
18.	minus Less ALL net eligible construction costs (or P&I) per equalized pupil	\$372.03	\$312.86	\$351.13	\$174		
19.	minus Less share of SpEd costs in excess of \$50,000 for an individual	\$19.24	\$34.92	\$49.09	\$56		
20.	minus Less amount of deficit if deficit is SOLELY attributable to tuitions paid to public schools for grades the district does not operate for new students who moved to the district after the budget was passed	-	-	-	-		
21.	minus Less SpEd costs if excess is solely attributable to new SpEd spending if district has 20 or fewer equalized pupils	-	-	-	-		
22.	minus Estimated costs of new students after census period	-	-	-	-		
23.	minus Total tuitions if tuitioning ALL K-12 unless electorate has approved tuitions greater than average announced tuition	NA	NA	-	-		
24.	minus Less planning costs for merger of small schools	-	-	-	-		
25.	plus Excess Spending per Equalized Pupil over threshold (if any)	threshold = \$14,733	threshold = \$14,841	threshold = \$15,456	threshold = \$16,168		
26.	Per pupil figure used for calculating District Adjustment	\$12,510	\$12,800	\$13,895	\$14,748		
27.	District spending adjustment (minimum of 100%) (\$14,748 / \$9,382)	146.423% <small>based on \$8,544</small>	146.734% <small>based on \$8,723</small>	151.845% <small>based on \$9,151</small>	157.199% <small>based on \$9,382</small>		
Prorating the local tax rate							
28.	Anticipated district equalized homestead tax rate to be prorated (157.199% x \$1.010)	\$1.2739 <small>based on \$0.87</small>	\$1.3059 <small>based on \$0.89</small>	\$1.4273 <small>based on \$0.94</small>	\$1.5877 <small>based on \$1.010</small>		
29.	Percent of Montpelier equalized pupils not in a union school district	100.000%	100.000%	100.000%	100.00%		
30.	Portion of district eq homestead rate to be assessed by town (100.000% x \$1.59)	\$1.2739	\$1.3059	\$1.4273	\$1.5877		
31.	Common Level of Appraisal (CLA)	98.24%	99.62%	99.51%	97.92%		
32.	Portion of actual district homestead rate to be assessed by town (1.588 / 97.92%)	\$1.2967 <small>based on \$0.860</small>	\$1.3109 <small>based on \$0.87</small>	\$1.4343 <small>based on \$0.94</small>	\$1.6214 <small>based on \$1.01</small>		
If the district belongs to a union school district, this is only a PARTIAL homestead tax rate. The tax rate shown represents the estimated portion of the final homestead tax rate due to spending for students who do not belong to a union school district. The same holds true for the income cap percentage.							
33.	Anticipated income cap percent to be prorated (157.199% x 1.80%)	2.64% <small>based on 1.80%</small>	2.64% <small>based on 1.80%</small>	2.73% <small>based on 1.80%</small>	2.83% <small>based on 1.80%</small>		
34.	Portion of district income cap percent applied by State (100.000% x 2.83%)	2.64% <small>based on 1.80%</small>	2.64% <small>based on 1.80%</small>	2.73% <small>based on 1.80%</small>	2.83% <small>based on 1.80%</small>		
35.	Percent of equalized pupils at union 1	-	-	-	-		
36.		-	-	-	-		

- Following current statute, the base education amount is calculated to be \$9,382. The tax commissioner has recommended base tax rates of \$1.01 and \$1.55. The administration also has stated that tax rates could be lower than the recommendations if statewide education spending is held down.
 - Final figures will be set by the Legislature during the legislative session and approved by the Governor.
 - The base income percentage cap is 1.80%.

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Comparative Data for Cost-Effectiveness, FY2015 Report 16 V.S.A. § 165(a)(2)(K)

School: Union Elementary School
S.U.: Montpelier S.D.

A list of schools and school districts in each cohort may be found on the DOE website under "School Data and Reports":
<http://www.state.vt.us/educ/>

FY2013 School Level Data

Cohort Description: Elementary school, FY2013 enrollment ≥ 300
(32 schools in cohort)

Cohort Rank by Enrollment (1 is largest)
5 out of 32

School level data		Grades Offered	Enrollment	Total Teachers	Total Administrators	Stu / Tchr Ratio	Stu / Admin Ratio	Tchr / Admin Ratio
Smaller →	Middlebury ID #4 School	PK - 6	469	35.30	2.00	13.00	229.50	17.65
	Essex Elementary School	PK - 2	471	32.60	1.00	14.45	471.00	32.60
	Malletts Bay School	PK - 5	482	29.50	2.00	16.34	241.00	14.75
	Union Elementary School	PK - 5	506	36.90	1.00	13.71	506.00	36.90
	Swanton Schools	PK - 6	594	55.50	2.00	10.70	297.00	27.75
	Rutland Intermediate School	3 - 6	617	56.70	3.00	10.88	205.67	18.90
	Champlain School	PK - 5	626	25.60	1.00	24.45	626.00	25.60
← Larger	Averaged SCHOOL cohort data		416.22	31.74	1.48	13.11	280.46	21.39

School: Main Street School
S.U.: Montpelier S.D.

A list of schools and school districts in each cohort may be found on the DOE website under "School Data and Reports":
<http://www.state.vt.us/educ/>

FY2013 School Level Data

Cohort Description: Middle school
(25 schools in cohort)

Cohort Rank by Enrollment (1 is largest)
21 out of 25

School level data		Grades Offered	Enrollment	Total Teachers	Total Administrators	Stu / Tchr Ratio	Stu / Admin Ratio	Tchr / Admin Ratio
Smaller →	Woodstock Union Middle School	7 - 8	144	14.80	1.00	9.73	144.00	14.80
	Harwood Union Middle UHSD #19	7 - 8	148	15.90	0.60	9.31	246.67	26.50
	Winooski Middle School	6 - 8	154	17.38	0.86	8.86	179.07	20.21
	Main Street School	6 - 8	196	21.30	1.00	9.20	196.00	21.30
	Balloos Falls Middle School	5 - 8	252	22.40	2.00	11.25	126.00	11.20
	Brat Area Middle School UHSD #6	7 - 8	253	32.00	2.00	7.91	126.50	16.00
	Lamoille Union Middle School #18	7 - 8	256	28.60	2.00	8.95	128.00	14.30
← Larger	Averaged SCHOOL cohort data		316.32	29.04	1.75	10.89	181.13	16.63

School: Montpelier High School
S.U.: Montpelier S.D.

A list of schools and school districts in each cohort may be found on the DOE website under "School Data and Reports":
<http://www.state.vt.us/educ/>

FY2013 School Level Data

Cohort Description: Senior high school
(27 schools in cohort)

Cohort Rank by Enrollment (1 is largest)
24 out of 27

School level data		Grades Offered	Enrollment	Total Teachers	Total Administrators	Stu / Tchr Ratio	Stu / Admin Ratio	Tchr / Admin Ratio
Smaller →	Twin Valley High School	9 - 12	153	20.70	2.00	7.39	76.50	10.35
	Winooski High School	9 - 12	235	25.97	1.32	9.05	176.03	19.67
	Peoples Academy	9 - 12	274	25.27	1.00	10.84	274.00	25.27
	Montpelier High School	9 - 12	313	33.30	1.00	9.40	313.00	33.30
	Balloos Free Academy High School (Fairfax)	9 - 12	327	27.34	1.00	11.96	327.00	27.34
	Balloos Falls UHSD #27	9 - 12	345	40.27	2.00	8.57	172.50	20.14
	Lake Region UHSD #24	9 - 12	360	29.87	2.00	12.05	180.00	14.94
← Larger	Averaged SCHOOL cohort data		653.81	56.64	2.92	11.54	223.54	19.37

School District: Montpelier
LEA ID: T129

Special education expenditures vary substantially from district to district and year to year. Therefore, they have been excluded from these figures.

The portion of current expenditures made by supervisory unions on behalf of districts varies greatly. These data include district assessments to SUs. Including assessments to SUs makes districts more comparable to each other.

FY2012 School District Data

Cohort Description: K - 12 school district
(33 school districts in cohort)

School district data (local, union, or joint district)		Grades offered in School District	Student FTE enrolled in school district	Current expenditures per student FTE EXCLUDING special education costs	Cohort Rank by FTE (1 is largest) 8 out of 33
Smaller →	Winooski ID	PK-12	780.67	\$12,960	
	Morrisstown	PK-12	845.08	\$11,135	
	Fairfax	K-12	857.78	\$9,725	
	Montpelier	K-12	902.19	\$13,240	
	Springfield	K-12	1,310.70	\$14,124	
	Hartford	PK-12	1,576.20	\$11,927	
	Milton	PK-12	1,611.32	\$12,251	
← Larger	Averaged SCHOOL DISTRICT cohort data		788.42	\$12,922	

Current expenditures are an effort to calculate an amount per FTE spent by a district on students enrolled in that district. This figure excludes tuitions and assessments paid to other providers, construction and equipment costs, debt service, adult education, and community service.

FY2014 School District Data

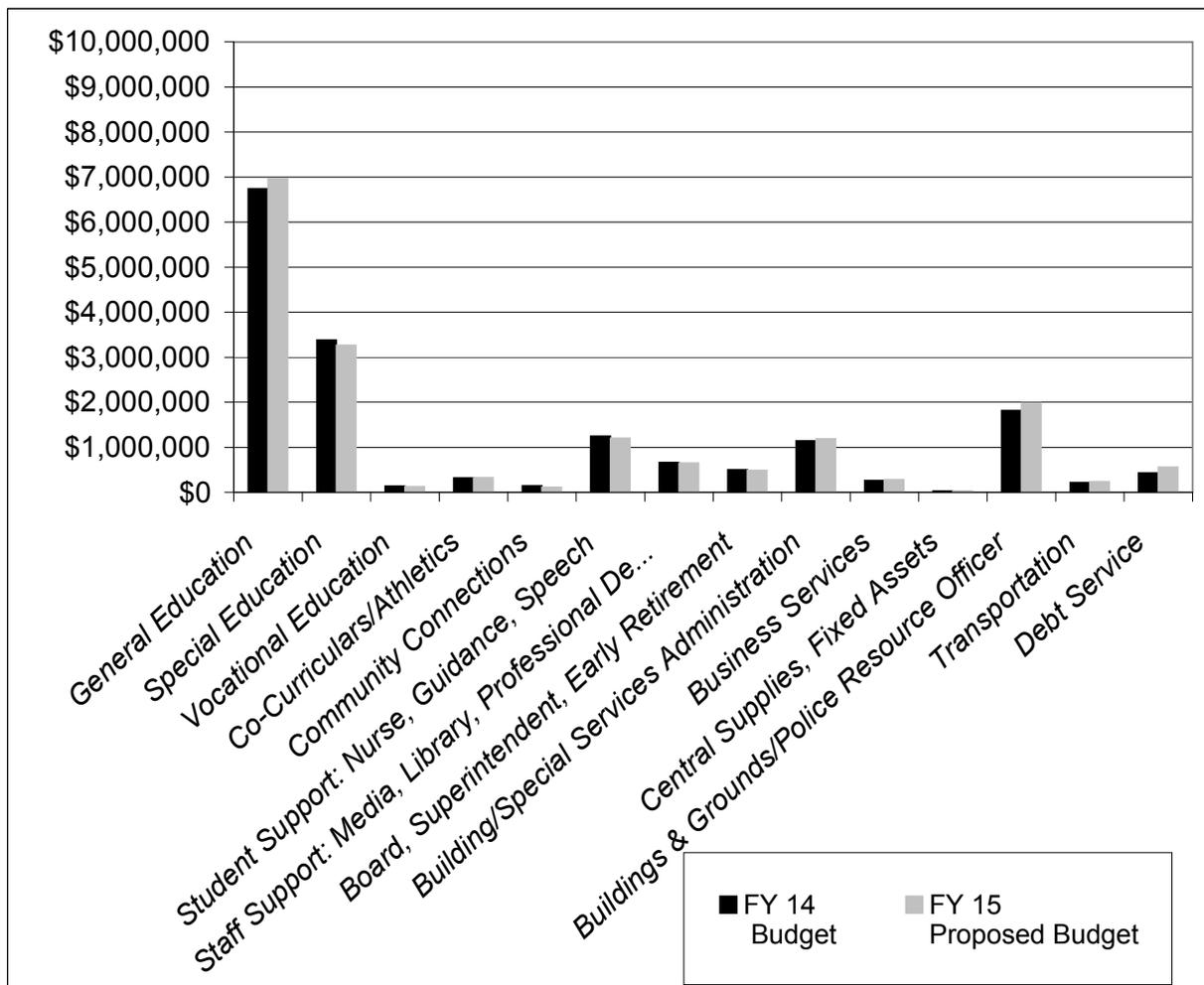
LEA ID	School District	Grades offered in School District	School district tax rate			Total municipal tax rate, K-12, consisting of prorated member district rates		
			SchIDist Equalized Pupils	SchIDist Education Spending per Equalized Pupil	SchIDist Equalized Homestead Ed tax rate	MUN Equalized Ed tax rate	MUN Common Level of Appraisal	MUN Actual Homestead Ed tax rate
Smaller →	T071 Fairfax	PK-12	744.69	12,032.23	1,2360	1,2360	95.12%	1,2894
	T132 Morrisstown	K-12	799.87	12,531.60	1,2873	1,2873	100.26%	1,2840
	T249 Winooski ID	PK-12	924.88	11,911.08	1,2235	1,2235	98.71%	1,2395
	T129 Montpelier	K-12	997.09	13,895.32	1,4273	1,4273	99.51%	1,4343
	T193 Springfield	K-12	1,369.02	15,842.41	1,6273	1,6273	107.14%	1,5189
	T093 Hartford	PK-12	1,507.31	13,315.18	1,3679	1,3679	99.10%	1,3803
← Larger	T126 Milton	PK-12	1,661.99	13,047.68	1,3403	1,3403	106.30%	1,2609

The Legislature has required the Department of Education to provide this information per the following statute:
16 V.S.A. § 165(a)(2) The school, at least annually, reports student performance results to community members in a format selected by the school board. . . . The school report shall include:

(K) data provided by the commissioner which enable a comparison with other schools, or school districts if school level data are not available, for cost-effectiveness. The commissioner shall establish which data are to be included pursuant to this subdivision and, notwithstanding that the other elements of the report are to be presented in a format selected by the school board, shall develop a common format to be used by each school in presenting the data to community members. The commissioner shall provide the most recent data available to each school no later than October 1 of each year. Data to be presented may include student-to-teacher ratio, administrator-to-student ratio, administrator-to-teacher ratio, and cost per pupil.

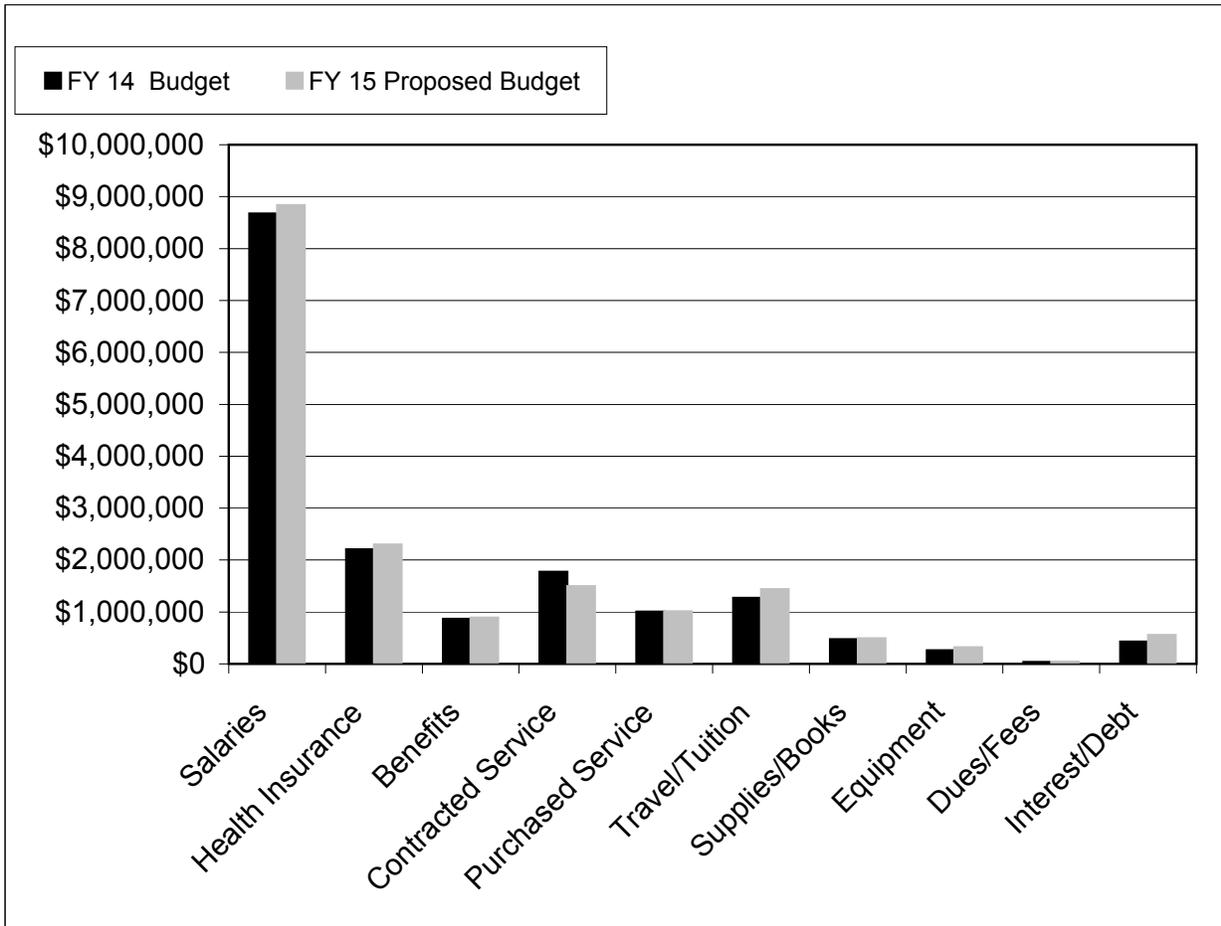
Budget Overview FY15 - Program Analysis

Program	FY 14 Budget	FY 15 Proposed Budget	Dollar Increase/ Decrease	Percent Increase/ Decrease
General Education	\$6,738,277	\$6,971,841	\$233,564	3.47%
Special Education	3,375,604	3,265,190	-110,414	-3.27%
Vocational Education	133,850	121,671	-12,179	-9.10%
Co-Curriculars/Athletics	316,202	321,077	4,875	1.54%
Community Connections	145,000	108,750	-36,250	-25.00%
Student Support: Nurse, Guidance, Speech	1,240,749	1,195,962	-44,787	-3.61%
Staff Support: Media, Library, Professional Development	662,445	648,182	-14,263	-2.15%
Board, Superintendent, Early Retirement	496,909	485,698	-11,211	-2.26%
Building/Special Services Administration	1,139,543	1,184,234	44,691	3.92%
Business Services	256,347	276,872	20,525	8.01%
Central Supplies, Fixed Assets	26,950	27,950	1,000	3.71%
Buildings & Grounds/Police Resource Officer	1,814,222	1,979,014	164,792	9.08%
Transportation	213,300	232,050	18,750	8.79%
Debt Service	427,518	556,000	128,482	30.05%
Total General Fund	\$16,986,916	\$17,374,491	\$387,575	2.28%
Total Grant Funds	\$372,606	\$610,578	\$237,972	63.87%
Total General Fund & Grant Funds	\$17,359,522	\$17,985,069	\$625,547	3.60%



Category Analysis Budget FY15

Category	FY 14 Budget	FY 15 Proposed Budget	Dollar Increase/Decrease	Percent Increase/Decrease
Salaries	\$8,672,225	\$8,837,188	\$164,963	1.90%
Health Insurance	2,206,921	2,299,062	92,141	4.18%
Benefits	865,012	888,952	23,940	2.77%
Contracted Service	1,773,287	1,497,051	-276,236	-15.58%
Purchased Service	1,003,120	1,012,600	9,480	0.95%
Travel/Tuition	1,272,291	1,436,183	163,892	12.88%
Supplies/Books	474,079	491,425	17,346	3.66%
Equipment	259,723	317,175	57,452	22.12%
Dues/Fees	32,740	38,855	6,115	18.68%
Interest/Debt	427,518	556,000	128,482	30.05%
Total General Fund	\$16,986,916	\$17,374,491	\$387,575	2.28%
Total Grant Funds	\$372,606	\$610,578	\$237,972	63.87%
Total General Fund & Grant Funds	\$17,359,522	\$17,985,069	\$625,547	3.60%



Budget Summary FY15

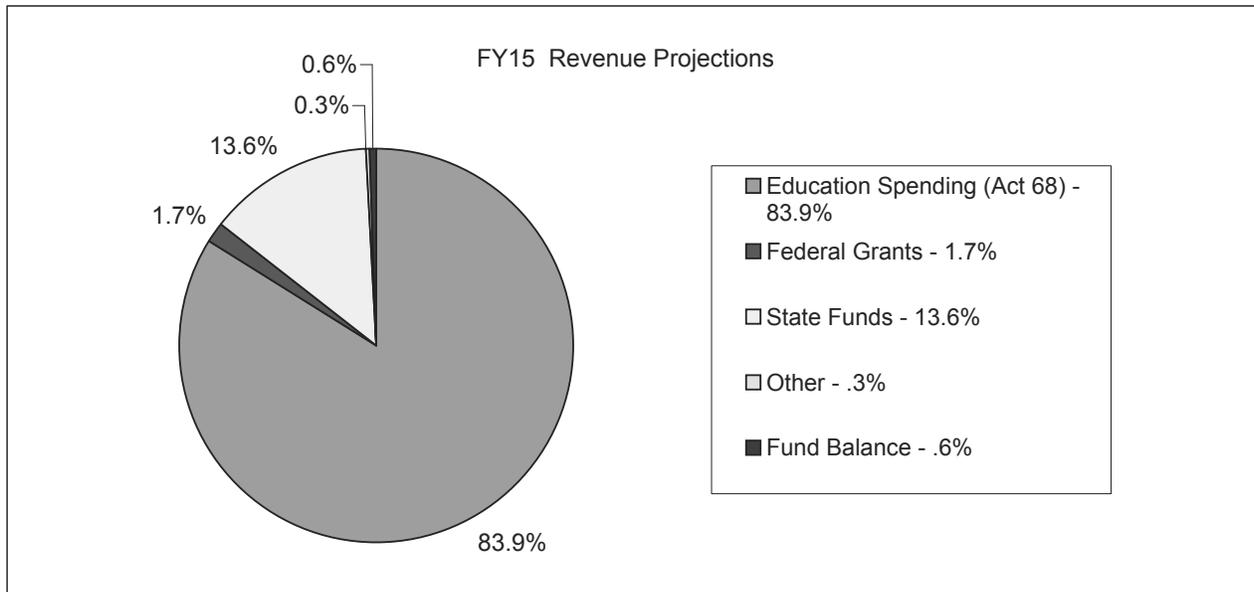
Program	FY14 Budget	FY15 Proposed Budget	Dollar Increase/ Decrease	Percent Increase/ Decrease
General Fund	590,709	699,162	108,453	18.36%
Community Based Learning	150,149	155,953	5,804	3.87%
Art	229,048	242,333	13,285	5.80%
Driver Education	77,032	97,911	20,879	27.10%
English (7-12)	339,684	344,907	5,223	1.54%
Foreign Language	337,389	340,162	2,773	0.82%
Family and Consumer Science	78,101	80,373	2,272	2.91%
Tech Education	90,269	93,472	3,203	3.55%
Math	323,748	299,541	-24,207	-7.48%
Music	240,672	261,829	21,157	8.79%
Science	331,564	347,195	15,631	4.71%
Social Studies	254,683	261,989	7,306	2.87%
Physical Education	292,738	331,244	38,506	13.15%
Health	61,780	35,846	-25,934	-41.98%
Title 1 - Reading and Math Support	290,499	0	-290,499	-100.00%
Literacy	7,250	9,820	2,570	35.45%
Kindergarten	282,934	371,103	88,169	31.16%
Grade 1	359,713	364,907	5,194	1.44%
Grade 2	282,082	350,880	68,798	24.39%
Grade 3	356,855	278,658	-78,197	-21.91%
Grade 4	214,935	311,316	96,381	44.84%
Grade 5	292,965	218,330	-74,635	-25.48%
Grade 6	234,029	313,128	79,099	33.80%
UES Science	19,600	19,600	0	0.00%
Computer Technology	210,792	237,997	27,205	12.91%
ELL	152,547	155,659	3,112	2.04%
Regular Education Support	139,331	199,037	59,706	42.85%
Team Summit (Grades 7 & 8)	160,019	164,668	4,649	2.91%
Team Sirius (Grades 7 & 8)	302,015	310,773	8,758	2.90%
SOAR Program	35,145	74,048	38,903	110.69%
Special Education Tuition/Travel	670,184	822,940	152,756	22.79%
Idea B - Special Education	43,300	39,300	-4,000	-9.24%
Special Education	1,607,463	1,419,566	-187,897	-11.69%
Special Education IA's	1,054,657	983,384	-71,273	-6.76%
Vocational Education	133,850	121,671	-12,179	-9.10%
Co-Curriculars/Athletics	316,202	321,077	4,875	1.54%
Community Connections	145,000	108,750	-36,250	-25.00%
Guidance	390,847	408,995	18,148	4.64%
Student Assistance Program	36,765	38,417	1,652	4.49%

Budget Summary FY15

Program	FY14 Budget	FY15 Proposed Budget	Dollar Increase/ Decrease	Percent Increase/ Decrease
Student Records	80,201	86,772	6,571	8.19%
Nurses	195,069	201,469	6,400	3.28%
Physical Therapy	64,619	40,000	-24,619	-38.10%
Occupational Therapy	67,619	30,000	-37,619	-55.63%
Social Work General Fund	36,745	37,895	1,150	3.13%
Social Workers/Evaluations/Psychologist	113,601	110,916	-2,685	-2.36%
Speech/Language	243,683	230,598	-13,085	-5.37%
Graduation/Assemblies	11,600	10,900	-700	-6.03%
Curriculum Coordinator	41,550	58,366	16,816	40.47%
Professional Development/Inservice	50,000	50,000	0	0.00%
Library	272,736	274,647	1,911	0.70%
Media	2,000	2,000	0	0.00%
Technology	296,159	263,169	-32,990	-11.14%
School Board	12,888	12,888	0	0.00%
Early Retirement	14,095	0	-14,095	-100.00%
Legal	59,662	66,359	6,697	11.22%
Audit	14,500	15,170	670	4.62%
Insurance	87,340	92,892	5,552	6.36%
Superintendent's Office	308,424	298,389	-10,035	-3.25%
Principal's Office	955,092	978,625	23,533	2.46%
Special Education Administration	184,451	205,609	21,158	11.47%
Business Services	256,347	276,872	20,525	8.01%
Fixed Asset	950	950	0	0.00%
Central Supplies	26,000	27,000	1,000	3.85%
Buildings & Grounds	1,738,129	1,897,798	159,669	9.19%
Crossing Guards/School Safety	31,915	36,639	4,724	14.80%
Police Resource Officer	44,178	44,577	399	0.90%
Special Ed Transportation	70,974	73,224	2,250	3.17%
Transportation	142,326	158,826	16,500	11.59%
Debt Service	427,518	556,000	128,482	30.05%
TOTAL LOCAL BUDGET	\$16,986,916	\$17,374,491	\$387,575	2.28%
Other Grant Funds	\$372,606	\$610,578	\$237,972	63.87%
TOTAL BUDGET & Grant Funds	\$17,359,522	\$17,985,069	\$625,547	3.60%

Revenue Projections FY15

Revenue	FY14 Revenue	FY15 Proposed	Difference	Explanation
Education Spending (Act 68 definition)	13,854,880	14,570,689	715,809	Amount from state to fund education spending.
Title 1 Grant	290,499	-	(290,499)	Federal funds for remedial programs. Moved to Grant Fund
Special Ed Intensive	1,457,289	1,351,624	(105,665)	State special education funding estimated at 56% for reimbursement of costs exceeding grants.
Special Ed Block Grant	339,141	360,162	21,021	State provides sum of money based on enrollment and core special ed staffing.
Special Ed Extraordinary	606,001	586,017	(19,984)	State provides sum of money for extraordinary costs.
IDEA B Grant	278,462	288,723	10,261	Reflects actual Federal Grant amount for current year.
Tuition	72,500	14,500	(58,000)	Tuition estimate from other LEA's and private sources.
Rentals	14,500	21,000	6,500	Income received for use of facilities.
Vocational Transportation	13,940	12,051	(1,889)	State reimbursement for transportation expenses.
Driver Education	7,050	6,474	(576)	State reimbursement for driver education expenses.
Miscellaneous	2,000	2,000	-	Miscellaneous revenue and donations received.
Transportation Aid	41,654	44,930	3,276	State reimbursement for K-12 transportation expenses estimated at 43%
Interest	9,000	9,500	500	Anticipated interest earned.
Balance Forward	0	106,821	106,821	Fund Balance to reduce taxes
Total General Fund	\$16,986,916	\$17,374,491	\$387,575	2.28%
Other Grant Funds	\$372,606	\$610,578	\$237,972	63.87%
Total General & Grant Funds	\$17,359,522	\$17,985,069	\$625,547	3.60%



Salaries for 2013 -- Montpelier School District

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

Denise M. Abele	\$1,260	Alexis H. Boucher	2,713	Catherine H. Clements	52,906
Susan R. Abrams	68,406	Brandon P. Bova	1,316	Jill A. Closter	43,582
Clarissa S. Adams	18,453	Lisa M. Bowley	33	J. Peter Cobb	2,399
Ellen L. Adams	13,626	Rhonda M. Brace	44,394	Dena T. Cody	52,308
Gabriel J. Aguilar	3,984	Owen R. Bradley	48,153	Judy E. Colombo	1,750
Collin B. Albury	6,269	Anne M. Witten Braun	500	Mary K. Commins	1,280
Rachel L. Aldrich	15,370	Jenna L. Bravakis	42,038	Jean L. Commito	42,934
Suzanne Kennedy Aldrich	1,300	Theodore C. Bressor	1,200	Gregory J. Conk	49,525
Fiona M. Allen	592	Grace M. Brigham	2,835	Carrie S. Cook	51,203
Ronald L. Allen	51,741	Margaret E. Brigham	20,477	Elizabeth M. Cookson	15,497
Thomas Leon Allen	19,905	Matthew D. Brittenham	37,988	Shelby L. Copans	442
Isabelle R. Ansari	523	Samuel E. Bromley	35,776	Sarah Freddie Cousins	29,252
Garrett B. Arnold	1,360	Timothy C. Brooks	1,006	Maurice E. Cowan	2,280
Pamela J. Arnold	97,000	Kevin M. Brown	18,670	Nathan J. Cowens	1,749
Barbara J. Austin-Hutchins	70,350	Brian P. Browning	1,097	Roland E. Cross	330
Michael R. Baginski	64,415	Cindy P. Bubrowski	25,396	Colby O. Cunningham	1,639
Eric R. Bagley	2,360	Geraldine Bucci	1,050	Julie E. Curran	2,321
Elizabeth A. Bailey	40,019	William H. Bugbee	12,187	Patricia F. Curran	735
Shannon M. Baker	44,946	Adam D. Bunting	94,500	Heather L. Cutler	1,295
Toren H. Ballard	2,923	Janet G. Burke	21,696	Suzanne J. Da Via	55,941
Danielle N. Baroudi	3,002	Ainsley M. Burroughs	80	Christopher F. Davis	160
Jenny L. Bartlett	35,222	Kristie W. Bush	43,681	Gabriele A. Davis	65,661
John H. Bate	25,376	Anthony H. Bushway	16,471	Thomas B. DeForge	140
Heather A. Bates	52,893	Susan T. Bussolotti	4,115	Laura A. Delcore	23,504
Ashley M. Beach	48,153	Cathleen Butterfield-Heitmann	59,420	Christine E. DeLeo	120
Eileen R. Bean	350	Jo-Ann L. Buzzi	38,056	Jillian B. Dellipriscoli	800
Jennifer C. Bean	1,000	Esther M. Byam	12,679	Jocelyn B. DiFazio	8,229
Linda C. Beaupre	69,984	Nathalie G. Cameron	1,848	Monica M. DiGiovanni	760
Jeremy L. Beauregard	1,715	Richard Brett Campbell	595	Stephanie J. DiLena	57,498
Andrew J. Becker	2,699	Mallory A. Cano-Scribner	1,178	Linda S. Dostie	46,456
Zachary A. Beechler	3,850	Rebecca E. Cardone	10,771	Patricia Dow Collier	65,535
Susan N. Beem	56,241	Phillip B. Carr	18,146	Penny L. Dowen	29,506
Valerie W. Belanger	41,603	Lisa M. Casetty	25,197	Matthew R. Dowling	3,298
Nolan R. Benoit	480	Thomas D. Cate	11,947	Ashley T. Dubois	41,467
Josee C. Bevington	29,383	Louis A. Cecere III	1,008	Laura M. Dunwoody	36,979
Timothy M. Bianchi	1,826	Toni L. Ceckler	38,014	Jeffrey A. Duplessis	7,444
Ana Bikic	3,466	Katherine A. Chabot	48,467	Kylee J. Duplessis	5,784
Janice M. Billings	3,070	Lauren P. Chabot	48,053	Sharyn E. Duplessis	21,580
Zephyr C. Billingsley	33,013	Jo-Anne H. Chaloux	42,215	Lawrence M. Dwyer	1,371
Elizabeth R. Bingham	70	Nancy F. Chase	36,767	Jane S. Edwards	18,080
Jennifer L. Blacklock	3,876	Myles G. Chater	50,980	Trees-ah M. Elder	32,033
Julie E. Blackwell	8,855	Alison L. Cheroff	680	Sophia T. Eldridge	1,789
Carrie E. Blodgett	43,582	Karen S. Chesser	10,440	Emme D. Erdossy	31,976
Darryl F. Bloom	549	Aldo M. Ciampi, Jr.	2,090	Richarda R. Ericson	2,037
Paul C. Boffa	5,425	Pinky Clark	11,675	Marci R. Eschenbach	9,779
Brenda L. Bolio	60,574	Sheila Cleary	1,742	Christa J. Evans	2,310

Irene M. Facciolo	11,399	Christopher L. Guros	44,928	Megan T. LaCasse	2,460
Sylvia A. Fagin	44,515	Sarah G. Guyette	17,903	Richard T. Lachapelle	52,015
Audrey Famette	20,372	Sarah A. Halpine	55,200	Vivian M. Ladd-Tomasi	400
Erica B. Farnham	49,604	Elizabeth K. Hammond	44,730	Rebecca E. LaFay	17,814
Margaret C. Fawcett	1,120	Clarke T. Haywood	160	Deana A. LaFleche	2,418
Sheila Fenoff-Willett	7,834	Michael Healy	18,277	Jennifer Lahr	9,957
Kyle M. Ferguson	2,434	Michael C. Hendrix	20,971	William G. Laidlaw	53,701
Joyce G. Ferris	20,411	Christopher Hennessey	45,000	Donna L. Laird	665
Paulette Fiorentino-Robinson	43,487	Amy M. Herrick	12,648	Robert N. LaMoy	1,365
Brendan Y. Flanagan	2,381	Debra A. Hickey	50,924	Matthew J. Lane	1,392
Justin M. Flory	2,081	Renee E. Hinton	9,853	Ryan J. Larson	1,017
Spencer R. Forest	920	Terence L. Hodgdon	9,585	Elizabeth G. Lawson	11,553
Lawrence S. Fortunoff	76	Norris L. Holt	1,097	Judith D. Lawson	3,716
Jason A. Foster	2,926	Cynthia C. Hooker	37,237	Russell C. Leete	38,363
Nicholas Foster	2,586	Mary Hoyne	17,857	Daniel J. LeFebvre	41,683
Pamela J. Foster	20,051	Caitlin F. Hughes	2,054	Emily E. LeFebvre	41,808
Julia G. Francis	945	Danielle M. Huston	1,040	Linda F. Leonard	910
Anne O. Fraser	20,979	Rylin M. Ives	1,758	Kayla M. Link	1,789
Olivia A. Fraser	2,415	Acacia A. Jackson-Vance	4,836	Matthew P. Link	43,402
Kristen M. Freeman	1,452	Brandi M. Jagemann	735	Morgan E. Lloyd	44,886
Vanessa H. Freeman	16,301	Jeffrey W. Jarrad	52,643	Rose A. Lovett	945
Megan E. Fuller	1,766	Juliana M. Jennings	1,560	Jo-Ann Lowell	919
Laura H. Furber	1,598	Marie L. Jennings	38,035	Bryan E. Lucas	6,732
Christopher L. Gaboriault	1,739	Alex L. Johnson	2,019	Christopher M. Luce	33,155
Brian J. Gallagher	52,241	Karl H. Johnson	7,374	Christine M. Lukas	2,601
Debra S. Garrett	37,255	Annie R. Jones	1,214	Mary K. Lundeen	45,500
Michael C. Gaydos	2,208	Kenneth C. Jones	1,000	Becky S. Lussier	560
Hannah R. Geier	39,768	Mark W. Joy	3,949	Nicole I. Lussier	118
J. Gregory Gerdel	3,620	Kristina L. Kane	43,208	Kristina A. Lutes	385
Paula E. Gervia	59,241	Todd A. Keller	50,085	Gwendolyn W. Lyons	3,003
Donna M. Gibbs	22,984	Carol A. Kelley	32,989	Linda C. MacDonald	62,859
Christine E. Gibson-Davis	11,593	Windy L. Kelley	54,322	Whitney W. Machnik	57,890
Michael D. Gibson-Davis	2,933	Garrett J. Keltly	3,020	Gretchen E. Mack	385
Theresa A. Giffin	67,466	Nancy R. Kennedy	4,540	Ashley B. Magoon	3,034
Sherrill Gilbert	4,925	Richard A. Kennison	15,938	Patricia M. Magoon	65,995
Anne E. Giroux	54,276	William D. Kerr, Jr.	2,245	Dennis Maranville	47,521
Morgan H. Glines	1,925	Kimberly J. Kidney	22,918	Sarah E. Marcus	570
Hilary L. Goldblatt	30,842	James M. Kiefer	1,598	Megan A. Marsh	7,909
Alice R. Goltz	4,271	Amy L. Kimball	55,800	Adena B. Martin	300
Diana C. Goodell	24,826	Kenric A. Kite	840	Carly P. Martin	3,116
Linda L. Goodell	46,489	John Klimenok, Jr.	400	Michael S. Martin	45,000
Margaret L. Gordon	368	Sarah E. Knauss	49,604	Austin A. Martineau	4,784
Eleanor M. Gowans	4,659	Hannah M. Koch	3,090	Nicholas J. Matheson	7,785
Corinne M. Gretch	17,649	Susan E. Koch	53,577	Bryn P. Matthews	323
Haley C. Grey	1,062	Karlynn C. Koenemann	20,350	Norma L. Maurice	29,942
Kelly A. Grey	18,003	Diana B. Koliander-Hart	9,766	Robert C. Maurice	35,725
Daniel J. Gribbin	860	Kirk D. Kreitz	44,672	Karoline J. May	42,391
Julie A. Griffin	470	Colleen F. Kresco	10,695	Kerrin A. McCadden	52,961
Lauren E. Griffin	1,520	Eric A. Labor	2,208	James B. McCarthy	2,360
Gary M. Griffith	63,206	Lisa M. Labounty	352	Seth W. McCoy	5,619

Marita C. McDonald-Frey	44,121	Patricia O'Regan	175	Vincent L. Rossano	39,118
Wendy J. McGuiggan	43,608	James N. Olmsted	10,900	Anna L. Rossi	1,872
Brendan N. McLane	46,564	Brigitte M. Orliac	23,899	Cynthia E. Rossi	96,000
Heather J. McLane	25,242	Carol Paquette	1,000	Daniel E. Rowe	3,496
Matthew B. McLane	51,029	Mary Anderson Parento	1,497	Dorothy J. Rowe	32,717
Martin F. McMahon III	240	Austin C. Parker	2,800	Kaitlyn E. Roy	3,103
Arne T. McMullen	58,662	Joshua L. Parker	11,469	Willow L. Runninghawk	280
Kaitlyn E. McMullen	52	Melissa M. Parker	50,703	Marijke Russo	57,153
Seth T. McMullen	2,534	Laura C. Parker-Noyes	2,345	Thomas J. Sabo, Jr.	33,238
Marianne McNamara	25,854	Joy L. Partridge	200	Hilary Sales	29,035
Nancy L. Mears	16,897	Brooke Pearson	50,501	Erica Sarpong	2,518
Stephen A. Mears	71,028	Edward F. Pelkey	4,103	Jeffrey Sarpong	732
Sarah E. Mele	22,962	John Pellegrini	1,942	Karuna Michael Sarsozo	2,545
Mary Mello	67,881	Elizabeth A. Perreault	5,012	Geoffrey C. Sather	62,886
Sarah Jane Merritt	280	Frank A. Peterson	603	Colleen R. Schmitt	160
Hope A. Metcalf	7,650	Pascale Philibert	15,402	Tuller M. Schricker	983
Heather J. Michaud	46,618	Charles S. Phillips	1,000	D. Andrew Scott	51,924
Julie J. Michaud	21,116	Katrina K. Phillips	21,076	Kimberly A. Scott	16,501
Jason P. Miles	62,259	Doris E. Pierce	320	Ellen C. Selkowitz	67,803
DeAnn N. Miller	2,673	Melissa J. Pierce	52,202	Linda M. Senecal	16,945
Daniel M. Miller-Arsenault	56,386	Sharon L. Pine	47,263	Andrew B. Shannon	72
Teresa B. Milne	19,427	Michelle Pitzner	17,296	Anju Sharma	9,187
Judy A. Milstein	16,696	James A. Plummer	420	Laura R. Sharpless	8,456
John Moccia	950	Emma J. Polen	570	Madeline A. Sharrow	7,790
Susan M. Monmaney	49,904	Catherine Arielle Powers	70	Reuben S. Sherman	2,715
Paige M. Montague	1,987	Mary Ann Powers	175	Allegra M. Signorino	1,085
Carlos E. Montero	22,510	Corey C. Pulsifer	20,834	Marianne Signorino	56,920
Elizabeth A. Moody	51,641	Colleen K. Purcell	42,292	Lara B. Slesar	50,703
Donald L. Morgan	5,520	Shelby P. Quinn	42,523	Andra A. Smith	40,522
Michael A. Morgenbesser	5,375	Wayne S. Rabideau	1,895	Jessica GA Smith	4,952
Robin C. Morissette	30,069	David R. Rapacz	43,467	Nancy L. Smith	3,143
Zachary A. Morrill	2,862	Dorothy A. Redmond	20,434	Suzanne D. Smith	3,545
Julie A. Morton	22,597	Mary C. Redmond	61,821	Sarah Squier	60,909
Gaen Murphree	2,088	Mary Catharine R. Reed	48,105	Samuel Staab	2,675
Cynthia A. Murphy	42,009	Suzanne Rexford-Winston	400	Paula M. Stafford	2,230
Henry O. Murray	20,745	Paul K. Reynolds	6,521	Susan Steinhurst	5,867
Andrea H. Myotte	58,923	Emmanuel O. Riby-Williams	46,129	Juliet A. Stephens	15,095
Seth M. Naikas	2,360	Brian G. Ricca	106,575	Alexandra E. Stetter	621
Carol J. Naquin	2,405	Britt C. Olander Richardson	2,510	Jean B. Stetter	18,317
Colin J. Nealon	2,566	Sadie E. Richer	4,809	Minda G. Stridsberg	720
Ann L. Nelson	59,147	Robin L. Ricker-Lumsden	23,013	Elizabeth A. Strobell	25,088
John L. Nelson-Miles	23,895	Samantha T. Rivera	1,406	Nathalie C. Sugarman	19,049
Judith M. Nolan	11,352	Gail M. Robbins	245	Kimberly E. Surwilo	2,955
Timothy J. Noonan	2,360	Carolyn S. Roberge	56,625	Carol R. Sweeney	720
Salih Numanovic	37,773	Jeffrey W. Robie	1,859	Elizabeth J. Swenson	20,698
Carlyle M. Nunn	34,077	Norman E. Robinson	1,789	Peter B. Taffel	29,526
Scott R. Nunn	140	Steven P. Robinson	500	Donald H. Taylor III	52,523
Kaitlyn J. O'Donnell	805	Karen Rodis	42,424	Cheryl Ann Tetreault	7,130
Cailin L. O'Hara	44,606	Cullen R. Rose	2,441	Cody S. Therrien	2,774
Mary L. O'Neill	42,391	Eli S. Rosenberg	54,843	Joy E. Thomas	38,516

Peggy A. Thompson	22,456
Richard I. Thompson, Jr.	13,814
Kristy L. Thygesen	10
Diana M. Tierney	23,721
Jerry E. Tillotson	55,934
Phillip R. Tomasi	12,130
Pamela A. Towne	57,857
Alexander Travis	1,444
Shane Triplett	665
Nancy C. Vachon	10,259
Andrew R. Van Buskirk	1,050
Thomas H. Van Meter	4,515
Lowell J. VanDerlip	1,000
George Vassiliadis	16,158
Rosana Vestuti	630
Doris C. Viens	35,998
Jennifer Wall Howard	56,920
Sophia K. Warner	2,575
Noah G. Warnke	440
Ian T. Watkins	2,827
Anne E. Watson	48,556
Barbara L. Watson	1,738
Peggy A. Watson	5,329
Wendy C. Watson	2,360
Peter G. Watt	20,153
Nancy A. Webb	18,067
Scott R. Weigand	4,223
Patricia M. Welsh	25,073
Clayton S. Wetzel III	4,862
Meagan K. Whalen	735
Kathleen J. Wheeler	1,230
Justin C. White	4,694
Vivianne K. White	860
Jacqueline L. White-Love	18,390
Jennifer L. Williams	6,680
Mollie E. Wills	420
Winifred S. Wilson	2,527
Ryan H. Wingate	1,190
Oliver F. Wood	1,805
Thomas K. Wood	69,820
April J. Wortman	3,350
Diana M. Wright	5,580
Emily A. Wrigley	44,258
Virginia Q. Zahner	29,455
Lindsey B. Zeigfinger	23,673
Ivy Zeller	41,382
Ethan J. Zorzi	360
Kerri B. Zurowski	41,431
Timothy W. Zurowski	3,499



Photo courtesy of Linda Hogan

**MONTPELIER PUBLIC SCHOOL SYSTEM
AUDIT REPORT AND FINANCIAL STATEMENTS
JUNE 30, 2013**

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FOTHERGILL SEGALE & VALLEY

Certified Public Accountants



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Sheila R. Valley, CPA
Teresa H. Kajenski, CPA
Donald J. Murray, CPA

INDEPENDENT AUDITOR'S REPORT

Board of School Directors
Montpelier Public School System
Montpelier, Vermont

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 *Governmental 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position thereof and the budget comparison for the General Fund and the Recreation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School System's basic financial statements. The combining and individual nonmajor fund financial statements on schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2013, on our consideration of the School District's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,



FOTHERGILL SEGALE & VALLEY, CPAs
Montpelier, Vermont
Vermont Public Accountancy License #110

November 14, 2013

MONTPELIER PUBLIC SCHOOL SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

Our discussion and analysis of Montpelier Public School System's financial performance provides an overview of the School System's financial activities for the fiscal year ended June 30, 2013. 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, which begin on Exhibit A.

Financial Highlights

- The School System's net position decreased by \$228,569 in fiscal year 2013, compared to an increase of \$130,670 in the prior year. The decrease was mostly expected due to the budgeting the use of prior year fund balances.
- The cost of all of the School System's programs was \$18,592,951 this year compared to \$17,763,846 last year, an increase of \$829,105, or 4.7%.
- The General Fund had a decrease in fund balance of \$261,067 this year compared to a decrease of \$117,618 in the prior year. The decrease in fund balance for fiscal year 2013 was \$107,994 better than what was budgeted.
- The total fund balance for the General Fund was \$817,942 as of June 30, 2013, all of which is assigned for future revenues after fiscal year 2013-14.
- The Recreation Fund had an increase in fund balance of \$47,983 this year compared to a decrease of \$30,282 in the prior year. The fund balance of the Recreation Fund as of June 30, 2013 was \$230,117, \$18,653 is assigned for fiscal year 2013-14 and \$211,464 is assigned for future recreation fund expenditures.
- The Grants Fund had a zero year end fund balance because revenues are recognized as expenditures are incurred. During fiscal year 2013, revenues of \$510,956 were offset by expenditures of the same amount.
- The nonmajor funds reported a combined deficit of \$69,228, a decrease of \$94,242 compared to the prior year combined balance of \$25,014. This decrease was primarily due to the start of the new heating system project which will be covered by bond proceeds in fiscal year 2013-14.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the School System as a whole and present a longer-term view of the School System's finances. Fund financial statements provide another level of detail. For governmental funds, 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 School System's operations in more detail than the government-wide statements by providing information about the School System's most significant funds. All other non-major funds are presented in total in a single column. The remaining statement provides financial information about activities for which the School System acts solely as a trustee or agent for the benefit of those outside the government.

MONTPELIER PUBLIC SCHOOL SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

Reporting the School System as a Whole

The financial statements of the School System as a whole are included on Exhibit A and B. One of the most important questions asked about the School System's finances is, "Is the School System as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the School System 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 revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School System's net position and changes in net position. You can think of the School System's net position – the difference between assets and liabilities – as one way to measure the School System's financial health, or financial position. Over time, increases or decreases in the School System's net position is 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 School System's property tax base and the condition of the School System's capital assets, to assess the overall health of the School System.

All of the School System's basic services are governmental activities. They include regular and special education for Kindergarten through 12th grade, support services, administrative services, transportation, food services, interest on long-term debt and other activities. Act 68 state aid, property taxes, and state grants finance most of these activities.

Reporting the School System's Most Significant Funds

The financial statements of the School System's governmental funds are reflected on Exhibit C – Exhibit F. The fund financial statements provide detailed information about the most significant funds – not the School System as a whole. The School System 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 State of Vermont Agency of Education). The School System's major funds are the General Fund, Recreation Fund and Grants Fund.

Governmental Funds

All of the School System's activities 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 School System'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 School System's programs. We describe the differences between governmental activities and governmental funds in Exhibits C and E that are included in the financial statements.

MONTPELIER PUBLIC SCHOOL SYSTEM
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED JUNE 30, 2013

The School System as Agent

The School System is the fiscal agent for funds held for various school related activities. The School System's fiduciary activities include Agency Funds and Private Purpose Trust Funds and are reported in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position on Exhibit G and Exhibit H. We exclude these activities from the other financial statements because the School System cannot use these assets to finance its operations. The School System is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School System as a Whole

The perspective of the Statement of Net Position is of the School System as a whole. Table 1 provides a summary of the School System's net position for 2013 and 2012.

Table 1 - Net Position

	2013	2012	Change
Current and other assets	\$ 2,331,095	\$ 2,680,787	\$ (349,692)
Capital assets	7,857,477	8,035,699	(178,222)
Total assets	<u>10,188,572</u>	<u>10,716,486</u>	<u>(527,914)</u>
Long-term liabilities	3,970,618	4,222,786	(252,168)
Other liabilities	1,391,749	1,438,926	(47,177)
Total liabilities	<u>5,362,367</u>	<u>5,661,712</u>	<u>(299,345)</u>
Net position:			
Invested in capital assets, net of debt	5,470,256	5,408,765	61,491
Unrestricted	(644,051)	(353,991)	(290,060)
Total net position	<u>\$ 4,826,205</u>	<u>\$ 5,054,774</u>	<u>\$ (228,569)</u>

The unrestricted net position balance is negative due to the bond which was taken out to fund the retirement plan lump sum payment during 2009. The School System does not own any assets related to this debt.

MONTPELIER PUBLIC SCHOOL SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

Table 2 reflects the change in net position for the fiscal years 2013 and 2012.

	2013	2012	Change
REVENUES			
Program revenues:			
Charges for services	\$ 644,114	\$ 637,754	\$ 6,360
Operating grants and contributions	4,649,062	4,470,543	178,519
General revenues:			
Act 68 State Aid	12,484,627	12,151,610	333,017
Property taxes	575,230	605,230	(30,000)
Other general revenues	20,034	29,379	(9,345)
Total revenues	<u>18,373,067</u>	<u>17,894,516</u>	<u>478,551</u>
PROGRAM EXPENSES			
Instruction	6,384,961	5,991,737	393,224
Special education	3,383,724	3,076,034	307,690
Vocational	110,418	76,729	33,689
Co-curricular	282,835	276,256	6,579
Support services - student	1,167,019	1,108,124	58,895
Support services - staff	707,206	662,963	44,243
School Board/Superintendent's office	427,386	382,127	45,259
Building administration	1,048,348	1,046,599	1,749
Business office	258,946	251,716	7,230
Building maintenance	1,948,128	1,893,320	54,808
Transportation	233,907	207,529	26,378
Food service	449,434	469,660	(20,226)
Recreation programs	794,371	827,287	(32,916)
Grant programs	534,942	734,535	(199,593)
Interest on long-term debt	203,326	217,930	(14,604)
On behalf payments	658,000	541,300	116,700
Total program expenses	<u>18,592,951</u>	<u>17,763,846</u>	<u>829,105</u>
Extraordinary items, net	<u>(8,685)</u>	<u>0</u>	<u>(8,685)</u>
Increase (decrease) in net position	<u>\$ (228,569)</u>	<u>\$ 130,670</u>	<u>\$ (359,239)</u>

MONTPELIER PUBLIC SCHOOL SYSTEM
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED JUNE 30, 2013

Revenues increased by \$478,551, or 2.5%. Program expenses increased by \$829,105, or 4.7%. The Act 68 State increase of \$333,017 corresponds to the increase in instruction of \$393,224. Special education expenses increased by \$307,690, but was offset by increases in State aid for special education.

Table 3 presents the cost of each of the School System's largest programs 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 School System's taxpayers by each of these functions.

Table 3

	Total Cost of Services 2013	Net (Revenue)/ Cost of Services 2013	Total Cost of Services 2012	Net (Revenue)/ Cost of Services 2012
Instruction	\$ 6,384,961	\$ 5,938,732	\$ 5,991,737	\$ 5,524,960
Special education	3,383,724	519,915	3,076,034	526,584
Support services - student	1,167,019	1,167,019	1,108,124	1,108,124
Building maintenance	1,948,128	1,897,149	1,893,320	1,859,831
Building administration	1,048,348	1,048,348	1,046,599	1,046,599
All others	4,660,771	2,728,612	4,648,032	2,589,451
Totals	<u>\$ 18,592,951</u>	<u>\$ 13,299,775</u>	<u>\$ 17,763,846</u>	<u>\$ 12,655,549</u>

The School System's Funds

As the School System completed the year, its governmental funds (as presented in the Balance Sheet on Exhibit C) reported a combined fund balance of \$978,831, which is less than last year's total of \$1,286,157 by \$307,326. The total fund balance for the General Fund was \$817,942 as of June 30, 2013, all of which is assigned for future revenues after fiscal year 2013-14. The fund balance of the Recreation Fund as of June 30, 2013 was \$230,117, \$18,653 is assigned for fiscal year 2013-14 and \$211,464 is assigned for future recreation fund expenditures. The nonmajor funds reported a combined deficit of \$69,228. This is primarily due to a deficit in the Capital Project Fund, which will be eliminated upon receipt of bond proceeds.

Included in this year's total decrease in fund balance of \$307,326 is a decrease of \$261,067 in the General Fund, an increase of \$47,983 in the Recreation Fund, a decrease of \$94,242 in the nonmajor funds.

MONTPELIER PUBLIC SCHOOL SYSTEM
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED JUNE 30, 2013

General Fund Budgetary Highlights

The General Fund had a decrease in fund balance of \$261,067 which was \$107,994 better than what was budgeted. In addition, fund balance of \$45,000 was assigned for capital expenditures and \$97,225 was committed to asbestos removal as of June 30, 2012. Both of these expenditures show in the actual column in the current year without a corresponding budget amount. When these two items are factored in, the fund balance at June 30, 2013 is actually \$250,219 better than expected. Exhibit F shows the budgetary information on the General Fund. The following are the major variances:

	Budget	Actual	Favorable (Unfavorable) Variance
Revenues			
State special education reimbursements	\$ 2,158,160	\$ 2,599,228	\$ 441,068
Title I	314,024	282,457	(31,567)
Tuition regular	38,130	83,118	44,988
Expenditures			
Instruction	6,105,253	6,165,230	(59,977)
Special education	3,011,041	3,378,177	(367,136)
School Board/Superintendent's office	492,630	439,240	53,390
Building maintenance	1,620,294	1,624,383	(4,089)
Building administration	1,108,307	1,047,867	60,440
Transportation	170,128	215,964	(45,836)
Capital outlays	133,750	174,497	(40,747)

State special education reimbursements increased due to additional expenditures. Special Ed revenue was more than budget by \$441,068 but it was offset by additional special education instruction related costs of \$367,136 and additional transportation costs of \$45,836. The net impact was \$28,096 better than expected due to additional revenue being made available by the State at the end of the year. The Title I revenue unfavorable variance was offset by less expenditures which are combined into the instruction expenditure line. Tuition revenue was greater than budget due to higher than expected enrollment from tuition paying students. Instruction costs increased due to changes in the costs of various grades including hiring a teacher that was not anticipated. The favorable variance in the School Board/Superintendent's office expenditures was mostly due to budgeting the entire system's workers compensation cost in this category and then allocating the actual costs to the appropriate departments. The building maintenance expenditure shows an unfavorable variance of \$4,089. The actual line item includes the asbestos removal that was committed to as of June 30, 2012. When the \$97,225 commitment is factored in, this line item is much better than budget. The savings in building maintenance costs are due to better than expected fuel costs and less spent on the heating system maintenance contract. The building administration favorable variance is related to many different costs of the Principals' offices costing less than budget. Capital outlays were more than budget due to the needs of the School System. Assigned fund balance of \$45,000 as of June 30, 2012 was used to fund these additional expenditures.

MONTPELIER PUBLIC SCHOOL SYSTEM
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED JUNE 30, 2013

Capital Asset and Debt Administration

Capital Assets

At June 30, 2013, the School System had \$7,857,477 invested in a broad range of capital assets, including school buildings, improvements, machinery and equipment, and vehicles. (See Table 4 below) This amount represents a net decrease (including additions and deductions) of \$178,222 compared to last year.

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

	2013	2012	Change
Land improvements	\$ 854,971	\$ 910,400	\$ (55,429)
Buildings and improvements	6,525,572	6,761,372	(235,800)
Machinery and equipment	395,396	346,366	49,030
Vehicles	9,018	17,561	(8,543)
Construction in progress	72,520	0	72,520
Totals	<u>\$ 7,857,477</u>	<u>\$ 8,035,699</u>	<u>\$ (178,222)</u>

This year's additions were:

Computer equipment	\$ 75,907
Water heater replacement	5,040
Flooring	16,513
Cooler/freezer	49,375
Dishwasher	15,070
Air conditioning unit	6,497
Window treatments	6,095
Construction in progress	72,520
Total additions	<u>\$ 247,017</u>

MONTPELIER PUBLIC SCHOOL SYSTEM
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED JUNE 30, 2013

Debt Administration

At June 30, 2013, the School System had \$3,784,701 in bonds and leases outstanding versus \$4,096,934 on June 30, 2012 – a decrease of \$312,233 – as shown in Table 5.

Table 5
 Outstanding Debt at Year-End

	2013	2012	Increase (Decrease)
Vermont Municipal Bond - MHS, MSMS Renovations	\$ 700,000	\$ 840,000	\$ (140,000)
Vermont Municipal Bond - 2009 various renovations	1,195,000	1,270,000	(75,000)
Vermont Municipal Bond - VMERS lump sum	1,470,000	1,470,000	0
Capital Leases - various equipment and improvements	419,701	516,934	(97,233)
Totals	<u>\$ 3,784,701</u>	<u>\$ 4,096,934</u>	<u>\$ (312,233)</u>

During fiscal year 2013, the School System made payments on bonds of \$215,000 and lease payments of \$97,233. There were no loan or lease proceeds in fiscal year 2012-2013.

Current Issues

Enrollment in the Montpelier School System was 958 for the 2012-13 school year compared to 917 in the prior year. Under the formula employed by the State of Vermont to determine the local tax rate, enrollment poses a significant budgeting challenge. Because costs associated with the basic infrastructure of the school (utilities, maintenance, transportation, administration) are not reduced at all by a reduction in student population (capped by the State in its funding formula at 3.5%), it is very difficult to produce a budget that doesn't have a significant increase in per pupil spending. The community's Common Level of Appraisal (CLA) was 99.5% for fiscal year 2013. This means that property values in Montpelier are close to 100% of fair market value.

The School System has responded to budget challenges by reducing professional and support staff positions in those grades with lower enrollment. The School System is also continuing to focus on improving facilities, with a special focus on heating needs and energy efficiency.

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 finances, and to reflect 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 Brian Ricca, Superintendent, Montpelier Public School System, 5 High School Drive, Unit 1, Montpelier, Vermont 05602.

MONTPELIER PUBLIC SCHOOL SYSTEM

EXHIBIT A

STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>	
ASSETS		
Cash	\$ 1,991,821	
Accounts receivable - State	305,635	
Accounts receivable - other	22,875	
Inventory	10,764	
Construction in progress	72,520	
Capital assets - depreciable, net of accumulated depreciation of \$6,430,767	<u>7,784,957</u>	
Total assets		10,188,572
LIABILITIES		
Accounts payable	47,541	
Construction payable	72,520	
Accrued salary and benefits	996,148	
Deferred revenue	236,055	
Accrued interest	39,485	
Leases payable due in one year	104,309	
Bonds payable due in one year	215,000	
Termination benefit payable due in one year	44,120	
Compensated absences	106,204	
Termination benefit payable due after one year	35,593	
Leases payable due after one year	315,392	
Bonds payable due after one year	<u>3,150,000</u>	
Total liabilities		<u>5,362,367</u>
NET POSITION		
Unrestricted	(644,051)	
Invested in capital assets, net of debt	<u>5,470,256</u>	
Total net position		<u>\$ 4,826,205</u>

MONTPELIER PUBLIC SCHOOL SYSTEM

EXHIBIT B

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Charge for Services	Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities:				
Instruction	\$ 6,384,961	\$ 83,118	\$ 363,111	\$ (5,938,732)
Special education	3,383,724	0	2,863,809	(519,915)
Vocational	110,418	0	14,018	(96,400)
Co-curricular	282,835	0	0	(282,835)
Support services - students	1,167,019	0	0	(1,167,019)
Support services - staff	707,206	0	0	(707,206)
School Board/Superintendent's office	427,386	0	0	(427,386)
Building administration	1,048,348	0	0	(1,048,348)
Business office	258,946	0	0	(258,946)
Building maintenance	1,948,128	50,979	0	(1,897,149)
Transportation	233,907	0	42,211	(191,696)
Food service	449,434	296,095	130,227	(23,112)
Recreation programs	794,371	213,922	42,744	(537,705)
Grant programs	534,942	0	534,942	0
Interest on long term debt	203,326	0	0	(203,326)
On behalf payments	658,000	0	658,000	0
Total governmental activities	\$ 18,592,951	\$ 644,114	\$ 4,649,062	(13,299,775)
General Revenues:				
Act 68 State Aid				12,484,627
Property taxes for Recreation program				575,230
Earnings on investments				9,809
Other income				10,225
Total general revenues				<u>13,079,891</u>
Change in net position before extraordinary item				<u>(219,884)</u>
Extraordinary item				
Flood damage expenditures Irene				(103,985)
Flood damage reimbursements Irene				95,300
Total extraordinary item				<u>(8,685)</u>
Change in net position				(228,569)
Net position - July 1, 2012				<u>5,054,774</u>
Net position - June 30, 2013				<u>\$ 4,826,205</u>

MONTPELIER PUBLIC SCHOOL SYSTEM

EXHIBIT C

BALANCE SHEET - GOVERNMENTAL FUNDS
AND RECONCILIATION TO STATEMENT OF NET POSITION
JUNE 30, 2013

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Recreation Fund	Grants Fund		
ASSETS					
Cash	\$ 1,965,752	\$ 21,052	\$ 0	\$ 5,017	\$ 1,991,821
Accounts receivable - State	276,385	7,654	13,930	7,666	305,635
Accounts receivable - other	18,072	791	0	4,012	22,875
Inventory	0	0	0	10,764	10,764
Due from other funds	10,682	242,011	189,563	1,143	443,399
Total assets	\$ 2,270,891	\$ 271,508	\$ 203,493	\$ 28,602	\$ 2,774,494
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 29,813	\$ 17,425	\$ 0	\$ 303	\$ 47,541
Construction payable	0	0	0	72,520	72,520
Accrued salary and benefits	962,413	23,966	5,867	3,902	996,148
Deferred revenue	28,007	0	197,626	10,422	236,055
Due to other funds	432,716	0	0	10,683	443,399
Total liabilities	1,452,949	41,391	203,493	97,830	1,795,663
FUND BALANCES					
Nonspendable - inventory	0	0	0	10,764	10,764
Assigned for future years revenues	817,942	211,464	0	0	1,029,406
Assigned for recreation fund - FY14	0	18,653	0	0	18,653
Unassigned	0	0	0	(79,992)	(79,992)
Total fund balances	817,942	230,117	0	(69,228)	978,831
Total liabilities and fund balances	\$ 2,270,891	\$ 271,508	\$ 203,493	\$ 28,602	\$ 2,774,494
RECONCILIATION TO STATEMENT OF NET POSITION					
Total fund balances of all Governmental Funds					\$ 978,831
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$14,288,244, and the accumulated depreciation is \$6,430,767.					7,857,477
Long-term liabilities and accrued interest, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. These liabilities at year end consist of:					
Bonds payable				3,365,000	
Leases payable				419,701	
Termination benefit payable				79,713	
Accrued compensated absences				106,204	
Accrued interest				39,485	(4,010,103)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT A)					\$ 4,826,205

MONTPELIER PUBLIC SCHOOL SYSTEM
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2013

	Major Funds			Other	Total
	General Fund	Recreation Fund	Grants Fund	Governmental Funds	
REVENUES					
Act 68 State Aid	\$ 12,484,627	\$ 0	\$ 0	\$ 0	\$ 12,484,627
Property taxes	0	575,230	0	0	575,230
Intergovernmental - State	2,661,931	0	101,243	73,402	2,836,576
Intergovernmental - Federal	547,038	0	185,287	131,005	863,330
Medicaid	0	0	192,951	0	192,951
Investment earnings	9,512	95	0	202	9,809
Tuition	83,118	0	0	0	83,118
Program fees	0	213,922	0	289,250	503,172
Other revenue, private grants	61,204	42,744	55,461	6,845	166,254
On-behalf payments	658,000	0	0	0	658,000
Total revenues	16,505,430	831,991	534,942	500,704	18,373,067
EXPENDITURES					
Current Expenditures					
Instruction	6,165,230	0	0	130,657	6,295,887
Special education	3,378,177	0	0	0	3,378,177
Vocational	110,418	0	0	0	110,418
Co-curricular	282,835	0	0	0	282,835
Support services - students	1,099,648	0	0	64,174	1,163,822
Support services - staff	672,394	0	0	0	672,394
School Board/Superintendent's office	439,240	0	0	0	439,240
Building administration	1,047,867	0	0	0	1,047,867
Business office	257,037	0	0	0	257,037
Building maintenance	1,624,383	0	0	0	1,624,383
Transportation	215,964	0	0	17,943	233,907
Food service	0	0	0	441,079	441,079
Recreation programs	0	764,333	0	0	764,333
Grant programs	0	0	534,942	0	534,942
On-behalf payments	658,000	0	0	0	658,000
Debt service					
Interest - capital leases	22,417	0	0	0	22,417
Principal - capital leases	97,233	0	0	0	97,233
Interest - bonds	167,563	10,990	0	7,167	185,720
Principal - bonds	215,000	0	0	0	215,000
Capital outlays	174,497	0	0	72,520	247,017
Total expenditures	16,627,903	775,323	534,942	733,540	18,671,708
EXCESS REVENUES (EXPENDITURES)	(122,473)	56,668	0	(232,836)	(298,641)
OTHER FINANCING SOURCES (USES)					
Transfers from (to) other funds	(138,594)	0	0	138,594	0
Total other financing sources (uses)	(138,594)	0	0	138,594	0
NET CHANGE IN FUND BALANCE BEFORE EXTRAORDINARY ITEM	(261,067)	56,668	0	(94,242)	(298,641)
EXTRAORDINARY ITEM					
Flood damage expenditures Irene	0	(103,985)	0	0	(103,985)
Flood damage reimbursements Irene	0	95,300	0	0	95,300
Net extraordinary item	0	(8,685)	0	0	(8,685)
NET CHANGE IN FUND BALANCES	(261,067)	47,983	0	(94,242)	(307,326)
FUND BALANCES - JULY 1, 2012	1,079,009	182,134	0	25,014	1,286,157
FUND BALANCES (DEFICIT) - JUNE 30, 2013	\$ 817,942	\$ 230,117	\$ 0	\$ (69,228)	\$ 978,831

MONTPELIER PUBLIC SCHOOL SYSTEM

EXHIBIT E

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)
TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

TOTAL NET CHANGE IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS \$ (307,326)

Amounts reported for governmental activities in the statement of activities
are different because:

Capital outlays are reported in governmental funds as expenditures. However,
in the statement of activities, the cost of those assets is allocated over their
estimated useful lives as depreciation expense. This is the amount by which
depreciation expense of \$425,239 exceeds capital outlays of \$247,017. (178,222)

Repayment of bond and notes principal is an expenditure in the
governmental funds, but the repayment reduces long-term liabilities
in the statement of net position. 312,233

In the statement of activities, termination benefits and compensated absences are
measured by the amounts incurred during the year. In the governmental funds,
however, expenditures for these items are measured by the amount of financial
resources used (essentially, the amounts actually paid). This year, termination benefits
and compensated absences earned exceeded the amounts used by \$60,065. (60,065)

Interest on long-term debt in the statement of activities differs from the amount
reported in the governmental funds because interest is recognized as an expenditure
in the funds when it is due, and thus requires the use of current financial resources.
In the statement of activities, however, interest expense is recognized as the
interest accrues, regardless of when it is due. The reduction in interest reported
in the statement of activities is because accrued interest on bonds and notes
payable decreased by \$4,811. 4,811

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (228,569)

MONTPELIER PUBLIC SCHOOL SYSTEM
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE COMPARED TO BUDGET - GENERAL FUND
 YEAR ENDED JUNE 30, 2013

EXHIBIT F-1

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Act 68 State Aid	\$ 12,484,627	\$ 12,484,627	\$ 0
Intergovernmental - State			
State Transportation Aid	43,482	42,211	(1,271)
Special education - mainstream block grant	339,141	339,141	0
Special education - intensive reimbursement	1,257,090	1,553,573	296,483
Special education - extraordinary reimbursement	561,929	501,747	(60,182)
Special education - state placed students	0	204,767	204,767
Drivers education	5,225	6,474	1,249
Vocational	13,667	14,018	351
Intergovernmental - Federal			
IDEIA B	275,064	264,581	(10,483)
Title I	314,024	282,457	(31,567)
Tuition - regular	38,130	83,118	44,988
Investment earnings	5,000	9,512	4,512
E-rate communications reimbursement	0	7,483	7,483
Rental income	15,000	21,917	6,917
Energy rebate	0	29,062	29,062
Other revenue	3,500	2,742	(758)
Total revenues	<u>15,355,879</u>	<u>15,847,430</u>	<u>491,551</u>
EXPENDITURES			
Current Expenditures			
Instruction	6,105,253	6,165,230	(59,977)
Special education	3,011,041	3,378,177	(367,136)
Vocational	100,818	110,418	(9,600)
Co-curricular	321,822	282,835	38,987
Support services - students	1,089,308	1,099,648	(10,340)
Support services - staff	684,992	672,394	12,598
School Board/ Superintendent's office	492,630	439,240	53,390
Building administration	1,108,307	1,047,867	60,440
Business office	268,477	257,037	11,440
Building maintenance	1,620,294	1,624,383	(4,089)
Transportation	170,128	215,964	(45,836)
Debt Service			
Interest - capital leases	22,417	22,417	0
Principal - capital leases	97,233	97,233	0
Interest - bonds	167,563	167,563	0
Principal - bonds	215,000	215,000	0
Capital Outlays	133,750	174,497	(40,747)
Total expenditures	<u>15,609,033</u>	<u>15,969,903</u>	<u>(360,870)</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(253,154)</u>	<u>(122,473)</u>	<u>130,681</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(115,907)	(138,594)	(22,687)
Total other financing sources (uses)	<u>(115,907)</u>	<u>(138,594)</u>	<u>(22,687)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (369,061)</u>	<u>(261,067)</u>	<u>\$ 107,994</u>
FUND BALANCE - JULY 1, 2012		<u>1,079,009</u>	
FUND BALANCE - JUNE 30, 2013		<u>\$ 817,942</u>	

MONTPELIER PUBLIC SCHOOL SYSTEM
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE COMPARED TO BUDGET - RECREATION FUND

EXHIBIT F-2

YEAR ENDED JUNE 30, 2013

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 575,230	\$ 575,230	\$ 0
Season passes	19,600	19,444	(156)
Daily fees	11,800	12,678	878
Program fees	148,496	181,800	33,304
Concessions	7,700	7,709	9
Rental income	15,000	17,126	2,126
Ski and Skate sale	8,500	8,137	(363)
Other revenue	7,000	9,867	2,867
Total revenues	<u>793,326</u>	<u>831,991</u>	<u>38,665</u>
EXPENDITURES			
Current Expenditures			
Administration	286,937	277,691	9,246
Indoor - rec center	75,341	71,864	3,477
Outdoor - fields	314,508	299,572	14,936
Swimming pool	122,763	114,206	8,557
Indoor skating	2,027	1,000	1,027
Debt Service			
Interest - VMERS bond payment	11,007	10,990	17
Capital Outlays	3,000	0	3,000
Total expenditures	<u>815,583</u>	<u>775,323</u>	<u>40,260</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(22,257)</u>	<u>56,668</u>	<u>78,925</u>
EXTRAORDINARY ITEM			
Flood damage expenditures Irene	0	(103,985)	(103,985)
Flood damage reimbursements Irene	0	95,300	95,300
Net extraordinary item	<u>0</u>	<u>(8,685)</u>	<u>(8,685)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (22,257)</u>	47,983	<u>\$ 70,240</u>
FUND BALANCE - JULY 1, 2012		<u>182,134</u>	
FUND BALANCE - JUNE 30, 2013		<u>\$ 230,117</u>	

MONTPELIER PUBLIC SCHOOL SYSTEM
STATEMENT OF FIDUCIARY NET POSITION

EXHIBIT G

JUNE 30, 2013

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash	\$ 207,296	\$ 69,082
Investments	72,358	0
Total assets	279,654	69,082
LIABILITIES		
Due to student organizations	0	69,082
NET POSITION		
Held in Trust for Individuals and Organizations	<u>\$ 279,654</u>	<u>\$ 0</u>

MONTPELIER PUBLIC SCHOOL SYSTEM

EXHIBIT H

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2013

	Private Purpose Trust Funds
ADDITIONS	
Contributions and bequests	\$ 50,474
Investment earnings:	
Interest and dividends	3,556
Unrealized gain on investments	4,810
Net investment income	8,366
Total additions	58,840
DEDUCTIONS	
Scholarships	64,326
Total deductions	64,326
CHANGE IN NET POSITION	(5,486)
NET POSITION - JULY 1, 2012	285,140
NET POSITION - JUNE 30, 2013	<u>\$ 279,654</u>

MONTPELIER PUBLIC SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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 appoints a Superintendent, and provides education services for kindergarten through 12th grade in the City of Montpelier. The School System also manages the Recreation Department. The Recreation Department is responsible for general recreation activities in the City.

The School System, for financial reporting purposes, includes all of the funds relevant to the operations of the Montpelier Public School System. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Montpelier Public School System.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School System's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is primarily responsible for establishing GAAP for state and local governments through its pronouncements (including Statements and Interpretations). The more significant accounting policies established in GAAP and used by the School System are discussed below.

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

MONTPELIER PUBLIC SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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 monies 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.

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.

Basis of Presentation

The School System's basic financial statements include both government-wide (reporting the School System as a whole) and fund financial statements (reporting the School System's major funds).

MONTPELIER PUBLIC SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements – Government-Wide Financial Statements

The Statement of Net Position 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. All the activities of the School System are governmental in nature and none are considered business-type activities.

The Statement of Net Position presents all of the School System's activities on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The School System's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The School System first utilizes restricted resources to finance qualifying activities for which both restricted and unrestricted resources are available.

The Statement of Activities reports both the gross and net cost of each of the School System's governmental functions. The functions are also supported by general government revenue (assessments and other local revenue). The Statement of Activities reduces gross expenditures (including depreciation) by related program revenue, consisting of operating grants and contributions. Program revenue must be directly associated with the governmental function (regular education, special education, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by governmental function) are normally covered by general revenue (assessments, interest income, etc.).

This government-wide focus is more on the sustainability of the School System as an entity and the change in the School System's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial statements of the School System are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue and expenditures/expenses. The various funds are reported by major funds within the financial statements. The School System has two categories of funds: governmental and fiduciary.

The emphasis in fund financial statements is on the major funds in either the governmental activities categories. GASBs No. 34 and No. 37 set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category or the governmental and enterprise funds combined) for the determination of major funds. The General Fund, Recreation Fund and Grants Fund are shown as major governmental funds of the School System. All other funds are Nonmajor and are combined in a single column in each of the respective fund financial statements.

MONTPELIER PUBLIC SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The School System reports on the following governmental funds:

General Fund is the main operating fund of the School System. It is used to account for all financial resources except those required to be accounted for in another fund.

Recreation Fund is used to account for the activities of the recreation department.

Grants Fund is used to account for the various activities funded with Federal, State and Local grants.

Other Governmental Funds are used to account for activities related to food service, early education program, capital projects and other minor funds.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support School System programs. The reporting focus is on net position and changes in net position is reported using accounting principles similar to proprietary funds.

The School System's fiduciary funds are presented in the fiduciary fund financial statements by type (private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The School System's agency fund accounts for various student-managed activities.

Basis of Accounting

Basis of accounting refers to the point at which revenue or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The government-wide 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 System 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.

MONTPELIER PUBLIC SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The School System considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year end, or shortly thereafter. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, 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 is both restricted and unrestricted net position 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.

Cash and Cash Equivalents

The School System has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent. Additionally, each fund's equity in the School System's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Investments

Investments are stated at fair value (quoted market price or the best available estimate).

Inventory

Inventories are determined by physical count and are valued at cost. Inventory represents food and supplies in the Food Service Fund.

MONTPELIER PUBLIC SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The School System does not capitalize its library books because they are considered a collection. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Land improvements	15 – 50 years
Buildings and improvements	15 – 50 years
Machinery and equipment	5 – 20 years
Vehicles	5 – 15 years

Accrued Compensated Absences

Government-Wide Financial Statements – All vested or accumulated vacation leave is reported as a liability and an expense on the government-wide financial statements.

Fund Financial Statements - Vested or accumulated vacation leave that has matured is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are not reported as a liability in the fund financial statements and no expenditure is reported for these accounts.

Net Position

In July of 2012, the School District adopted GASB Statement No. 63. In June of 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the Statement of Net Position. Net resources invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets and deferred inflows of resources attributable to either capital asset acquisition, construction or improvement. This amount is then increased by any deferred outflows of resources attributable to capital asset acquisition, construction, or improvement (to arrive at net investment in capital assets). Net position is reported as restricted when there are legal limitations imposed on its use by legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

MONTPELIER PUBLIC SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity

GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" defines fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balances - Indicates the portion of fund equity that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.

Restricted fund balances - Indicates the portion of fund equity that is mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation (e.g. federal and state grants, bondholders, trust and trustee accounts).

Committed fund balances - Indicates the portion of fund equity that is set aside for a specific purpose by the School Board. Formal action must be taken prior to the end of the fiscal year (e.g. capital projects, compensated absences). The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balances - Indicates the portion of fund equity that is set aside with the intent to be used for a specific purpose by the School Board or body or official that has been given the authority to assign funds (e.g. encumbrances, subsequent budgets). Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned fund balances - Indicates the portion of fund equity that has not been classified in the previous four categories. All funds in this category are considered spendable resources. This category provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The School Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as special incentives). Assigned fund balance is established by the School Board through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service or other purposes).

When an expenditure is incurred that would qualify for payment with either restricted or unrestricted funds, it will be paid from restricted funds.

When an expenditure is incurred that qualifies for payment from either of the three unrestricted fund balance categories, it will be applied in the following order:

1. Committed
2. Assigned
3. Unassigned

MONTPELIER PUBLIC SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

The School follows these procedures in establishing the General Fund budgetary data reflected in the financial statements:

- 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.
- 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.
- The School Board then reviews the School budget and adopts it with or without change.
- 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 Recreation Fund and the Grants Fund are not legally required to adopt budgets.

Interfund Activities

Interfund activities are reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund activities are treated as transfers.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

On Behalf Payments

On behalf payments are contributions made by the State of Vermont to the State Teachers' Retirement System on behalf of the School System's teaching employees. The General Fund budget does not include on behalf payments as a revenue or expense.

MONTPELIER PUBLIC SCHOOL SYSTEM
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS

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. As of June 30, 2013, none of the School System’s bank balances of \$1,898,832 was exposed to custodial credit risk. \$255,075 was insured by the FDIC and \$1,643,757 was collateralized with investments at Peoples United Bank and insurance from the Federal Home Loan Bank of Boston.

Investments – Trust Fund

The fair value of the investments at June 30, 2013 was \$72,358, which consisted of a cash money market account of \$8,643, and mutual funds of \$63,715. The Mutual Funds are balanced funds that include approximately 75% in Domestic and Foreign Equities, approximately 20% in Domestic and Foreign Bonds and about 5% in cash. These allocations change as the markets change. The fair value is based on quoted market prices.

The School System has an investment policy related to these investments. The policy allows for the investments in mutual funds that are either equity, balanced or fixed income that have a track record of at least ten years and net assets of at least \$500 million. Investment income for fiscal year included interest and dividends of \$3,556 and unrealized gains of \$4,810.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2013, consisted of accounts (rents 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.

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The School System has combined the cash resources of its governmental funds for accounting and reporting purposes. That portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at June 30, 2013 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 10,682	\$432,716
Recreation Fund	242,011	0
Grants Fund	189,563	0
Nonmajor funds		
Early Education Program	1,143	0
Food Service Fund	0	10,683
	<u>\$ 443,399</u>	<u>\$443,399</u>

MONTPELIER PUBLIC SCHOOL SYSTEM
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 5 - CAPITAL ASSETS

The summary of capital assets as of June 30, 2013 is as follows:

	Balance July 1, 2012	Additions	Depreciation	Balance June 30, 2013
Capital assets not depreciated:				
Construction in progress	\$ 0	\$ 72,520	\$ 0	\$ 72,520
Capital assets depreciated:				
Land improvements	1,154,210	0	0	1,154,210
Building & improvements	12,016,523	28,049	0	12,044,572
Machinery and equipment	809,118	146,448	0	955,566
Vehicles	61,376	0	0	61,376
Total capital assets depreciated	<u>14,041,227</u>	<u>174,497</u>	<u>0</u>	<u>14,215,724</u>
Accumulated depreciation:				
Land improvements	243,810	0	55,429	299,239
Building & improvements	5,255,151	0	263,849	5,519,000
Machinery and equipment	462,752	0	97,418	560,170
Vehicles	43,815	0	8,543	52,358
Total accumulated depreciation	<u>6,005,528</u>	<u>0</u>	<u>425,239</u>	<u>6,430,767</u>
Total capital assets	<u>\$ 8,035,699</u>	<u>\$ 247,017</u>	<u>\$ (425,239)</u>	<u>\$ 7,857,477</u>

Depreciation was charged to building maintenance (\$325,883), food services (\$8,355), recreation programs (\$26,184), support services – staff (\$34,812), instruction (\$24,458) and special education (\$5,547).

This year’s major additions included computer equipment of \$75,907, a water heater for \$5,040, flooring of \$16,513, kitchen equipment of \$64,445, air conditioner for \$6,497, window treatments of \$6,095, and construction in progress for the new heating system of \$72,520.

NOTE 6 – LONG-TERM DEBT AND LIABILITIES

Compensated absences

The School System has agreed to permit support staff, custodians and administrators to accumulate earned but unused vacation days up to different limits based on longevity. Employees are not eligible to be paid for unused sick days upon termination. The liability as of June 30, 2013 was \$106,204 compared to \$97,663 as of June 30, 2012. None of the year end balance will be paid from current financial resources.

Termination benefit

In prior years, teachers who elected to take early retirement were eligible for a termination benefit that was paid over various terms. During fiscal year 2013, payments of \$13,093 plus Social security were made related to retirement termination benefits. The balance as of June 30, 2013 was \$15,097 including social security and is due in fiscal year 2014.

MONTPELIER PUBLIC SCHOOL SYSTEM
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 6 – LONG-TERM DEBT AND LIABILITIES (Continued)

Termination agreement

On January 16, 2013, the Board of School Directors signed an employment separation and release agreement, which requires the School System to pay \$96,924 plus interest to the Vermont State Teachers' Retirement System on behalf of the former employee, to be financed over three years. During fiscal year 2013, \$32,308 was paid. \$31,028 will be paid in fiscal year 2014, and \$33,588 will be paid in fiscal year 2015.

Bonds and Capital Leases payable

The following is a summary of bonds and capital leases payable at June 30, 2013 for the School System:

	<u>Total</u>	<u>Due in One Year</u>
Bond payable with Vermont Municipal Bond Bank, interest between 5.05% and 5.4% paid semi-annually on 6/1 and 12/1, principal of \$140,000 due on December 1st of each year until 2017, for Montpelier High School and Main Street Middle School renovations	\$ 700,000	\$ 140,000
Bond payable with Vermont Municipal Bond Bank, interest between 1.9% and 4.65% paid semi-annually on 5/15 and 11/15, principal of \$75,000 due on November 15th of each year until 2028, for various renovations at all three schools	1,195,000	75,000
Bond payable with Vermont Municipal Bond Bank, interest of 6.5% paid semi-annually on 5/15 and 11/15, principal starting at \$10,000 on November 15, 2017 and increasing each year until 3032, used to fund the retirement plan lump sum payment	1,470,000	0
Capital lease with Sun Trust, interest at 4.29%, annual principal and interest payments that range from \$94,250 to \$111,600 through July 1, 2015 with a final payment of \$43,647 due on July 1, 2016, used to finance energy efficiency building improvements	336,164	91,072
Capital lease with Sun Trust, interest at 4.49%, annual principal and interest payments that range from \$17,000 to \$44,417 through July 1, 2016, used to finance energy efficiency building improvements and computer equipment	<u>83,537</u>	<u>13,237</u>
Total bonds and leases payable	<u>\$ 3,784,701</u>	<u>\$ 319,309</u>

The interest paid on bonds totaled \$185,720 and the interest paid on leases totaled \$22,417 during fiscal year 2013.

MONTPELIER PUBLIC SCHOOL SYSTEM
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 6 – LONG-TERM DEBT AND LIABILITIES (Continued)

Bonds and leases payable will mature approximately as follows:

	Bond Principal	Bond Interest	Bond Total	Lease Principal	Lease Interest	Lease Total
2014	\$ 215,000	\$ 175,880	\$ 390,880	\$ 104,309	\$ 18,211	\$ 122,520
2015	215,000	167,663	382,663	114,799	13,701	128,500
2016	215,000	157,484	372,484	132,869	8,731	141,600
2017	215,000	147,180	362,180	67,724	2,965	70,689
2018	220,000	136,585	356,585	0	0	0
2019-2023	525,000	571,394	1,096,394	0	0	0
2024-2028	830,000	393,713	1,223,713	0	0	0
2029-2033	930,000	158,513	1,088,513	0	0	0
2034-2038	0	0	0	0	0	0
	<u>\$ 3,365,000</u>	<u>\$ 1,908,412</u>	<u>\$ 5,273,412</u>	<u>\$ 419,701</u>	<u>\$ 43,608</u>	<u>\$ 463,309</u>

Changes of long-term liabilities for the year ended June 30, 2013 were:

	Balance June 30, 2012	Increases	Reductions	Balance June 30, 2013	Due in One Year
Bonds payable	\$ 3,580,000	\$ 0	\$ (215,000)	\$ 3,365,000	\$ 215,000
Capital leases	516,934	0	(97,233)	419,701	104,309
Compensated absences	97,663	19,843	(11,302)	106,204	0
Termination benefits	28,189	96,924	(45,400)	79,713	44,120
Total	<u>\$ 4,222,786</u>	<u>\$ 116,767</u>	<u>\$ (368,935)</u>	<u>\$ 3,970,618</u>	<u>\$ 363,429</u>

NOTE 7 - RECONCILIATION OF EXHIBIT D TO EXHIBIT F

Amounts recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance Compared to Budget – General Fund (Exhibit F) are reported on the basis budgeted by the School System. Amounts recorded in the Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit D) for the General Fund were adjusted for on behalf payments (see Note 8) as follows:

	Revenues	Expenditures
Exhibit D	\$ 16,505,430	\$ 16,627,903
On behalf payments	<u>(658,000)</u>	<u>(658,000)</u>
Exhibit F	<u>\$ 15,847,430</u>	<u>\$ 15,969,903</u>

MONTPELIER PUBLIC SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8 - PENSION AND RETIREMENT PLANS

Vermont State Teachers' Retirement System

The teachers employed by the School System are covered by the Vermont State Teachers' Retirement System which is a single employer retirement system. Vermont State statutes provide the authority under which benefit provisions and the State's obligation to contribute are established. Required contributions to the System are made by the State of Vermont based upon a valuation report prepared by the System's actuary.

The contribution amount made by the State on behalf of the participants in the State Teachers' Retirement System is \$658,000.

All teachers become members of the retirement system upon employment. Teachers who became members before July 1, 1990 are Group A members. All other teachers are Group C members. Members who have Group A coverage are required to contribute at a rate of 5.5% of earnable compensation and members in Group C are required to contribute at a rate of 5.0% of earnable compensation. Vesting in both groups occurs upon reaching five years of creditable service. Of the School System's total payroll of \$9,626,941, \$6,422,158 was covered under the Vermont State Teachers' Retirement System.

The State of Vermont issues an audited Financial Report that includes financial statements and required disclosures. This report may be obtained by writing the State Auditor of Accounts, 132 State Street, Montpelier, VT 05602.

Vermont Municipal Employees Retirement System (VMERS)

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.

Until December 31, 2004, 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.

Vermont 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. For Group B, employee contributions are 4.5% of gross pay and employer contributions are 5% of gross pay. For Group C, employee contributions are 9.25% of gross pay and employer contributions are 6.5% of gross pay. VMERS issues a publicly available financial report which may be obtained from the Vermont State Treasurer's Office, Montpelier, Vermont 05602.

MONTPELIER PUBLIC SCHOOL SYSTEM
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 8 - PENSION AND RETIREMENT PLANS (Continued)

The School System's contributions to VMERS for the years ended June 30, 2013, 2012, and 2011 were \$73,408, \$70,379, and \$71,922 respectively, equal to the required contributions for each year. Total covered payroll for fiscal year 2013 was \$1,403,619 out of a total payroll of \$9,626,941.

NOTE 9 - DEFERRED REVENUE

The deferred revenue at June 30, 2013 consisted of:

General Fund	
IDEA B Basic	\$ 13,663
Title 1-A	14,344
Total General Fund	<u>28,007</u>
Grant Funds	
Act 230/ BEST grant	1,520
Act 176	5,566
Redducs Grant	5,088
Rowland grant	29,289
Title IIA	17,940
Health Info Nurse	250
MHS Schools of Success	1,386
MS Green Grant	294
VSBIT Wellness	5,354
VSBIT grant	87
Fit and healthy grant	3,000
Gardens grant	476
America's promise grant	447
Standards board	196
Medicaid EPSDT	6,765
Medicaid IEP	119,968
Total Grants Fund	<u>197,626</u>
Nonmajor Funds	
Food Service student accounts	<u>10,422</u>
Total deferred revenue	<u>\$ 236,055</u>

NOTE 10 - INTERFUND TRANSFERS

During the year, one transfer occurred between funds. The operating transfer was made in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2013 consisted of \$138,594 from the General Fund to the Early Education Program.

MONTPELIER PUBLIC SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 – EXTRAORDINARY ITEM

The Recreation Department's fields were damaged as a result of tropical storm Irene. The cost of the repairs was \$103,985 and the Recreation Department was reimbursed a total of \$95,300 by FEMA and the State of Vermont.

NOTE 12 – CONTINGENCIES AND COMMITMENTS

The School System participates in a number of federally and state assisted grant programs, principal of which are the ESEA Title I 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, 2013, 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 System entered into a contract with Honeywell Building Solutions (Honeywell) in March 2007 to service and monitor energy efficient improvements that were made to its school buildings. The contract called for an annual service cost that started at \$34,664 for the first six months and increased to \$70,368 for the following year and then increased by 3% per year. The service agreement was connected to an energy guarantee that required Honeywell to provide an energy cost avoidance report on an annual basis. This report was used to determine if there were actual energy savings to the School System and required Honeywell to reimburse the School System if savings were not produced. During fiscal year 2013, the original agreement was terminated and a new agreement was signed. The new agreement is in effect from April 15, 2013 through June 30, 2014 for a price of \$40,000 and no longer includes an energy savings guarantee. The related expenditure in fiscal year 2013 for both agreements was \$48,518. In addition, the School System received a reimbursement from Honeywell of \$29,062 during fiscal year 2013.

In March of 2013, the Voters approved a \$2,300,000 bond for energy, efficiency and safety improvements in all three schools. The bond was issued in July of 2013. As of June 30, 2013, construction had commenced and \$72,250 had been billed to the School System on a contract signed in May of 2013 for \$537,877 for the School System's heat upgrades.

In May of 2013, The School System entered into a contract for transportation services for fiscal year 2014-2016 with the option to extend through fiscal year 2018. The contract calls for payments that range from \$207,100 for fiscal year 2014 to \$230,833 for fiscal year 2018 that cover regular, vocational and special education related transportation. Athletics and co-curricular transportation is in addition based on set prices as outlined in the contract. The School System can terminate the contract with a 60 day notice if the budget does not pass.

NOTE 13 – FUND DEFICIT

The Capital Project Fund reported a deficit of \$72,520. This deficit will be eliminated upon receipt of bond proceeds in fiscal year 2013-2014.

MONTPELIER PUBLIC SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 14 – COMPARISON TO BUDGET

The School System is not required to present a comparison to budget for the Grants Fund because there was not an adopted budget for that Fund.

NOTE 15 – EXPENDITURES AND TRANSFERS IN EXCESS OF BUDGET

During fiscal year 2013, General Fund expenditures and transfers were greater than the budget by \$383,557. The additional amounts were covered by additional revenues.

NOTE 16 - RISK MANAGEMENT

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 non-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.

NOTE 17 – CONCENTRATION OF REVENUE

The School System receives approximately 76% of its General Fund revenue from Act 68 State Aid. The amount of Act 68 State Aid received by the School System is equal to the budgeted expenditures approved by the voters less expected other revenues for the year. Act 68 State Aid is funded with statewide property taxes. The State determines a different education property tax rate for homestead and non-homestead properties based on statewide information. The tax rate on homesteads in Montpelier is adjusted based on the amount of Act 68 State Aid in relation to the number of students in Montpelier. The tax rate for non-homestead property in Montpelier is not impacted by the amount of Montpelier's Act 68 State Aid. The State uses a common level of appraisal to equalize property values between communities.

In addition to Act 68 State Aid, the School System receives grants from the State of Vermont for special education, transportation and other programs.

NOTE 18 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 14, 2013, the date which the financial statements were available for issue.

MONTPELIER PUBLIC SCHOOL SYSTEM
 COMBINING BALANCE SHEET
 ALL NONMAJOR FUNDS
 JUNE 30, 2013

SCHEDULE I

	Special Revenue Funds			Total Nonmajor Funds
	Early Education Program	Food Service Fund	Capital Project Fund	
ASSETS				
Cash	\$ 0	\$ 5,017	\$ 0	\$ 5,017
Due from State	0	7,666	0	7,666
Accounts receivable - other	0	4,012	0	4,012
Inventory	0	10,764	0	10,764
Due from other funds	1,143	0	0	1,143
	<u>1,143</u>	<u>0</u>	<u>0</u>	<u>1,143</u>
Total assets	\$ 1,143	\$ 27,459	\$ 0	\$ 28,602
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 303	\$ 0	\$ 0	\$ 303
Construction payable	0	0	72,520	72,520
Accrued payroll	250	3,652	0	3,902
Deferred revenue	590	9,832	0	10,422
Due to other funds	0	10,683	0	10,683
	<u>0</u>	<u>10,683</u>	<u>0</u>	<u>10,683</u>
Total liabilities	1,143	24,167	72,520	97,830
Fund Balances (Deficit)				
Nonspendable - inventory	0	10,764	0	10,764
Unassigned - food service	0	(7,472)	0	(7,472)
Unassigned - capital projects	0	0	(72,520)	(72,520)
	<u>0</u>	<u>0</u>	<u>(72,520)</u>	<u>(72,520)</u>
Total fund balances (deficit)	0	3,292	(72,520)	(69,228)
Total liabilities and fund balances (deficit)	\$ 1,143	\$ 27,459	\$ 0	\$ 28,602

MONTPELIER PUBLIC SCHOOL SYSTEM

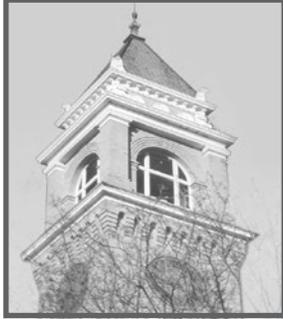
SCHEDULE 2

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
ALL NONMAJOR FUNDS

YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			Total Nonmajor Funds
	Early Education Program	Food Service Fund	Capital Project Fund	
REVENUES				
Intergovernmental - Federal	\$ 5,475	\$ 125,530	\$ 0	\$ 131,005
Intergovernmental - State	68,705	4,697	0	73,402
Fees for service	0	289,250	0	289,250
Interest on investments	0	202	0	202
Miscellaneous	0	6,845	0	6,845
Total revenues	<u>74,180</u>	<u>426,524</u>	<u>0</u>	<u>500,704</u>
EXPENDITURES				
Current				
Instruction	130,657	0	0	130,657
Support services - students	64,174	0	0	64,174
Transportation	17,943	0	0	17,943
Food service	0	441,079	0	441,079
Capital outlays	0	0	72,520	72,520
Debt Service				
Interest - bonds	0	7,167	0	7,167
Total expenditures	<u>212,774</u>	<u>448,246</u>	<u>72,520</u>	<u>733,540</u>
EXCESS EXPENDITURES OVER REVENUES	<u>(138,594)</u>	<u>(21,722)</u>	<u>(72,520)</u>	<u>(232,836)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	138,594	0	0	138,594
Total other financing sources (uses)	<u>138,594</u>	<u>0</u>	<u>0</u>	<u>138,594</u>
NET CHANGE IN FUND BALANCE	0	(21,722)	(72,520)	(94,242)
FUND BALANCE - JULY 1, 2012	<u>0</u>	<u>25,014</u>	<u>0</u>	<u>25,014</u>
FUND BALANCE (DEFICIT) - JUNE 30, 2013	<u>\$ 0</u>	<u>\$ 3,292</u>	<u>\$ (72,520)</u>	<u>\$ (69,228)</u>

MONTPELIER BUSINESS DIRECTORY



The following firms are proud to serve the capital city community. They are pleased to help bring this important Annual Report to your attention.

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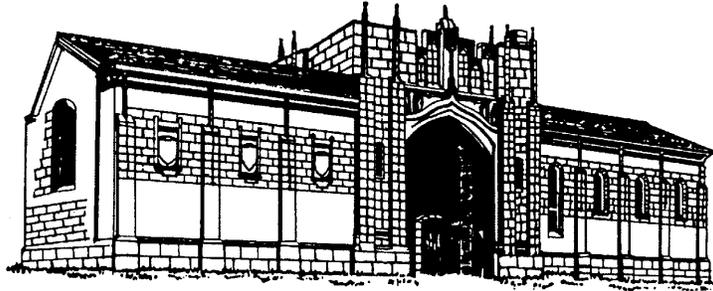
<p>LAW OFFICE OF CAROLINE S. EARLE, PLC PO Box 1385, 107 State St. Montpelier 802-225-6495 cse@caroline-law.com</p>	<p>CENTRAL VERMONT SOLID WASTE MANAGEMENT DISTRICT 137 Barre St., Montpelier CVSWMD ARCC located at 540 N. Main, Barre 802-229-9383 www.cvswmd.org</p>	<p><i>Civil & Structural Engineers</i> DE WOLFE ENGINEERING ASSOCIATES, INC. 81 River St., Montpelier 802-223-4727 www.dirtsteel.com</p>
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- *Granite *Bronze *Natural Stone *Statuary *Benches**
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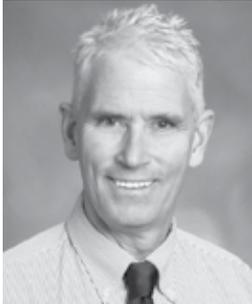
Services May Include:

- *Year Round Burials *Individualized Burial Service**
- *Flower Fund *Monument Cleaning/Repair**
- *Genealogy Research *Tours *Slide Show**

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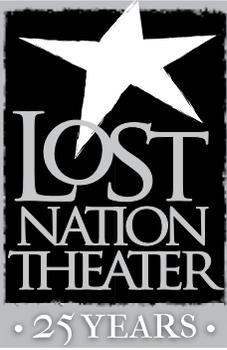
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City of Montpelier Directory

Mayor: John Hollar (Home) 223-4651
City Council:
 T. Andrew Hooper (Home) 229-1237
 Council Member, District 1
 Tom Golonka (Home) 223-3657
 Council Member, District 1
 Thierry Guerlain (Home) 229-5686
 Council Member, District 2
 Anne Watson (Home) 595-1734
 Council Member, District 2
 Jessica Ederly Walsh (Home) 371-7556
 Council Member, District 3
 Alan Weiss (Home) 229-0068
 Council Member, District 3

City Hall:
 39 Main Street
 8:00 AM - 4:30 PM, Monday - Friday
 City Manager, *William Fraser* 223-9502
 wfraser@montpelier-vt.org
 Assistant City Manager, *Jessie Baker* 262-6250
 j baker@montpelier-vt.org
 Delinquent Tax Collector, *Beverlee Hill* 223-9512
 bhill@montpelier-vt.org
 City Clerk, *John Odum* 223-6263
 jodum@montpelier-vt.org
 City Assessor, *Stephen Twombly* 223-9505
 stwombly@montpelier-vt.org
 Zoning Administrator, *Dina Bookmyer-Baker* 262-6270
 dbookmyer-baker@montpelier-vt.org
 Asst. Building Inspector, *Chris Lumbra* 262-6170
 clumbra@montpelier-vt.org
 Public Works Department 223-9508
Todd Law, Director
 tlaw@montpelier-vt.org
 Planning & Development 223-9506
 Health Officer, *Robert Gowans* 229-4913
 Finance Director, *Sandra Gallup* 262-6253
 sgallup@montpelier-vt.org
 Emergency Management System 229-4913
Robert Gowans, Coordinator
 Green Mount Cemetery 223-5352
Patrick Healy, Director
 cemetery@montpelier-vt.org
 Hubbard Park 223-7335
 Geoffrey Beyer, Director
 gbeyer@montpelier-vt.org

Montpelier Senior Activity Center
 58 Barre Street
 Janna Clar, Director 223-2518
 jclar@montpelier-vt.org

Police/Fire/Ambulance Emergency 911
 Montpelier Police Dept. (Non-emergency) 223-3445
Anthony Facos, Police Chief
 afacos@montpelier-vt.org
 Montpelier Fire Department and
 Ambulance Service (Non-emergency) 229-4913
Robert Gowans, Fire Chief
 rgowans@montpelier-vt.org

Other Departments:
Montpelier School Department
 5 High School Drive
Brian Ricca, Superintendent 223-9796
 brian@mpsvt.org
Montpelier Recreation Dept
 55 Barre Street 223-5141
Arne McMullen, Director
 arne@mpsvt.org

Montpelier Housing Authority
 155 Main Street
JoAnn Troiano, Executive Director

Appointed Officials
Development Review Board
 Phil Zalinger, *Chair*
 Kevin O'Connell, *Vice Chair*
 Joshua O'Hara
 John Lindley, III
 Daniel Richardson
 Roger Cranse
 James LaMonda
 Kate McCarthy, *Alternate*
 Michael Sherman, *Alternate*

Planning Commission
 Kim Cheney, *Chair*
 Jon Anderson, *Vice Chair*
 Jesse Moormann
 Alan Goldman
 John Bloch
 Eileen Simpson
 Tina Ruth
 Thomas Nowlan, Youth Member

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

Tree Warden: Geoff Beyer

Elected Officials
School Commissioners
 Sue Aldrich, *Chair*
 Charles Phillips
 Jennifer Cahill Bean
 Lowell vanDerlip
 Ken Jones
 Carol Paquette
 Michele Braun

Cemetery Commissioners
 Meri Nielsen, *Chair*
 Daniel Barlow
 Darragh Ellerson
 Jake Brown
 Charles Wiley

Park Commissioners
 Cara Robecheck, *Chair*
 Lyn Munno
 Aaron Brondyke
 Kip Roberts
 Emily Boedecker

Justices of the Peace

Barney Bloom
 Cary Brown
 Paul Carnahan
 Kim Cheney
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 Valerie Lewis
 Margaret Lucenti
 Nick Marro
 Marjorie Power
 Nancy Sherman
 William R. Steinhurst
 Claude Stone
 Lynne Cleveland Vitzthum
 Ron Wild
 Philip H. Zalinger Jr.

Regular City Meetings

CITY COUNCIL
 Meetings held second and fourth
 Wednesdays at 6:30 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 and are also located
 on the city's website:
 www.montpelier-vt.org

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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**Additional Boards and Committees are
 listed on page 87**

Montpelier City Council – 2013



(Left to right): Assistant City Manager Jessie Baker, Council Member Alan Weiss, Council Member Jessica Edgerly Walsh, Council Member Thierry Guerlain, Mayor John Hollar, Council Member Andy Hooper, Council Member Anne Watson, Council Member Tom Golonka, City Manager William Fraser.

Montpelier School Board – 2013



School Board Member Carol Paquette, School Board Chair Sue Aldrich, School Board Member Ken Jones, Superintendent Brian Ricca, School Board Member Lowell vanDerlip, School Board Member Charles Phillips, School Board Member Jennifer Cahill Bean, School Board Member Michele Braun.