

On Wednesday evening, April 29, 2009, the City Council Members met in the Council Chamber.

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

Call to Order by the Mayor:

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

Council Member Sheridan wished his father Happy Birthday on his 81<sup>st</sup> birthday.

09-99. General Business and Appearances:

None.

09-100. Consideration of the Consent Agenda:

Consideration of the minutes from the April 8, 2009 Regular City Council Meeting.

Consideration of a request from Bethany Pombar for permission to close a portion of Cross Street (from its intersection with North Franklin to the North Street intersection on Saturday, July 25<sup>th</sup>, from 4:00 to 8:00 P.M. for their Neighborhood "CAN" Summer BBQ. (Fire and Police Chiefs both approved her request.)

Consideration of awarding the bid for a Grant Anticipation Note in the amount of \$1,500,000.00 for a nine-month period. These funds will be used to cover the expenses for Montpelier FEGC 028-3(34)S (Route 2/203 Roundabout Project.) As per the cooperative agreement, the City is responsible for making payments to the contractor and will be reimbursed through the State of Vermont Agency of Transportation. (Bids on the interest rate were received on Wednesday, April 15, 2009 with the following results.

Chittenden Bank	2.20%
Community National Bank	1.69%
Northfield Savings Bank	2.30%
TD Banknorth	1.79%

Recommend acceptance of Community National Bank rate of 1.69% and authorize signing of the necessary documents.

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

Application for a First Class Liquor License from The Skinny Pancake for their new business to be located at 89 Main Street.

Application for an Outside Consumption Permit from The Skinny Pancake for serving within a 10' x 11' area adjacent to their restaurant.

Annual renewal of Liquor Licenses. (City Clerk will distribute list of applications at the meeting.)  
Annual renewal of Tobacco Licenses. (City Clerk will distribute list of applications at the meeting.)

Hyzer Industries, Inc  
dba Three Penney Taproom  
108 Main Street  
1<sup>st</sup> Class Restaurant License

Veterans of Foreign Wars,  
Brown Johnson Post #792  
1 Pioneer Street  
1<sup>st</sup> Class Liquor License and Tobacco

Ratification of the issuance of the following; Council Members were polled by staff ...

Application for a Catering Permit from Yebba, Inc., d/b/a The Abbey Pub & Restaurant, for a Cocktail Reception on Wednesday, April 22<sup>nd</sup>, from 3:00 to 7:00 P.M. in the Cedar Creek Room of the State House.

The same applicant and event as above which would be held again on the next day ... Thursday, April 23<sup>rd</sup> ... same time and location.

Application for a Special Event Permit to allow the Montpelier Lodge of Elks, 203 Country Club Drive, to serve outside as part of a Membership Drive being held on Saturday, April 25<sup>th</sup>, from 5:00 P.M. until closing ... 11:00 P.M. (±).

Additional Item for the Consent Agenda as the Liquor Control Commission.

Consideration of a catering permit for Pond Village Restaurant, Inc dba Pond Village Pub/Ariel's for a catering permit to be used at their restaurant at 188 River Street from May 1<sup>st</sup> to May 9<sup>th</sup>.

Mr. Finkerman indicated that due to the construction last year and this year their restaurant business has taken a big hit. They are undecided at this time whether they want to renew their First Class and Fourth Class liquor licenses for the coming year.

Mr. Finkerman had spoken to Martin Provost at Vermont Department of Liquor Control and he indicated that they could apply for a catering permit and use that for a limited period of time until they could make a decision.

Approval of payroll and bills:

Payroll Warrant dated April 16, 2009, in the amount of \$128,572.04.  
General Fund Warrant dated April 22, 2009, in the amount of \$1,461,821.30.  
Payroll Warrant dated April 30, 2009, in the amount of \$128,785.18.

Additional Consent Agenda Items:

Consideration of a Vendor's License for Timothy Azarian dba Wilaiwan's Kitchen to sell thai style noodle soup, shai style satay with sticky rice and green papaya salad. They have provided a copy of their State Health Department inspection, a copy of their insurance coverage and this had been signed by the City's Health Officer.

Consideration of a Restaurant License for the Skinny Pancake.

Motion was made by Council Members Sheridan, seconded by Council Member Hooper to approve the consent with the additional items.

Council Member Weiss asked to pull the application for outside consumption permit for The Skinny Pancake.

Mayor Hooper called for a vote on the motion to approve the consent agenda after removing the outside consumption permit for the Skinny Pancake. The vote was 6-0, motion carried unanimously.

09-100A.

Consideration of an application for an Outside Consumption Permit from The Skinny Pancake for serving within a 10' x 11' area adjacent to their restaurant.

Council Member Weiss expressed concern for the restaurant using the outside consumption permit on Sunday beginning at 11:00 A.M. noting the proximity to the churches. He also spoke about the number of tables and the need to let them know that there could be no more than five tables. He also spoke of the application not indicating the months that they would be using the outside consumption permit. The Development Review Board had suggested that they be limited to the months of June through October.

Mayor Hooper told the owners that there was a proposal to limit their hours of service of alcohol on Sunday and asked if he would like to comment.

Benjamin Adler, owner of The Skinny Pancake, said it wouldn't be a problem. Regarding the months the tables can be outside, his recollection before the Board was when the weather permits. Certainly, these last days of April and some days in May the weather will be nice enough to have outdoor seating. He appreciates the ability to serve alcohol with the outdoor seating prior to June 1<sup>st</sup> each year.

Council Member Weiss said on page 7 of the minutes of the Design Review Committee Mr. Gilbertson said he would have an issue with outside tables if they were still using the main entrance. The response is that it is only going to be up during June, July, August, September and only part of October.

Mayor Hooper said the Design Review Committee is only advisory. She asked if they had attended the Development Review Board which is the next step after the Design Review Committee.

Mr. Adler replied yes.

Mayor Hooper asked what the conditions of that permit were.

Mr. Adler said his impression is that whenever it was seasonally plausible. He thinks he was just speaking in reference to when it would be seasonally plausible. In his recollection there was no focused conversation and decisive action on starting in June.

Council Member Weiss asked Mayor Hooper if she agreed that the start up time should be noon time or 1:00 P.M.

Mr. Adler said that would be all right with him. He doesn't want any conflict with the church.

Council Member Hooper asked Council Member Weiss if he could explain the conflict between the churches being close to a place that sells alcohol.

Council Member Weiss said the churches are in the area where people are driving by and walking down the street following a nice sermon and they come up on The Skinny Pancake with five tables and they are serving alcoholic beverages. He doesn't think it is a good impression.

Council Member Jarvis pointed out that the Main Street Grill, which is open on Sunday morning, has a liquor license and serve people on their patio, and they are closer to the churches. The timing for her is not an issue and she doesn't think they should limit this new enterprise.

Council Member Sherman said it would also be very hard to enforce.

Motion was made by Council Member Sheridan, seconded by Council Member Hooper to approve the outside consumption permit for the Skinny Pancake as requested. The vote was 6-0, motion carried unanimously.

09-101. Second reading/public hearing to consider proposed amendments to the City's Code of Ordinances, Chapter 10, MOTOR VEHICLES AND TRAFFIC, Article VII, PARKING AND PARKING METER ZONES, Sec. 10-717. LIMITED PARKING, Subsection (z) as it relates to increasing the allowed time for parking on Barre Street. V.A.

The City's Traffic Committee recommended the following amendments to be considered at the Council's first public hearing on April 8<sup>th</sup>, 2009:

Sec. 10-717. LIMITED PARKING.

(a) Barre Street. ~~Fifteen~~ Thirty-minute limited parking is provided on the north side of Barre Street from the northwest corner of #206 Barre Street (~~Federated Auto~~) southeasterly for a distance of fifty-one feet from 6:00 A.M. to 6:00 P.M.; and on ...

(z) Parking is restricted to a ~~one~~ two-hour maximum time limit from 8:00A.M. to 4:00 P.M. weekdays on the northerly side of Barre Street from its intersection with Monsignor Crosby Avenue to its intersection with Hubbard Street with the exception of a 15-minute loading and unloading zone as described under Sec. 10-717(y).

As a result of the first public hearing, Subsection (a) will be entirely stricken; Subsection (z) remains as proposed.

Recommendation: Conduct the second reading/public hearing; approve the amendments, with or without further changes.

Staff requested that Sec. 10-717. Limited Parking (a) Barre Street be tabled until the May 13<sup>th</sup> meeting as proper notice had not been sent to residents and businesses in the area.

Mayor Hooper opened the public hearing at 7:18 P.M.

Tom McArdle, Assistant Director of Public Works, said no notices went out for either of the parking hearings.

City Manager Fraser said the Police Chief seemed to feel that the proper notice had been given on section (z)

Mayor Hooper closed the public hearing at 7:20 P.M.

Motion was made by Council Member Sheridan, seconded by Council Member Sherman to approve second reading on Sec. 0-717: Limited Parking, Subsection (z). The vote was 6-0, motion carried unanimously.

City Manager Fraser asked if someone could make a motion to table the second reading until May 13<sup>th</sup> on Section 10-717. Limited Parking Subsection (a).

Motion was made by Council Member Weiss, seconded by Council Member Jarvis to table action on Section 10-717. Limited Parking, Subsection (a). The vote was 6-0, motion carried unanimously.

09-102

First public hearing to consider an amendment to Chapter 10 of the City's Code of Ordinances, MOTOR VEHICLES AND TRAFFIC, ARTICLE V., ONE-WAY STREETS AND ALLEYS V.A.

In a memo from Public Works Director Todd Law to the City Manager, it reads that, "Following a year of review and observation of the traffic patterns and school-related traffic congestion with the modifications in place that were enacted last spring, the Traffic Committee has concluded that the desired improvements have been achieved and are substantially successful."

It also mentions that while their (DPW) failure to remove the signs for the summer was entirely unintentional, it must be reported that no complaints or objections were received by any City staff members.

As a result, the Traffic Committee is proposing the following amendment to Chapter 10, Article V, as follows:

Sec. 10-501. ONE-WAY STREETS.

(h) Park Avenue – southerly, between Loomis Street and Hubbard Street ~~seasonally during the school calendar year, as determined annually by the Montpelier School Board .~~

Recommendation: Conduct the first reading/public hearing; make any further changes to the proposed amendment; set the second public hearing for May 13<sup>th</sup>, 2009.

This is related to the work the Council did last year on Park Avenue. The Council is proposing to restrict it as a one-way street southerly between Loomis and Hubbard Street for the year. The city did receive two e-mail comments. One was in favor of the proposal and one suggesting that it is inconvenient given there isn't much traffic there.

Mayor Hooper opened the public hearing at 7:21 P.M., no one came forward to comment and the public hearing was closed.

Motion was made by Council Member Sheridan, seconded by Council Member Jarvis to approve 1<sup>st</sup> reading and set the second public hearing for May 13<sup>th</sup> on Sec. 10-501. ONE-WAY STREETS. (h) Park Avenue. The vote was 6-0, motion carried unanimously.

09-103.

Further consideration of accepting the proposed Parking Lease Agreements with Heney's (60 State Street) and the Capitol Plaza Lot...and authorizing the City Manager to sign on behalf of the City. V.A.

This item was on the April 8<sup>th</sup> City Council Agenda, as part of the Consent Agenda, but was pulled off and tabled for further discussion this evening.

Recommendation: Further discussion, direction to staff.

Council Member Golonka recused himself from participating in this discussion to avoid the appearance of a conflict of interest.

Council Member Hooper said he is unsure they should continue to pay so much for the management of privately owned property for public parking where the city loses money on that management. He doesn't know how much the city loses. He would have to break it down and look at the labor that can be attributed to these lots. Without that labor they about break even. The leases also show increases of over 4% per year for the next five years, when property values are dropping and inflation may be about to occur. He would like to enter into a shorter term lease if possible with these property owners and consider the greater context of the city parking issues.

Mayor Hooper asked Council Member Hooper what his proposal was.

Council Member Hooper said he would like to sign and negotiate two-year leases with these two property owners.

Assistant City Manager Hill said she thought they would be open to negotiating on a lesser term. One of these goes back to the 1980's. They have always been part of the city's leases.

Council Member Sheridan asked if it was his understanding if they don't sign the leases the Farmer's Market won't be opening this Saturday.

Ms. Hill said at least one of them.

City Manager Fraser said they want to sign the lease before he allows somebody else to go on to his property.

Mayor Hooper said with the other leases they can mutually withdraw from them.

Ms. Hill said they could on these, too.

City Manager Fraser said it has been the policy of the city for as long as he has been here, and actually predating him. They have not priced their parking lots so they necessarily make money. Particularly with the Carr Lot the logical price to encourage long term parking in those spaces is based on street parking. Each lot was not necessarily looked at as a profit or loss center. It is a parking entity as a whole. The prices for the Carr Lot were actually our lowest priced lot because they wanted people to park there all day long. It was the most out of the core downtown and they wanted that to be the long term lot. They were never set up to just make money. This provides parking in this part of town and it is meeting a need. The city has always looked at their total parking and including leases and personnel and labor, and what is the revenue from the total operation from the parking meters, etc.

Mayor Hooper said that is part of the city's overall strategy for managing parking in the downtown and should be discussed within that context.

Council Member Sheridan said there is the Parking Committee. They know that some lots were going to lose money and some were going to make money. Their policy hasn't changed. He certainly wouldn't have a problem looking at it again. They looked at the overall parking as being neutral. It

wasn't done to make money or lose money, but done to provide a service to the city for parking because of the shortage of it.

Assistant City Manager Hill said she didn't think the Capital Plaza had a specific 6-month termination notice. You could make your approval conditioned on the same terms that Heney's have given us.

Council Member Hooper moved the acceptance of thee two parking lot leasing agreements conditional on the addition to the Capital Plaza of a 6-month termination clause. Council Member Sheridan seconded the motion. The vote was 5-0, motion carried unanimously.

Council Member Golonka returned to his seat.

09-105. Annual appointment of a City representative to the Central Vermont Regional Planning Commission. V.A.

Each year, the City receives notice that it needs to appoint/reappoint a rep (and an Alternate) to the CVRPC; The City did not have an Alternate to the Commission this past year.

David Borgendale, Vice Chair of the City's Planning Commission, has been serving in this capacity and would like to be considered for reappointment; he recently shared with the Mayor that he will be on the CVRPC's Executive Committee during the coming year which he feels will give him a greater opportunity to provide input and influence the direction of the Commission.

Staff inquired with the CVRPC Office and found out that there is no limitation as to who can serve as an Alternate ... it can be filled by a City Councilor or citizen at large.

Recommendation: Appointment of David Borgendale; possibly appoint an Alternate or direct staff to advertise.

Motion was made by Council Member Hooper, seconded by Council Member Sherman to reappoint David Borgendale to the Central Vermont Regional Planning Commission.

Council Member Hooper said it would be nice to have a report once or twice a year about what they are doing for work.

Mayor Hooper said perhaps there could be a discussion of the Council's relationship with the Central Vermont Regional Planning Commission. We recently had a little flurry of discussion because she was surprised to see that the Regional Planning Commission wrote a letter of comment to the Act 250 Commission regarding the Sabin's Pasture application which is before them suggesting that a permanent easement should not be placed on a portion of that property even though that is what the Regional Plan suggests isn't exactly appropriate for a new tool for preserving open space.

Mayor Hooper called for a vote on the motion. The vote was 6-0, motion carried unanimously.

Mayor Hooper said there is a need for an alternate and suggested a council member could volunteer.

Council Member Sherman said she would be interested in serving as an alternate on the Central Vermont Regional Planning Commission.

Motion was made by Council Member Weiss, seconded by Council Member Jarvis to appoint Council Member Sherman to serve as the alternate on the Central Vermont Regional Planning Commission.

The vote was 6-0, motion carried unanimously.

- 01-104. Opportunity for representatives of the Capital City Farmer's Market to speak to the City Council regarding the upper level of the space they use at 60 State Street. V.A.

In a letter from the Capital City Farmers Market Board of Directors, they wrote "The Market would like to be in control of organizing and scheduling the entire 60 State Street lot."

In the past, the area near Julio's was unmanaged; they want to manage this area as well.

Any consideration of this request will be contingent on action taken with the Parking Lot Lease Agreement for 60 State Street (previous Agenda Item #09-103.)

Recommendation: Discussion; direction to Farmers Market Board of Directors and possibly, City staff.

Mayor Hooper said this is an opportunity for the Council to have a conversation with representatives of the Farmer's Market. She would like to hear from representatives of the Market and would then take comments from members of the public. She very much appreciated their engaging in this conversation with the Council. It began as an interest in making sure that folks who were visiting the market and generally using the space associated with the market activities were making sure it was safe. The Council really appreciates them being partners in understanding that. It seems things have gotten a little more complicated than that. One of the things the Council has felt very strongly is what a great asset the Farmer's Market is to the City of Montpelier.

Ann Tondu, Randy George, Boots Wardenski, Claire Fitts and Alan LePage appeared as representatives of the Capital City Farmer's Market.

Boots Wardenski said they appreciate the support the city has given them of space and help to keep the Market open during the hours by towing cars that were parked in that area. Their real impetus for expanding the market was to put a lot more vendors in and to initially address concerns about traffic safety and pedestrian safety in the upper lot. They were under the impression at that time they would move up and occupy the whole space. It wasn't their intention to push anybody out, but to deal with that space in a responsible way and manage it in the way they have been managing the market as well as providing opportunities for vendors to sell their wares.

Mr. Wardenski said one of the factors they took into consideration was only putting vendors on the side where the parking spaces are because they envisioned if they had vendors on both sides against Julio's wall and in the parking spaces that the congestion and traffic conditions coming into the market when they were setting up and going out would be untenable. They have trouble now getting in and out of the market with the way it is set up. There is a lot of congestion. To have vendors going all the way up the space on both sides he can envision traffic trying to get into the market parked on State Street waiting to get into the market. They wanted to eliminate that possibility. That is why they only put vendors on one side in that area.

They understand the city has received some interest from other parties about using the upper part of the lot on Julio's wall. They sent a proposal to the city saying how they would deal with that, that they would keep that side open for nonprofits, kids who are selling and politicians and people providing music and dancing and other arts. They felt that was a good compromise to having vendors on both sides because there would be less of a presence on that side of the market than full scale market vendors. They know they can manage that situation themselves very well and they won't have the concerns about traffic because they will be in control of it. They are hoping that the city will take that

into consideration and approve their proposal. They don't want to close the space off completely.

The other issue they are dealing with in that space is having vendors who are not part of the market vending there. They are essentially getting a free ride and living off the coattails of the market. They are a little upset about that. In one case at least one vendor is set up there occasionally was a vendor who was in the market and then decided to not be in the market any longer. There are two vendors that are set up there who were previously in the market and then elected not to be in the market. He believes there are also vendors up there that have applied to the market and have been rejected so they have set up above the market.

They understand that the city may not agree with their proposal and may allow Julio's wall to be more of a free zone. They would ask the city how they are going to manage that space so that traffic and pedestrian congested area is not created. If people are setting up there and the market can't manage them, then somebody has to set up some rules for them so they are not setting up after the market has set up, or they are not staying there and not blocking the vendors at the end of the market.

There are some fairly large vendors up there. Pete's Greens is up there at the top of the market. He takes up a lot of space with his vehicle when he loads and unloads. They are not in a position now to really configure the market. They did it once in anticipation of Julio's having a festival. They would like the city to allow the Farmer's Market to manage the whole area.

Randy George spoke about the insurance. The Farmer's Market has insurance and that is important from the city's perspective, that whoever occupies that spot on Saturdays is an organization that will be covered if any issues of liability come up.

Mr. Wardenski said they don't want to be in the position of continually monitoring something they have no control over. If they are managing it, or if someone else is managing it, they would like it to be managed in a consistent way that works with the Farmer's Market as well.

Council Member Sheridan asked from the Julio's building into the lot, what is their land?

City Manager Fraser said it is a small strip, only about a foot or two. There is a little strip of land that goes with the Julio's building. When this first came up a few years ago when they were first approached about certain people setting up shop there, the market wasn't up there then so it wasn't really an issue as far as their area was concerned. At the time it was only artists with people selling pictures and paintings. They basically had permission to hang their stuff on Julio's wall from the building owner. The city said they could have tables. It became a place where people could congregate. Again, it hadn't caused any real major problem except in the last year or two there were so many people starting to come to the upper lot that the traffic and parking from the parking spaces caused a conflict, which led to the whole conversation in the first place. It is a more hazardous situation. The city has never asserted any organizational or management control. It's on a first come, first serve basis.

Council Member Sheridan asked if Mr. Wardenski could tell him what he meant by the concept of a "free ride."

Mr. George said every vendor pays rent for the space they use at the market to cover hiring a manager, publicity, having special events and covering insurance. Anybody who sets up along Julio's is getting the benefit of all of that without any expense because they don't pay anything. They aren't part of the Farmer's Market.

Council Member Sheridan said nobody pays anything to the city, though.

Mr. George said they do not pay rent.

Mayor Hooper said where they left it the last time they spoke is the Council authorized the City Manager to be working with the Farmer's Market to essentially use the parking lot side and keep the other side free. The Market said they would really like to manage the entire upper part. The City Manager said he prefers they come to the City Council and the Council make a decision because this is outside of what they had talked about. The question for the Council is, how do we wish to see this evolve?

Council Member Sherman said she would like to see how it works with the Farmer's Market coming all the way up to the front on the parking side and leaving the Julio's wall open to people who want to show up. It will bring more people to the Farmer's Market. The Farmer's Market will be bigger, and it is always interesting to see who appears on the wall. They are a totally different entity. They aren't there every time. They are an additional artistic, cultural and economic attraction to the market. It just makes it look like a real live happening place.

Mayor Hooper said one of the things the Council has heard from the Farmer's Market folks is that is where the Council wishes to land they would like to see some sort of management of what is happening along Julio's wall and a distinction so people understand the Farmer's Market is separate from what is happening there.

Claire Fitts said one of the concerns they had is they really do want to make the space available to nonprofits, children and politicians, and they want to make sure that space is available to them. If they have a first come, first serve set up they may end up with more for profit vendors setting up there and coming earlier and not making much space available to the nonprofits, children and politicians. She spoke of the other areas available such as the church lawn, the court house lawn, etc. There are some other spaces available that could also add to the whole atmosphere of the downtown and help bring people around. That is not the only area those people have available to them.

Mayor Hooper said she would like to hear what concerns and questions the Council has and then they will certainly give members of the audience a chance to speak before they make a decision. The Council has had an opportunity to talk with some other people but not the Farmer's Market.

Council Member Jarvis said she has twice been one of the nonprofit groups that has been allowed into the Farmer's Market to do fundraising events. The setup and break down is a little dicey with getting the cars in and out and watching the people. That top area is really going to get squeezed. If we decide to go with Council Member Sherman's proposal we need to have some city staff person to manage the situation because otherwise it is too much to ask of the Farmer's Market if it isn't an area they are going to control.

Council Member Golonka said one of the concerns that brings up with him is if we are talking about city staff and city time, that's money. If we are already giving a free ride in terms of city property and rent outside of our events policy, then we have to put that back on the table. He doesn't think the city should perform a management function without reimbursing the city in regards to the expenses they incur. It may be minimal, but we have to identify what level of police, fire and emergency services we are talking about. If we are providing one of our city staff, that is going to cost the city money and that has to be reimbursed.

Mr. LePage said they would be willing to pay rent and be responsible. They admit they have been a guest of the city and have never paid a dime in rent and the vendors collectively benefit enormously from the vibrancy of downtown Montpelier. It is reasonable for the Council to ask the Farmer's Market for a fee to defer expenses.

Council Member Golonka said in the past few months the Council has gone through a whole process where there is an events policy in terms of Langdon Street and in terms of closing a lot of streets in the city, and he would just like to follow the city's own policy. The Farmer's Market should go under the policy they have just adopted.

Mr. George said that is true of the Farmer's Market and anybody else using that lot.

Mayor Hooper said it strikes her that there is a large question of whether we invite the market to manage all of that area or do we separate it in some way. If we choose to separate it, then who bears the responsibility of what?

Mr. Wardenski said in conjunction with that, before the Council makes that decision the city should have a policy of how they are going to manage the wall by Julio's because the Farmers Market will be impacted by it if it is not managed.

Mayor Hooper asked how they see that changing from what happened last year. Aside from the wall being further up, what would be different?

Mr. Wardenski said the congestion will be a lot worse, especially at the beginning of the market and the end of the market when people are trying to get their vehicles in to load and unload. If there are two commercial vendors in that area the potential for problems is going to be increased.

Mayor Hooper said they require their vendors to set up before a certain time and break down after a certain time.

Mr. Wardenski said they have to have their vehicles out of the lot by 8:30 A.M. They cannot have a vehicle in there before 1:00 P.M.

Ms. Fitts said there is also a concern about liability. There have had liability issues come up in the lower part of the lot. If the city is managing a certain portion of that they want to make sure that liability concerns are addressed. If there are cars driving in and out and the Farmer's Market can't control it that creates the liability concerns they had in the first place.

Mr. Wardenski said one of the things he often does when people are setting up is go and tell them to move their car, but he can't do that with private vendors.

Mayor Hooper said what she observed last year is folks along the Julio's wall are not bringing in vehicles. There is not a setup issue.

Mr. Wardenski said they were parking in the spaces that the Farmer's Market will now be occupying. Now they aren't going to have that to park in, so they will have to drive in to unload and load.

Council Member Sherman said she wasn't aware they drove in. She is now hoping to stop traffic. It will be the Farmer's Market people who drive in for set up and for break down.

Council Member Jarvis said barricades could go up by 8:30.

Mr. Wardenski replied they don't put barricades up. They are up at night but not up during market hours. They don't want to put up a barricade to keep people out of the market.

Mayor Hooper said to remember people do park down in the Jacobs' Lot and we are not restricting all of the parking.

Mr. George said the Farmer's Market has talked with the owners of those businesses and they are fine with restricting the parking.

Mayor Hooper said she assumed cars would be coming in and out from there. She said there are some members of the public who would like to address the Council.

Joseph Keane, a resident of Montpelier, said the topic regarding the Farmer's Market seems to have expanded and changed direction. He thinks Bill Fraser and Mayor Hooper are absolutely right about getting the cars out from a safety standpoint and completely closing it to traffic during the Farmer's Market. He is not anti Farmer's Market. He thinks it is an asset to the city. They are welcomed guests that may be taking advantage of the residents. It is sort of like inviting someone to your house to stay over and you offer them the guest room, and they say thank you but they prefer the master bedroom. They are getting the space for free. Eighty percent of the vendors are non-Montpelier residents. It doesn't make them evil people. The bulk of the people who use the area along Julio's wall are residents of Montpelier. Typically, they are folks who are politicians like Mayor Hooper and Warren Kitzmiller. There was a Peace Corps volunteer having a bake sale to raise money to take back to the village she was working in. There are service organizations. It is the kind of place that people come for two or three weekends in a row, or once to sell raffle tickets. It's that open free community space that is ever changing. There are also some small vendors that sell there. Originally, the conversation was about market standards. Then, market standards went away and now it's management. The space has functioned in a nice way for years. When people show up late and there is no space left, people move their things and make space for them. If somebody forgets a table, who isn't normally there, one of the people in that public space provides them a table. It is a good community feel. It's eclectic and no issues. He was there for 16 weekends. If people show up late because they had to run their kids to soccer or baseball, everybody moves and makes room. It's the best of Montpelier. To say that people like Washington County Family Services who sells raffle tickets needs to be managed or the Unitarian Church who sells raffle tickets could be compared to the Hell's Angels and needs to be managed, this much to do about nothing. He welcomes the Farmer's Market and wishes them success. They have a great deal with the city with zero rent. Realize now that all of the entities within the Farmer's Market are for profit organizations. That's not an evil thing. They pay no rent to the city whatsoever and get a lot in return. The Council has been very generous and offered them almost a 50 percent expansion of the space they have with no rent. For some reason they need to manage the residents of Montpelier and the organizations from Montpelier. This has functioned nicely for years and we are creating monsters that don't exist about traffic flows. Of course, there is foot traffic coming in from State Street because it is the main access to the Market. Some people would want to shop at the market and try to park in there. Meanwhile there are 40 people wandering in and out, and it's not a good situation. That fixes the solution by just putting one police barricade by Christ Church to stop the traffic. There are no congestion issues. The only congestion issue is Pete's Greens leaving late because they always set up late and trying to drive a giant truck through a crowd of people.

Darla Morrisette said she has been selling her headbands and added belts last year since August of 2006. No one has been managing the wall along Julio's. There have been no problems. There is traffic in and out. She tried to join the Farmer's Market organization and was told she didn't meet their criteria. She would have paid to be there every week, and she is basically there most weekends from May into October. She feels it is wrong for one group to monopolize the whole area. She could go to the church and it will cost her \$20 a week, and over the summer that is \$500 or \$600. Or, she could buy a permit from the city for \$250 and set up anywhere. There have been no problems; everyone gets along fine. The only ones selling anything are basically her and Maggie selling aprons, there are a few little jewelers, and she doesn't think she is any competition to the Farmer's Market. People along Julio's wall do add a little flavor to the city of Montpelier. She thinks the Farmer's Market believe they should control it all. Why should they? They pay nothing; she pays nothing. Why should one group be able to control it? She hopes something is decided tonight because she plans on being

there early Saturday morning. She enjoys it and does make a little money and she has made a lot of friends. Regarding the parking, last year they were asked by Jesse Schmidt, the Manager of the Farmer's Market, to not park there because she wanted it open for Farmer's Market customers. They are the ones who wanted people parking there. She thought all along this was dangerous because there are people going in and out during the market.

Council Member Sherman asked Ms. Morrissette how it would be if they weren't allowed to bring their cars in. If the Council said Julio's wall is open to the public but you cannot bring a car in to unload your stuff, would that work?

Ms. Morrissette said she could, but if she was there before 8:00 A.M. there shouldn't be a problem. She could park on State Street and bring her stuff in.

Maggie Morse, known as the "Apron Lady," said she recycles clothes and make them into aprons. She started making cloth napkins. Years past she was part of the Farmer's Market. She was healthy enough and her body was able to not only bring her creative product into the market, but commit to the Saturdays they wanted and it was very lucrative. She paid the rent to them. It was a great community and she was happy to be a part of it. Her body couldn't keep up with it. She is producing less so she isn't part of the market any longer because she can't commit to all of the Saturdays in rain or shine. Once she saw some vendors along the Julio's wall she thought she could do that. She is there once or twice a month when it is dry and warm enough, and if she can park close enough. There were times there was no parking available and if she could still park on State Street, she downsized and bring just a few things in. It's a very social event and a unique group of people. She enjoys it and it helps keep her well. It has pulled her back into her art, have it appreciated and being able to let go of that commitment if it is raining. She thinks everybody has their own story, and she just wanted to give them a little taste of hers. There is a uniqueness why they are all there.

Janice Hood, a resident from Montpelier and Darla Morrissette's sister, said what she likes about it is there are a lot of children where she works that buy the headbands. She thinks Darla also draws in for the other people are the market. She goes to the Farmer's Market and buys food and vegetables. It would be a very sad thing to have to say no to these people. It's a good thing these people do.

Steve Walke said he urges the Council to keep the Julio's side of the entrance way open. Last summer he had the occasion on two Saturdays to solicit for the Family Center of Washington County. It was a wonderful opportunity for them to sell raffle tickets for a dinner catered by a fancy chef to raise money for their new facility on Sherwood Drive. It gives you an exposure to all of the people coming in to patronize the Farmer's Market. He thinks it is important to keep the wall open. He looks at it as the Hyde Park corner of Montpelier. It's important to the city and he thinks they should keep that side of the market open.

Francis Dodd, speaking for the Unitarian Quilters who are have a regular presence along the wall, said she is one of the designers and organizers of the quilt making so she benefits from those who sell the raffle tickets for the quilts. She would like to see the wall kept open for the Montpelier participants who are there and the nonprofits and kids. If the city decides to turn that over to the Farmer's Market, she would like to see some stipulation that it be kept open for such things. She believes it adds an element that is very enriching for the community.

Mayor Hooper said opening day for the Farmer's Market is this Saturday and they need to make a decision.

Council Member Sherman said she would propose as a motion that they keep the Julio wall open on a first come first serve basis to whoever shows up but with the stipulation that they cannot drive in that

area. Traffic would be barricaded and no cars except authorized members of the Farmer's Market could drive in there. Walk-ins and small operations can be along the wall. Council Member Weiss seconded the motion.

Council Member Sherman said the city would need to set up a barrier with some sign saying vehicle access only to members of the Farmer's Market.

Council Member Golonka said he had some questions with regard to the Farmer's Market traffic. When do they stop driving in there?

Council Member Sherman said the Farmer's Market vendors can drive in and drop their stuff off and then pick it up. People, who are selling anything, whether it is tickets, art or quilts, cannot drive in. They can be there and it would be unregulated, but they cannot park there and cannot drive in to unload their stuff.

Council Member Sheridan said notification should be given to the two businesses to make sure they understand this because they aren't represented here. Obviously, notification should be given to our own safety personnel in case there is a fire back there or there is an ambulance call. They need to understand it is going to be barricaded off so they can have their plans formulated.

Council Member Golonka asked if the city has a right to close off private property. Has anyone talked to Jeff Jacobs?

Mr. LePage said they have talked to the two restaurants involved. They do speak with Jeff Jacobs every year about the usage of the lot in back of the garage and he is all right with that closure. They haven't specifically discussed the section in back of Julio's and in front of the garage. There are people who park there who work at the restaurant.

Council Member Golonka said his concern is if they are adding something, like the closure of a private property, he would like the property owners to be notified before he approves it.

Council Member Sheridan said they should be renotified to make sure they understand the changes being made.

Mayor Hooper said the Farmer's Market has raised important issues with regard to liability. She would suggest that when they enter into the Market and if someone is injured in the market area. Now that distinction is not as easily drawn. She can appreciate their desire to have some sort of clear delineation so when she falls down next to Julio's wall that her injury does not belong to the Farmer's Market. That is an issue that is hanging out there for the Council's consideration.

Council Member Jarvis said she doesn't mean to offend anybody when she says that area needs management, but her thought is it is going to be very different this year than it was last year. It's not that the people who set up there are not responsible. It is just that the traffic patterns are going to be totally different than they were before. For instance, if we want to make sure this clear path for emergency vehicles is open, how will we assure that if no one is there? One thought is to chalk off 6 feet from Julio's wall where people can set up.

Mayor Hooper said the other request they heard from the Farmer's Market was there also be a clear delineation that what is and what is not the market. It may be the signage of where the market is may be the Farmer's Market's responsibility as opposed to those of us who just hang out on the wall. She really appreciates the Farmer's Market trying to be proactive in considering what the issues may be out there.

Mayor Hooper called for a vote on the motion. The vote was 6-0, motion carried unanimously.

Council Member Jarvis said they can always revisit this issue if they need to.

09-106. Further consideration of leasing a van for the Senior Center. V.A.

Senator Bernard Sanders has awarded an earmark to the Montpelier Senior Center for a van.

City staff has been working with GMTA (Chris Cole and staff) to select a vehicle that meets the requirements and does not require a CDL license to drive.

At their April 8<sup>th</sup> meeting, Councilors requested further information from GMTA and City staff before making their decision.

Recommendation: Further discussion; authorize the City Manager to sign documents to procure and lease a van through the federal funds earmarked for the Montpelier Senior Center.

Lucinda McCloud, Program Director of the Montpelier Senior Center, and Liz Dodge, Vice Chair of the Senior Center Advisory Board, joined Assistant City Manager Hill to discuss the leasing a van for the Senior Center. The Council asked them to bring back a more formal lease with the blanks filled in. The CCTA did send another lease last Thursday with one minor change. She sent the document over to Paul Giuliani and he requested one additional piece of wording to the lease in Section 19, indemnification. Paul requested the words "Only to the extent permitted by law" precedes the lessee covenants, etc. CCTA and GMTA did not have any objection to that and included that minor change in their new document.

Assistant City Manager Hill asked Lucinda to come because she doesn't feel she has adequately represented the Senior Center in how the van originated, and why they are excited about it. Some of the Council may not receive the monthly newsletter from the Senior Center and she is going to put those into the Council's packets. One of the things they would be using the van for is for trips. They are planning a trip to the Echo Center in Burlington, Calvin Coolidge's Home in Plymouth, to a cruise on Lake Memphremagog in Newport, etc.

Lucinda McCloud, Program Director for the Montpelier Senior Center, explained when the Senior Center did a survey a couple of years ago on what the priorities for seniors were right at the top of the list was trips. They really like trips. They do both day trips and longer trips, and it has been a real money maker for the Center during the last few years. They talked to Bernie Sanders' Office. A lot of New Hampshire centers are new and beautiful and have vans. Generally, their options for transportation have been to hire a bus, where they need at least 30 people to afford that, hire a van from Budget Rental and drive it, or do carpools. Since the economy is not as strong they have seen a real decrease in people taking the trips, although they still want to. This coming year they really concentrated on a lot of day trips. It's a lot of trouble and a lot of expense to rent a van. The vans they rent from Budget Rental are passenger vans. They can't accommodate people in wheelchairs and people have trouble getting in and out of them.

When they started talking to Bernie Sanders' Office about why New Hampshire has such great vans and we don't have any, he went for an earmark and designated four senior centers in Vermont for the vans. As you all know, the Center has a terrible parking problem if they stay there. There have been times on Tuesday where a band plays and people have driven in and can't find a parking place and go home. Conceivably, they could park out at the Department of Labor and the van could pick them up. They talked to GMTA some time ago about doing a route through Montpelier once or twice a week to

pick up seniors in the morning and picking them up in the afternoon because a lot of seniors shouldn't be driving. This would be a good way to help Montpelier residents.

They have always thought of this as a real community resource. They share their space with any group that comes to them. There are all kinds of dance programs, Foodworks uses the space, and all kinds of groups booked the space for weekends and evenings. It was their intention to share this with the community. According to the lease it has to be used primarily for the Senior Center. Alan Weiss was interested in the Mountaineers. Suppose there was somebody in a wheelchair who wanted to go to a Mountaineers game, they can't go in the bus the city leases. They will have a van with a wheelchair lift and the deal is they may have to provide the volunteer driver to do this.

One of the things they talked about was Meals on Wheels. The Pioneer Apartment does the Meals on Wheels Programs and are dependent upon volunteer drivers to deliver the meals. If they could get a volunteer driver, perhaps that person could do a route through Montpelier and the people from Meals on Wheels could be dropping off meals, picking up seniors and bringing them to the Center or downtown. If they had a new center or a different center in another location that isn't downtown they might need to run a shuttle service back and forth. It isn't that they want to get into the transportation business. They have been talking with GMTA for a couple of years about having a stop at the Senior Center, doing a route through Montpelier, trying to hire them to do the vans for the trips, but it is \$56 per hour for a driver and a bus. There isn't any trip that people can afford that. She strongly requests the Council to approve it.

Council Member Sherman asked if they needed a CDL license to drive the van.

Ms. McCloud replied no. That is why they picked out the van they did because they didn't want it to require a CDL license which costs \$2,000 per year.

Council Member Weiss said this is the third time the Council has heard that the Senior Center would like to have a van for its use and membership, but if we take a hard look at the contract they are denied this opportunity. If you look at the second paragraph, GMTA desires to assist the city in providing transportation services for elderly and disabled persons. If this service is to complement GMTA's transportation services, the next paragraph indicates something he doesn't think the city desires to provide transportation services for elderly and disabled persons. On the first page, paragraph #3, the purpose of this lease is to provide, equip and to be used by the city to provide transportation service for elderly and disabled persons in the city of Montpelier and its surrounding vicinity, which is for more than the city of Montpelier. There is a document the Council received where the heading is GMTA additional special contract provisions, and the last sentence says any charter service, which is what the Senior Center would be doing, must be incidental and not interfere with the provisions of mass transportation. If the seniors were to go off to Burlington some day, they can't do it if this is going to interfere with the provision of mass transportation. The question is, why is the city even considering getting into mass transportation provisions?

Assistant City Manager Hill said she has been talking with Chris Cole about the lease they have with the Essex Seniors. The two services have always complemented one another. They have never objected to what the seniors' van is used for in and around Essex or for field trips. She went on to say GMTA has done everything to try to make this lease possible for the seniors. There is no money in it for them or any financial reward. She respectfully disagrees with what Alan is saying that these things prohibit. She thinks they specifically allow what they want to do. They want to be able to have the seniors go down to the park and ride and pick them up at a certain time to be taken to the Center for lunch that day. It also says for occasional field trips. She specifically told Chris Cole the seniors go to the Flynn Theater and right now they are going in cars. No problem, that's part of the lease agreement. He doesn't see the problems that Alan anticipates.

Mayor Hooper said the Council needs to make the decision as to whether or not we want to authorize the Senior Center to have a van. She would be perfectly happy having made that decision to tell the staff to come up with a contract that protects our interest and make sure we can use it rather than trying to write a contract here.

Assistant City Manager Hill said she has had the documents reviewed by the city attorney.

Council Member Sherman said speaking as the city's representative on the GMTA Board, GMTA really wants to accommodate bus service in the city but it simply can't. We tried to get a commuter route in the city. This is consistent with what they want to do. They do lots of shuttle service and deviations for seniors, but the bus company cannot do what Cindy and the seniors wants. This is the next best option. She doesn't quite understand what Council Member Weiss's issues are. She doesn't see how this single van could interfere with the mass transportation system. If they need to go to Burlington for a show at the Flynn, the Link does not run for that. It runs before 8:00 A.M. and after 4:30 at night. They would have to get up at 6:00 A.M. and spend the day in Burlington. There is a lot of public transportation that GMTA cannot provide and buses are better than carpools. GMTA doesn't have all sorts of extra drivers sitting around waiting for a charter. It is an efficient way of transporting people around, and that's important. The fact that it is shared adds to its value as well. GMTA's motives and intentions are very much in support of the city and public transportation. There are grants for elderly and disabled transportation.

Council Member Golonka said there was a question the last time that there would be an operating agreement about what the van would be used for. He was the one who asked them to list the City of Montpelier. He didn't ask them to include the surrounding vicinity. He is concerned if they leave that in there it would open up the opportunity that we are basically paying a regional center to pick up seniors and elderly people outside of Montpelier and bringing them to Montpelier. He doesn't want to see that being done.

Assistant City Manager Hill said they wanted to be sure it was understood that we might leave the city of Montpelier and go to Barre, Berlin or Burlington.

Council Member Golonka asked if this wouldn't create a regional entity?

The response was no.

Council Member Golonka said he would still like to see type of internal operating agreement that spells out what are the roles and responsibilities to clear up the internal issues.

Motion was made by Council Member Sheridan, seconded by Council Member Sherman to authorize the City Manager to sign documents to procure and lease a van through federal funds earmarked for the Senior Center.

Council Member Golonka added a friendly amendment that the Senior Center staff put together an operating agreement. This was accepted by the makers of the motion.

Council Member Weiss said under the lease agreement the 4<sup>th</sup> paragraph down as he reads it the city is only going to have to pay \$1.00 per year for the use of the van as compared to an earlier document which says we would have to lay out 80 percent of the costs and wait for reimbursement. Have they changed their thinking in terms of how this is to be financed?

Assistant City Manager Hill said the other agreement still exists. In fact, the seniors out of their endowment fund will have to pay 20 percent of the initial cost of the vehicle. The procurement and

earmark document under FTA has other requirements which were stated in the March 18<sup>th</sup> letter.

Council Member Weiss asked what they were being asked to approve.

Council Member Golonka said there should probably be a second amendment to authorize the 20 percent payment out of the endowment fund.

Mayor Hooper asked if there was any more discussion on Jim's proposal.

Council Member Hooper told Council Member Weiss he shared some of the concerns he has. The federal regulators who would care are not going to be critiquing the policy guidelines of the Montpelier Senior Center, and this is the language they came up with to allow this to happen. He is going to vote for it.

Council Member Jarvis said she didn't see the difficulties. There is language that says if there is at least one private charter operator willing and able to provide the service, and the charter service must be incidental. It must not interfere with or detract from the provision of mass transportation. It is pretty clear that our operating the bus is not going to interfere with mass transportation.

Mayor Hooper called for a vote on the motion. The vote was 6-0, motion carried unanimously. Council Member Weiss said he had voted in favor of the motion to reserves the right to call for reconsideration.

Motion was made by Council Member Golonka, seconded by Council Member Sheridan to authorize payment of the funds to procure this from the Senior Center endowment fund. The vote was 6-0, motion carried unanimously.

09-107. Presentation of a Summary of the 2009 Housing/Wages Report.

John Fairbanks, of the Vermont Housing Finance Agency, will be presenting this summary.

Recommendation: Receive presentation; discussion.

John Fairbanks of the Vermont Housing Finance Agency appeared before the Council to present his annual report about the state of housing in Vermont and Montpelier. The Vermont Housing Finance Agency is the largest funder of affordable housing in the state of Vermont. He is also the lead author of the report, "Between a Rock and a Hard Place." It is the eighth year they have produced this report, and it is depressingly consistent in its findings. However, the economic situation generally has changed a little bit so it bears mentioning with relation to the situation with trying to find a place that an average Vermonter can afford to live in. When he talks about "afford" a household is paying no more than 30 percent of its income for housing. If it is renting that is for rent and utilities; if it is for home ownership it is for mortgage, taxes and insurance. That is the general acceptable standard of affordability. That comes with one caveat. A lot of people who work in housing financing think maybe that is actually high considering the cost of other necessities nowadays when you factor in food, transportation, daycare, health care, etc. The 30 percent figure starts to look pretty generous, but that is the standard they work with. For tens of thousands of Vermonters this is not an affordable state in which to live in terms of housing, and Montpelier is not an affordable city in which to live in terms of housing.

The good news - generally, after a decade of double digit annual increases in the median purchase price of a home in the last two years that median purchase price has flattened about \$200,000

statewide. Montpelier is about \$197,000. That has not gone up, so there is a glimmer of good news in this year's report. However, the reason they see that happening is kind of ironic because the housing market in Vermont has not seen the kind of collapse that we have seen in other parts of the country, which is a good thing, but we are seeing a definite trend that homes that are being sold at the high end of the market are not fetching the kind of prices they used to. At the high end of the market we are actually seeing prices come down a bit. Unfortunately, that is not happening at the low end of the market where most Vermonters can afford to purchase a home. That market is still pretty solid. A home that would have sold for \$170,000 last year is probably going to sell for \$170,000 this year.

Unfortunately, in a time of economic uncertainty if you are a well-to-do Vermont household who can take advantage of the current low mortgage interest rates, you can find some real bargains out there. You can find a house that used to sell for \$500,000 for \$350,000 – great deal! But if you are an average Vermonter, despite the low interest rate, you are going to have a tougher time finding a place to live because the market in your end has not softened. On top of that, as anyone who works in finance knows, the financial markets have been in turmoil for about six months. One of the results of that is that credit is more difficult to come by. Lenders are looking for higher credit scores than they used to. Lenders are requiring much more in the way of financial resources than they used to. There are lenders who when you approached them for a mortgage they want to see in your bank account three months' worth of mortgage payments. He has never seen that before.

Down payment requirements are higher. Fees are more expensive. It is more difficult to acquire mortgage insurance which is necessary for almost anybody purchasing a home. While the interest rates are really low, and that's great, getting a mortgage so you can take advantage of those rates is more difficult than it was a year or 18 months ago. We face the same affordability problem on the home ownership side that we have faced for some time. The two pieces of good news is that interest rates are down, and at least in one part of the market the cost of a home or condo has come down somewhat.

The same cannot be said on the rental side. There are about 70,000 rental households in Vermont and they have seen a 9 percent increase in their rent last year. He is guessing that very few of those households saw a 9 percent increase in their wages last year. Rental households tend to be lower income households. Once again, they have fallen a little bit further behind. Actually, the fair market rent for a modest two-bedroom apartment in Vermont has gone up over \$900.

The good news in Montpelier – Washington County generally, and Montpelier in particular – is that we have seen rents continue to go up, but the fair market rent in Montpelier has been lower than that, which is good. That means the housing wage, which is the amount of money a household needs to make to afford the rent, is not quite as high as it is statewide. Statewide, the housing wage for that two-bedroom apartment is a little over \$36,000 a year. However, more than half of Vermont workers make less than that. What about two income households? A two income household is not as common as many people think. In fact, 60 percent of the households in Vermont have one income. In Montpelier the housing wage is a little lower; that's good. It's about \$33,000 plus to afford a two-bedroom apartment in Montpelier. However, about 36 percent of the private sector workforce in Montpelier doesn't make that much money in their jobs.

Montpelier has about 9,200 jobs, and about 5,700 of them are in the private sector. Not quite 40 percent of those jobs pay less than \$33,000 a year. That's not a lot of money.

Council Member Hooper asked Mr. Fairbanks to explain what the fair market rent is.

Mr. Fairbanks said it is a calculation done by the U.S. Department of Housing and Urban Development that takes into account what market rents are in a given area, a state or a county or community, and it is done by a complicated calculation. It is a reflection of not only what the market is

asking for rent but what HUD considers fair and what is an appropriate rent for a two-bedroom apartment.

Council Member Golonka said this could be a town where you couldn't find anything for the fair market rent.

Mr. Fairbanks said in Montpelier where the rental vacancy rate is 1 percent, that is tough to do right here. One of the main drivers of our housing problem is that we don't have enough of it. Statewide we have the lowest rental vacancy rate in the country. We have the tightest rental market in the entire country. The vacancy rate statewide is 3.5 percent on the rental side, and in Montpelier it is 1 percent. This city has one of the tightest rental markets in the whole nation. Our home ownership rental market has a vacancy rate of about 1.5 percent, which is the fourth highest in the nation. It has for many years, and continues to be, supply and demand. We need more units than we are creating.

He was talking with the Chamber of Commerce this afternoon and the City Planning Department and the last projection he saw was a housing needs assessment done about six years ago in Montpelier, and it was projected at the time we needed a little over 500 new housing units as rental and home ownership by the year 2020; we aren't going to get there. There are several reasons for that. One is that it is difficult to develop in Montpelier. Whether you feel the city is accommodating to new housing development or not, the developers around the state don't see it that way. It is also very expensive to just develop any way. Not just in Montpelier, but development has become more expensive. There is a limited amount of land to develop in the city of Montpelier. He spoke of the Dickey Block, which may end up getting developed on the second and third floor for some new rental housing. He understands from the Planning Department that this is the largest opportunity for infill rehabilitation. There are 18 units there, and that is all you are going to get. There aren't many places to build in the city limits, but certainly not downtown. Unfortunately, he has seen that great big hole on Court Street, but anybody who has been around long enough knows the difficulties of trying to get that parking lot covered and get some housing and other kinds of development put there.

We have all seen proposals for the Carr Lot, Sabin's Pasture, all over the place, and they all take a very long time if they come to fruition at all. Look at how long it took us to get River Station built. Even with that there was a struggle involved. River Station was developed relatively quickly for development in Montpelier, or developed almost anywhere in Vermont. Housing development in Vermont is very difficult. He isn't singling out Montpelier. In Burlington there was a development that took 11 years to come on line.

The main problem in terms of affording housing is that peoples' wages aren't going up. In fact, people are losing their jobs now. Foreclosures in Vermont are beginning to rise. The great majority of foreclosures in Vermont are because people are losing hours and losing jobs. It is important to note that so many people in Vermont, and we are talking about tens of thousands of households, are on such financial thin ice that even losing hours at their jobs can push them into foreclosure or into bankruptcy. They are seeing that happen over and over again. One of the things we need to be mindful of is not only the cost of housing and the difficulty of development but mindful of the people we are trying to serve with that housing and how few resources they have and how little margin of error they have when it comes to just affording the basic necessities of life, including keeping a roof over their heads.

One other thing he wants to pass along, which is a huge irony for somebody like him who is not only investing his career in trying to make housing affordable but is also interested in smart growth and trying to get infill development and get compact development and energy saving development. There isn't really a county wide development policy, but the development pattern in Washington County is completely antithetical to smart growth. Two thirds of the new housing units that have been created in

Washington County over the last several years have all been created in towns that have no water and sewer. Here we are in the capitol city with a pretty sizeable surplus of capacity in water and sewer and very little housing is being built. If you believe in the whole concept of smart growth, and it is going to be more important now and in the future with people more and more on the financial margins, you want to see housing and other development here in town. You don't want to see it in Woodbury, Middlesex or strung out all over the countryside. You want to see it in Washington County's four urban areas. You want to see it in Montpelier, Barre, Northfield and Waterbury. Projections that the Chamber of Commerce have developed tell us that Waterbury is the only one of the four that is going to see a net increase in the population of housing. He mentions population because that ties in to the fact that Montpelier has not seen a big explosion of population. That, of course, reflects in revenues to the city and what we pay for our water and sewer. It is growing increasingly more important that we find ways to do more to get affordable housing built in the city. It is going to be to everybody's benefit. Hopefully, he will be around to work with the Council to make that happen in the future.

Council Member Weiss asked if the development that will take place in Sabin's Pasture would help in any way.

Mr. Fairbanks said it couldn't hurt. From his perspective as one who wants to see more housing it looks like we are going to get something positive out of whatever deal finally emerges. He wishes they had more housing there. Any housing is not going to hurt. It would have been better if they could put 300 units of housing up there. Any addition to the housing stock is going to be beneficial. It is how much can we do as a city to maximize that addition to the housing stock.

Council Member Weiss asked what could be done to insure that some of that housing is going to be affordable.

Mr. Fairbanks said he thinks the way that is likely to be developed that process is going to be the assurance. His guess is that when they are looking for funding, because it's not going to be cheap to build up there, and all of that money will come with the string that housing has to be affordable to a certain level or they won't get the money. If they apply housing tax credits to a project like that, they write an agreement with the recipient of the tax credits and it is going to say what percentage of those units is going to serve what low income levels. If, for example, the Land Trust is the developer, just by the nature of how they develop will add to the affordability. The process is going to carry the assurances they are looking for.

Council Member Weiss asked if there was any example in the state where the renter is subsidized in whole or in part to make it possible for that family to have livable quarters.

Mr. Fairbanks said there are all kinds of them. There are several different ways that the cost of a rental unit gets subsidized. One is through the financing. There are about 6,200 households in the state that get a voucher which lowers their cost. Right now in the new federal legislation they are hoping there is going to be an increase in the number of vouchers they get. All over the state there is housing developed in various ways that helps lower that cost to the people living there.

Council Member Sherman said there seems to be some housing assessment needs done that said it would probably be 5 to 10 years before a developer would be interested in building it out for Sabin's Pasture.

Mr. Fairbanks said that is probably reasonable. Some projects move quicker than others. His guess is this will not be one of them. If they strike an agreement this year, somewhere around 2014 and 2019 we will see some people moving in. It's a long lead time.

09-108. Adoption of the City Council Goals for 2009. V.A.

(City Council held its Goal-Setting Workshop on Wednesday, April 1<sup>st</sup>; the City Manager will compile a draft list for Council review prior to Wednesday evening.)

Recommendation; Discussion; adoption.

Mayor Hooper said this item would be moved to the next meetings agenda.

09-109. Report by the City Council:

Council Member Sherman said as a person who goes through the Route 2/302 roundabout area almost daily that it is going very smoothly and it is working well. She has had a few calls about yards needing repairs because of what snowplowing did to them, and she has seen repairs and improvements. She has a neighbor who is very upset about drainage in her yard. She has been in touch with Public Works, and hopefully they can work that out.

Council Member Weiss said the Sheridan Scholarship Committee met and it really got hit hard by what has happened to the stock market. There were 13 student applications from both U-32 and Montpelier High School. They did the initial review, and next month they are going to interview six and will probably be able to award 4-year scholarships of \$1,500 each so each student would have a gross total of about \$6,000. It wasn't as good as anticipated. The week of May 4<sup>th</sup> to the 8<sup>th</sup> is Water Week. There is a statewide activity and Montpelier is proud to have one of the better, if not the best, water systems and there are going to be a number of visitations at the Water Plant during the week. With the construction that is going on Sherwood Drive and Berlin Street have become a major conduit. He was driving home the other day and on the way he noticed a Montpelier Police Officer enforcing speeding. He got home, the phone rang and it was a constituent who lives on Sherwood Drive saying they needed to do something about the people speeding up and down the road. He told them to look out the window and the police were there.

Council Member Jarvis said she wanted to say how pleased she is that NECI is doing their consolidation in Montpelier. A lot were quite worried when we heard they had an announcement to make and what it would mean for Montpelier. It's just very exciting that they are consolidating here. They are such an asset and bring in so many more people to Montpelier. She is happy to see the crosswalks are being painted. She was talking to one of the businesses down on Barre Street and they have a question about a crosswalk right at the intersection of Barre and Sibley. She said she would like to talk about the Senior Center Declaratory Judgment, but that is probably an Executive Session conversation as it involves litigation.

City Manager Fraser said he was going to mention that the city received it and have asked the City Attorney to handle it.

Council Member Golonka said he, too, was concerned about that and would like updates on the status of how we are addressing the Corry Fund issue. He would like to be updated at some point on the LaRosa's and the Vermont Compost issue. There seems to be a stalemate with a lot of angry people on different sides.

City Manager Fraser said there is a detailed status report in the Council Members' packets as far as health actions that will be taken and also addressing permitting. That is pretty much where they stand. What they basically found was a potential health hazard with regard to the waste and the operational changes to address that. The city is setting up a monitoring system to see if that is going to work. They

thought they had reached an agreement that would have gone a little bit further, but they weren't able to get that agreed to by all parties. There were also some issues about the permitting and they did quite a comprehensive review about what the city's permits have been. There are state policy issues about what the definitions are and how composting facilities should be regulated and handled.

Council Member Golonka said the other issue he has is about the letter they received from the Conservation Commission. They are concerned they didn't get notice about the Growth Center. He is confused why they are questioning this. In their statement they said they weren't able to attend the Council meeting we discussed this.

City Manager Fraser said he understood they did have notice and weren't able to attend, but just wanted to be on record.

Council Member Golonka said he was concerned the Council didn't have a public process. He is a little concerned they are second guessing the role of the Council to make that judgment based on the open hearing the Council held.

Council Member Jarvis said the Planning Commission had a hearing, too.

Council Member Golonka said the Council should have a meeting with their commissions to talk about roles and responsibilities and what we expect of them.

Mayor Hooper said absolutely they should participate in that sort of process, but also do we tell ourselves about these things? Are we doing a good job of informing all of the volunteers we have?

Council Member Golonka said Kris Hammer called him on behalf of the Conservation Commission and said they couldn't make it to the meeting and asked if they could submit a letter.

Council Member Hooper said he found some interesting software that allows them to take an agenda and tie it into visually recording a public meeting so that you can look at an agenda, see the related documents, click to go directly into that portion of the meeting and see what the vote was as it happens. The company makes very expensive software, but the two largest organizations are looking at getting a statewide contract to make this available for every public open meeting in the state.

City Manager Fraser said he saw a demonstration at a conference two years ago and they do price based on population. It wasn't inexpensive, but it wasn't horrible for Montpelier, and it did have a lot of neat features in terms of people being able to watch the section of the meeting they wanted.

09-110. Mayor's Report:

Mayor Hooper spoke about the curtain that was hanging in the Council Chamber. The curtain is actually a result of a conversation with Jimmy Johnston with Barber and Lanier. It was hanging in the cafeteria of the State House. It is a Grange curtain that is owned by the Worcester Grange. They are under construction in Worcester and needed a place to put it. Todd Law and she helped them hang it this morning. It's on temporary loan to Montpelier. Apparently, a number of the Grange curtains from around this area all have the Montpelier advertisers on them because we were then, as are now, the downtown for surrounding communities.

The Events Committee, which is busily working on the Independence Day Parade, has decided to charge a fee for entering the parade. It is a management technique because it was getting a little out of control. The fee is \$10. Mayor Hooper said she was a little concerned about that because she likes the open ended nature of the parade, but it was becoming a serious issue for parade managers.

May 1<sup>st</sup> at 11:00 A.M. in the Christ Church Pocket Park we kick off "A Way To Go Week" and think about alternative transportation on that day. Green-Up Day is the next day, May 2<sup>nd</sup>. People are gathering in City Hall Plaza between 9:00 and 11:30 A.M. to do Green-Up around downtown. One of the CAN neighborhood groups is also doing Green-Up. Sunday is All Species Day. Monday, May 4<sup>th</sup> at 5:00 is the Senior Center meeting.

Mayor Hooper said the City Manager mentioned there is a piece of legislation dealing with the management of composting. At some point the Council should have a conversation about how and when we choose to weigh in on whatever legislative issue is out there. When the Council has decided to take a position on regulatory issues, such as the Home Depot, they have had conversations about saying they aren't participating and appreciate playing a non-participatory role.

City Manager Fraser said a number of years ago the Council had a more active discussion about legislative issues and one of the pitfalls comes with taking positions on issues that people in the community have different opinions. Once the city government takes a position it obviously is not going to represent the community as a whole. The city has traditionally tried to limit their active legislation on those items which actually affect financing or operations of city government, regulatory authority of the city, etc. and not on matters of politics and things that may not affect city government.

Mayor Hooper said one of the issues that does directly affect the city in the Legislature is in the flurry of the end of the session is the revenue downgrade we received last Friday. The House Appropriations Committee did a really impressive job at trying to protect the local governments. She has been impressed with her colleagues saying they can't pass it on to the property tax. She is concerned that in the Conference Committee on the Appropriations Bill that a bunch of stuff is going to get pushed off on to the property tax. The Senate in its Appropriations Bill said if the revenues dropped that the Teachers' Retirement Fund should be funded out of the education fund, which means property tax. That is a huge shift. If the policy remains in place it is mind boggling in terms of the affect. There is also a proposal that lands are in municipalities that are owned and managed by the Agency of Natural Resources to shift that to the PILOT fund, which means less money for communities and Montpelier specifically. The 15% that municipalities did not get for highway aid in January is a lost cause. Where they had been seeing at least a two cent drop in the property tax, who knows how much the education and municipal side of the property tax, will go up.

Mayor Hooper said police calls are up and fire and ambulance calls are up, which means all of the secondary effects are going to be happening. These are the other effects in our communities with people being laid off besides the state employees, which will have a huge effect in Montpelier. One hundred people were laid off at Washington County Mental Health which were the people providing services to people with critical needs. People say it is extraordinary, and it really is.

09-111. Report by the City Clerk-Treasurer:

City Clerk & Treasurer Hoyt had nothing to report this evening.

09-112. Status Reports by the City Manager.

City Manager Fraser said in addition to the direct funding for highway, the service cuts are going to be passed off on to city services.

Mayor Hooper said people know people are being laid off but they don't understand the consequences.

City Manager Fraser said they need to get some numbers together because it has really been blossoming recently and there has been a lot of activity.

He reported he is having lunch with the Superintendent of Schools. On the list of things in front of them is the transition of 58 Barre Street and the Recreation Department.

Council Member Weiss asked the City Manager to add an update to the Council about the article in the paper about the potential sale of the Salt Shed.

City Manager Fraser said at one point the Pylalisk, the former owners of the Salt Shed, entered into a partnership with Fred Connors and VEDA. When that partnership broke up Connors retained the right of first refusal on the property. The city's efforts to create the arts park ended and the Pylalisk has been looking for different alternatives and probably made a decision to contact Connors and ask if they would like to exercise their right of refusal, which they did. The city has been out of it and aren't part of the transaction. There are issues with regard to the Vermont Agency of Transportation and railroad lands they are trying to sort through. The city has been involved in only trying to separate the Brownsfield funding for the Turntable Park project at the other site.

Council Member Sherman reported that the Lost Nation Theatre production The Miracle Worker is an excellent play.

Agenda Reports by the City Manager:

- 09-113. Possible Executive Session in accordance with Title I, Section 313, Subsection (a) for the purpose of discussing personnel issues.

Motion was made by Council Member Jarvis, seconded by Council Member Hooper to go into Executive Session at 10:00 P.M., in accordance with Title I, Section 313, Subsection (a) for the purpose of discussing personnel issues and legal issues. The vote was 6-0, motion carried unanimously.

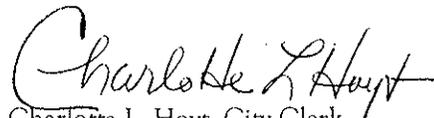
Present: Mayor Hooper, Council Members Jarvis, Golonka, Hooper, Sherman, Weiss and Sheridan; also City Manager Fraser.

Adjournment:

After proper motion the council came out of executive session and the council meeting was adjourned.

Transcribed by Joan Clack

Attest:

  
Charlotte L. Hoyt, City Clerk