

On Wednesday evening, August 11, 2010, the City Council Members met in the Council Chamber.

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

10.190. Call to Order by the Mayor:

Mayor Hooper called the meeting to order at 7:03 P.M.

10-191. General Business and Appearances:

Wallace Nolan from 22 Gallow Avenue in Barre, Vermont appeared before City Council to address the issue of the parking meters within the city of Montpelier. He asked is there any time, days or holidays which people do not have to put money in the meters in order to prevent getting a ticket? What are those hours and what are those days? There is nothing posted he can see any place in the city.

Council Member Jarvis replied that the meters themselves say you don't have to put money in on Saturdays, Sundays and holidays.

Mr. Nolan said he had taken photographs of about two dozen meters and they don't say anything.

Council Member Hooper said there is a paper in next to the time remaining within the meter body.

Mr. Nolan said of all the meters he has checked not a single one has it. Has the City Council authorized any employee to be immune from compliance with any city ordinance except for in emergencies?

Mayor Hooper said she didn't know the answer to that but she believes it was no.

Mr. Nolan said if that is the case, why is it that the Police Chief and others won't entertain complaints with respect to those types of violations?

Mayor Hooper replied she didn't know the facts he is speaking about so she couldn't answer the question.

Mr. Nolan asked why is it that almost any time the city of Montpelier has received a request under the Vermont Open Records Law from him, or from any other person, never timely complies within the two business days required.

City Manager Fraser said he disagrees with that because he thinks they do.

Mayor Hooper told Mr. Nolan that the City Manager had answered his question. This is an opportunity for members of the community to address the City Council and she would rather not be interrogated.

Mr. Nolan said the city should do something about posting these notices notwithstanding the statement that meters are supposed to have this. There are meters that don't. With respect to compliance he has videotaped quite a few city employees, especially the Police Department, that were illegally parked back here and didn't put any money into the meters. Basically, during the day, evening and night they are in violation. What makes a police officer parking his private car in a city lot immune? The same thing goes in the No Parking and No Standing zones as you approach Main Street on State Street. There is a cross hatch. He assumes the purpose of the cross hatch is so that people who are trying to make a right hand turn can make a right hand turn on red so there is not a backup on State Street, but according to at least six police officers including the Chief, UPS, Federal Express and the United States Postal Service are exempt. They can park any time they want there even though they will cause an accident because of the backup. He would like the City Council to be aware of this situation. If they are correct that nobody is immune that the selective enforcement that basically exists in this city this should stop forthwith.

10-192. Consideration of the Consent Agenda:

- Consideration of the Minutes from the July 28th Regular Meeting.
- Consideration of approval of payroll and bills.

General Fund Warrant dated June 30, 2010, in the amount of \$118,227.42.

General Fund Warrant dated July 14, 2010, in the amount of \$99.00

General Fund Warrant dated July 15, 2010, in the amount of \$71,571.50.

Community Development Agency Warrant dated July 20, 2010, in the amount of \$30.00.

General Fund Warrant dated July 28, 2010, in the amount of \$83,758.07 and Community Development Agency in the amount of \$55,000.
Payroll Warrant dated August 5, 2010, in the amount of \$112,821.82 and \$28,412.33.

- Consideration of the following permits with the City Council acting as the Liquor Control Commission:

Consideration of a request by Langdon Street Café to hold a Fools Fest Street Party on September 17th and 18th. The event would involve the closure of Langdon Street for the day of September 18th and waiver of the noise variances until 11:30 P.M. on both the 17th and 18th. There will be amplified music until then on both days. There will be a beer garden in the Sheriff's parking lot on both days beginning at 5:00 P.M. until midnight. Amplified music ends at 11:30 P.M. on both evenings. Council has been provided with a copy of notification to adjacent neighbors.

Request for approval from Ed Dufresne to hold the 2nd Annual Montpelier Downtown Music Festival on Saturday, September 11, 2010 from 2:00 P.M. to 1:00 A.M. in the Farmer's Market Parking Lot on the corner of State and Elm Streets. They are requesting a variance to the Noise Ordinance until midnight. Three Penny Taproom will be providing the alcohol and food vending and will get their outside consumption permit in order. A letter will go out to the residents which could be affected by the event.

Request for a catering permit for a wedding reception on the College Green by Langdon Street Pub Co. d/b/a McGillicuddy's Irish Pub on Saturday, August 21, 2010 from 3:30 P.M. to 11:45 P.M.

Ratification of the request for a catering permit for a reception and dinner located at the Hopkins House at National Life by Vermont Hospitality Management, Inc. d/b/a as NECI on Tuesday, August 3, 2010 beginning at 5:30 P.M. to 10:00 P.M.

Ratification of the request for a catering permit for a reception located at Alumni Hall at Vermont College of Fine Arts by Vermont Hospitality Management, Inc. d/b/a as NECI on Friday, August 6, 2010 beginning at 8:30 P.M. to 2:00 A.M.

Ratification of the request for a catering permit for a reception located at T.W. Wood Art Gallery at the Vermont College of Fine Arts by Vermont Hospitality Management, Inc. d/b/a as NECI on Saturday, August 7, 2010

beginning at 6:30 P.M. to 10:30 P.M. Council was polled and the four (4) necessary votes were received.

Consideration of 2011 Transportation Enhancement Grant – Discussion and Authorization of Letter of Endorsement.

This Grant Program is for sidewalk extensions on Elm Street from Vine Street o Pearl Street, Northfield Street from Independence Green to Freedom Drive, and Towne Hill Road from Grandview Terrace to Greenock Drive.

The Grant application requires a public meeting to be held to discuss the proposed grant. A letter from the City Council would be appropriate to signify the City's support for these projects. The application is due on August 20, 2010 and we have reallocated \$50,000 as local funds to match for these projects.

Consideration of approving a proposal for the installation of vault shelving storage units. Three quotes were received: East Coast Storage Solutions, Inc. - \$18,850.00; Dupont Systems Information Management & Storage Solutions - \$14,475.00; and Northstar Systems - \$16,725.00.

Recommendation: Accept the low quote of Dupont Systems in the amount of \$14,725. Funding for this project will come from the Records Restoration Reserve Fund which presently has a balance of \$55,260.

Mayor Hooper noted the changes submitted on the proposal for vault shelving units and those changes were made.

Motion was made by Council Member Hooper, seconded by Council Members Weiss to approve the consent agenda. .

Council Member Sherman said there are two agenda items with noise variances and she would like to pull them off the consent agenda and consider them separately.

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

10-192(A). Consideration of the following permits with the City Council acting as the Liquor Control Commission:

Consideration of a request by Langdon Street Café to hold a Fools Fest Street Party on September 17th and 18th. The event would involve the closure of Langdon Street for the day of September 18th and waiver of the noise variances until 11:30 P.M. on both the 17th and 18th. There will be amplified music until then on both days. There will be a beer garden in the Sheriff's parking lot on both days beginning at 5:00 P.M. until midnight. Amplified music ends at 11:30 P.M. on both evenings. Council has been provided with a copy of notification to adjacent neighbors.

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Council Member Sherman said she is interested in the issue of amplified music outside. One is for 11:30 and one for midnight. They are both outside where people all around will hear. She understands that notice has been given to neighbors. When these are set up by the city, are there guidelines about time?

City Manager Fraser said they meet with the people who are planning the event and talk to them about how they are going to position everything. The exact time is when they want their event to run and they come and request the variance from the city for after 9:00 P.M. They typically will discourage anyone from proposing anything after midnight. They try to get a sense of what they are planning and doing. The notice to neighbors is to let them know that the hearing is at the Council meeting tonight and if they have concerns to come in and this is their opportunity to speak about them.

Council Member Sherman said the fact that no one has appeared means that everyone will be happy.

City Manager Fraser affirmed there are opportunities to be heard. The city receives very few complaints about these events because of the notice that is given. These two events have occurred before and were very well managed and are people who show respect for those concerned.

Council Member Sherman added that is what is important.

Motion was made by Council Member Sheridan, seconded by Council Member Sherman to approve variance of the noise ordinance for the two events. The vote was 6-0, motion carried unanimously.

10-193. Consideration of awarding a contract for the FT 2011 Bituminous Concrete Paving of Municipal Streets:

A request for quotes/bids was solicited by the Public Works Department from several area contractors. Bids were opened on August 5, 2010. Three bids were received for a total of 905 tons of bituminous concrete paving complete and in-place together with other incidental items;

A.C. Paving Corp.	\$ 92,895.00
Pike Industries, Inc.	\$ 118,252.50
S.T. Paving	\$ 119,287.50

Based on our past work experience with these contractors, we would be pleased to recommend that a contract could be offered to any of the three bidding contractors. Therefore, the aware may be considered solely on the basis of the lowest bid as received from A.C. Paving Corporation which is recommended by the Director of Public Works.

Funding for this contract is available from the Capital Improvement Plan and Operating Budget as follows:

CIP Budget = \$87,000 (includes recent transfer of operating budget savings)
 DPW Operating budget for asphalt = \$20,000 (to include contingency)

The streets to be paved at the total bid price noted above are **Pleasant Street, Cherry Avenue**, a 200' section of **Ridge Street** where sidewalk and sewer system work was recently completed and all of **Isabel Circle**. Given the favorable bid price received, a small amount of other paving work may also be performed on an as yet to be determined street.

Recommendation: Award of the contract for FY 2011 Street Paving to A.C. Paving Corporation in the amount of \$92,895.00 and designation of the City Manager as the duly authorized agent to execute the contract documents and change orders if applicable.

Motion was made by Council Member Sheridan, seconded by Council Member Jarvis to award the contract for FY2011 Street Pavings to A.C. Paving Corporation in the amount of \$92,895.00 and designate the City Manager to execute the contract documents and change orders. The vote was 6-0, motion carried unanimously.

10-192(B). Consideration of 2011 Transportation Enhancement Grant – Public Hearing.

This grant program is for sidewalk extensions on Elm Street from Vine Street to Pearl Street, Northfield Street from Independence Green to Freedom Drive, and Towne Hill Road from Grandview Terrace to Greenock Drive.

The grant application requires a public meeting be held to discuss the proposed grant. A letter from the City Council would be appropriate to signify the City's support for these projects. The application is due on August 20, 2010 and we have reallocated \$50,000 as a local match for these projects.

Mayor Hooper opened a public hearing on the city's application for a Transportation Enhancement Grant which is for sidewalk extensions.

Kurt Motyka, Assistant City Engineer in the Public Works Department was present to talk about the funding break out. The basic funding break out is there is a 10 percent cash match and 20 percent total, so they can do in-kind services which is the design of the project. They are looking for \$11,000 for city staff work and a cash match of \$50,000. The total project amount right now is estimated for \$264,665. There have been a lot of letters from people requesting sidewalks in those areas and there is a need for it. He thinks it is worthwhile to go after this funding.

Council Member Hooper asked Kurt if currently there was a sidewalk that extends to Pearl Street. He is talking about the Elm Street extension.

Mr. Motyka said there is a portion of it between the Recreation Field towards the downtown.

Council Member Hooper asked if it was on the river side.

Council Member Sherman said she is in District 2 and there are always questions about Sibley Avenue and a sidewalk there. It didn't make the list, but is there any chance it could be put on the next list.

City Manager Fraser explained these are all for extensions of sidewalks.

Mayor Hooper asked if these projects include thinking about how bikes will be traveling along there or are we just talking about sidewalks. What will that mean to any bike riders?

Assistant City Engineer Motyka said the grant is specific for sidewalks.

City Manager Fraser said the Elm Street sidewalk is heavily used and they do encourage people to bike on the sidewalks there because there are so many kids going out to the pool. Because the traffic is so high on Elm Street they actually want people to ride their bikes on the sidewalks there. Towne Hill has been less active and certainly people do ride on the sidewalks there as well for the same reason which is high traffic and it is safer to be on the sidewalk than in the road.

Mayor Hooper said they are talking about a sidewalk which will be raised x number of inches above the road and curb.

City Manager Fraser said the Elm Street sidewalk has some curb cut area issues.

Mayor Hooper said she appreciates the need for sidewalks but it will definitely mess it up for bikers, and she won't ride her bike on a sidewalk. She doesn't think that is fair to pedestrians so that will push bicyclists who won't ride on the sidewalks into the streets.

City Manager Fraser added there is more room than you think. Todd actually went out and measured it because they have had some calls from residents there that are very concerned and have kids. It just isn't organized very well.

Mayor Hooper said she would be very uncomfortable if she were on a bike feeling she was being pushed more into the traveled lane, which she believes will be the consequence of this. Rather than building a path for people to follow shouldn't we be encouraging people to not be there because it is such a congested place?

Mayor Hooper closed the public hearing at 7:25 P.M.

Council Member Weiss said this item has already been approved in the Consent Agenda and the agenda calls for a public meeting which is different than a hearing.

City Manager Fraser said he would like to note for the Council that a couple of years ago they reorganized the Public Works Department and having Kurt in his position has been a huge help. He has contributed widely to the work of the city and the Public Works Department. He designs the projects and helps run some of them. .

- 10-204. Consideration of a request from the Assessor for approval of errors and omissions adjustments to the 2010 Grand List. He has attached the proposed adjustments and a cover memo which describes why this is coming to the Council.

City Manager Fraser said the goal of this is to get it right. In the whole grievance process there were a few grievances in this area

and the ones marked in yellow were from people who actually grieved and they held hearings and had adjustments made to their property. They are not the people we are actually making adjustments to now. In that process both Steve Twombly and the appraisal firm realized they just quite hadn't gotten it right at Murray Hill. They went back, remeasured and looked at the sales to make the double check to pick up some of the things they felt were missed. That means every single resident there has an adjustment, even those who didn't ask, and all but one is actually going down. Because they had already sent out their notices we can't adjust them on the Grand List without having approval of the errors and omissions. What that means is that those individuals will get a new notice and they will have an opportunity to grieve. They are getting a new value they haven't seen.

Motion was made by Council Member Hooper, seconded by Council Member Sherman to approve the request from the City Assessor for errors and omissions adjustments to the 2010 Grand List.

Council Member Jarvis asked what was the total Grand List figure?

Finance Director Sandy Gallup said it is \$486,700,000 before the amount of adjustment.

Mayor Hooper said the Assessor has the ability to adjust the 10 that grieved.

City Manager Fraser said they have already had their grievance and hearing but those that have not will be getting a value they haven't seen before so they can accept it or not.

Mayor Hooper said unless we take this action it has to remain the rate the Assessor or appraisal firm feel is too high.

Council Member Golonka asked if this would delay sending out tax bills.

City Manager Fraser replied not if they approve this tonight. We can still send out tax bills. They normally end up doing errors and omissions in November and December and have to credit people. Because all but one of these is going down they don't expect there will be a lot of grievances out of this, but there could be.

City Manager Fraser went on to say, there were about 250 grievances. Interestingly enough there were about 400 people who did the informal process, and of those 400 only about 100 actually filed a formal grievance so about 300 or more got resolved in the informal process. But of the 350 that grieved there were over 200 that did not do the informal so they are talking about 600 to 700 people between the two processes. There may have been the same people for multiple parcels.

Council Member Hooper asked what was the nature of these adjustments?

City Manager Fraser said some were measurements but others were just out of whack. People that were complaining said to look at their neighbor.

Mayor Hooper said the assessor said in the grievance for the 10 they realized that what they were hearing about that 10 was common to all of them.

Council Member Sherman said she thought it was remarkable that nothing went to the Board of Civil Authority.

City Manager Fraser reminded them property owners were just receiving the notices and grievance to the Board of Civil Authority was the next step.

Mayor Hooper called for a vote on the motion. The vote was 5 to 1 with Council Member Hooper voting against the motion.

It is expected that the City's new Grand List will be finalized and submitted to the state on Wednesday or Thursday. If it is finalized by Wednesday, August 11, 2010, Council will be provided with the numbers from the Finance Director as soon as possible prior to the Council meeting. Once available, the numbers will also be posted on the website.

Recommendation: Receive updated Grand List totals and discussing setting the FY'11 municipal tax rate. If the necessary information is complete and available, set the municipal tax rate.

City Manager Fraser said now that the grand list is filed and votes and appropriations are done it is basically doing the calculations. They just received the school rate this afternoon. As a result of the grievance process the rate changed about 3 cents from the estimated rate. It went up about 3 cents because of reductions. Then, the school rate is different by almost 6 cents than we what we had estimated.

Finance Director Gallup said she would have liked to have given Council Members this information earlier but she just received the grand list this morning and the state did a really good job of turning it around. What they are looking at is a spread sheet at the top with a recommended rate. Tonight, if they so choose, they could set a municipal tax rate for Fiscal Year 2011, a sewer benefit charge and a sewer separation charge. Those are the pieces the Council would act on tonight. But because she has the school tax information they can establish what the resident and the non-resident tax would be if they do set the rates that are recommended.

Finance Director Gallup said during the budget process they held the line. For her that is where things started getting very clear. The voter approved municipal spending is up \$58,000 from last year, meaning that was going to happen once the voters approved some new spending in outside agencies, the Cross Vermont Trail, a little bit to youth programs, Friends of the Winooski and the tax exemption for veterans. These are additions that the Council didn't necessarily put in their budget. We need to establish a tax rate that will provide the money we need to raise which is \$7,583,646. There is a list on the bottom of the page of what that number is.

With the reappraisal it is hard to compare year to year, and that is what people like to do. She just got the number for the grand list. The real estate portion is \$807,830,466. That does include the Cityside and Murray Hill adjustment the Council just approved. The personal property is \$20,975,987, for a total of \$828,806,453 which is the municipal grand list.

She takes the numbers she needs to raise and divide it by the grand list and that is where she gets the recommended \$.9174. She did give them the FY'10 rate but it is very hard to say what that means. The municipal residential tax rate is 65 percent higher. It is 65 percent of the FY'10 rate, but you can't easily say what that means to individual taxpayers because it depends on how much their property was assessed during the reappraisal.

Overall, the grand list is up 55 percent, and that is less than what we had expected because we had anticipated it would increase by 60 percent.

Finance Director Gallup said if your assessment went up 55 percent, then you are golden. The taxes will be pretty much the same as last year. She would expect there would be a lot more information coming about the grand list.

Mayor Hooper said given the fact it is just math and the grand list is what the grand list is, and the voters approved what they approved, even if we had additional information we would understand it but the outcome wouldn't be different.

Council Member Sherman asked why the sewer separation charge dropped.

Finance Director Gallup said it was 10 cents last year and the grand list is going up the full 10 cents wouldn't be appropriate.

Council Member Hooper moved to set the rate for tax year FY'11 municipal tax rate at .9174 with a sewer benefit charge of .02 and a sewer separation charge of .07, with the education taxes added making the total residential tax rate is \$2.3838 and the nonresidential tax rate is \$2.4830. Council Member Weiss seconded the motion. The vote was 6-0, motion carried unanimously.

Council Member Weiss said if the Montpelier school system was going to provide data.

Finance Director Gallup said what happens with this is there is a big calculation of how they got to this figure.

City Manager Fraser said this information is from the State Department of Education and not the Montpelier School Department. The Montpelier School Department has already filed their cost per pupil information.

Council Member Weiss said he respectfully requests that the School Board make a presentation to the City Council regarding the information. On the other hand, the Congress has just approved millions of dollars, some of which will come to Montpelier and he would like them to personally explain to the Council how these work in relationship to the taxpayers of the city of Montpelier.

Mayor Hooper said they could certainly ask for a presentation. The legislative direction with regard to the 2.25 percent was not for the current fiscal year but for the following one. It's not for what we are discussing here, and it is just a recommendation; it's not a directive.

10-196. City and School Cash Flow Report

- At the June 23rd Council Meeting, the Council authorized a \$4 Million Dollar Line of Credit and requested further information on the City's need to borrow funds for city and school operations.
- The Finance Director and City Treasurer have provided a report o the city's cash flow throughout the fiscal year and have recommendations for FY 11 to minimize the city's need to draw on the \$4 Million Line of Credit.

Recommendation: Discussion and accept report.

Finance Director Gallup had provided a memorandum to the council and said the amount of tax anticipation borrowing goes up and down and the rates change as well from year to year, but for reappraisal years because of the delay of collecting taxes we do have to borrow money.

There are a lot of funds. There is school cash flow that is negative during a lot of the year. It is very difficult to predict especially when we have construction projects that sometimes we get money ahead of time and running behind, and the water and sewer funds are struggling a bit. Sometimes we get bond money and wait awhile until we spend it, so it is pretty complicated.

The graphs she gave them are based on what cash balances at the end of each month. We get money in daily so it really does go up and down a lot. We had projected the cash balance at the end of the year to be about \$95,000, and in the end it was \$478,000. Tom Golonka also asked what

was due from the water fund to the general fund, which is what they owe us in cash, and it was down from the year before. It was \$915,000. The sewer fund owed the general fund at the same time \$480,000. These are unaudited numbers.

What they have been trying to do with the school and she has asked the outside agencies to wait until October 1st to receive funds from the city and also holding bills that don't have to be paid. They have asked the Green Mountain Transit Agency to wait for their money and they have said yes. The school was also asked to limit the draw on our cash flow and they agreed to use \$693,000 of their fund balance, so we wouldn't have to borrow so much.

Council Member Golonka said he didn't think the city charter allowed the school to hold a fund balance.

City Manager Fraser asked if it was a fund balance or a cash balance.

Finance Director Gallup said they had money in the bank, and most of it is fund balance.

Council Member Golonka said when he saw that \$95,000 that really scared him with regards to the \$40 million cash out during the year that we would only have a working capital line item of \$95,000. That raised some red flags with him because it shows how woefully inadequate our reserve fund is. He sees they raised it to \$478,000 which is a little more comforting but he wishes they had a bigger cushion. He didn't like the fact they were jumping from \$2 million to \$4 million in terms of the line of credit. He doesn't think they should run operating funds out of the line of credit. It's a poor way of managing operating funds. For that reason he really thinks they need to concentrate on raising our reserve fund and the cash levels because he thinks our working capital is inadequate. We shouldn't have to pay \$70,000 in interest to run the operations of the city on a yearly basis. A lot of the issues are the sewer and water deficits, and the timing of paying bills like the outside agencies. He would like to see the city not have to borrow anything and be able to fully fund our operations. If not, he thinks the school should be required to pay some of that \$70,000 to us because it is mainly derived from a deficit based on school spending and we shouldn't have to bear the lion's share of that \$70,000 in interest expense.

City Manager Fraser said that is an argument that takes place statewide. It is crystal clear that the school does not have to pay. It's the city's duty to provide the funds. The city is the recipient of the cash and we shall pay the school fund in the end.

Finance Director Gallup said there are years where you can borrow and invest and make money or break even, but that hasn't been the case in recent years.

Council Member Golonka said they had those options with regards to going with the Community Bank or TD Bank and it wasn't going to happen. She at that point said it was much more risky to do that as well.

Finance Director Gallup said when you are trying to project within the fiscal year what the interest rates are going to be and you have to make some decisions based on that, and sometimes bankers help you with that. When they borrowed the \$5 million the last reappraisal we made money.

Council Member Golonka said he thinks Finance Director Gallup does a wonderful job at this, but we have way too little working capital for running a city this size.

City Manager Fraser said this is a struggle everywhere. We have parking tickets and different fees that come in during a course of the week, but really our income comes in four times a year with our tax bills and water and sewer bills. Unless we just set our billing dates due July 1 and get the cash coming in right at the beginning of the fiscal year.

Council Member Golonka said he thinks it is compounded by the fact that water and sewer is paid three months after the fact so we have three months where we are carrying the water and sewer fund. We have always had a half million dollar deficit in the water fund towards the cash flow.

City Manager Fraser said they do in the general fund, too. We don't collect our first payment in the general fund until two months into the fiscal year and we are still paying the schools.

Finance Director Gallup said we have approximately \$43 million going through our books.

Council Member Jarvis asked if they were bound with their duties for property taxes and water and sewer. Can they shift those at all?

City Manager Fraser said they are bound by when the grand list gets filed. Assessments as of April 1st, which is the law, and even normal years when there are home sales it is into May or early June before the grand list is finalized and filed.

Council Member Jarvis asked what if they pushed it back so the last payment comes to the end of the fiscal year.

Mayor Hooper said the biggest issue is what they need to have for the schools.

City Manager Fraser said typically in the summer they do a lot of repairs to their buildings so there are a lot of high maintenance costs during July and August and all of their supplies are coming in. That is their start up period so they have a lot of front load costs.

Council Member Weiss asked if that transaction could be considered a city loan to the school system.

City Manager Fraser replied no. This has been a political discussion about whether or not this should be collected by the state and paid because it is a statewide education tax. In some years the cities have done well, but there are penalties. There are times when the money is due the state and we haven't collected it from the citizens and still have to pay it to the state. Montpelier early on in that debate came down strongly in favor of keeping the collection local because we thought we could serve our residents better. Over time as state education requirements have changed and the state has taken over more and more in the education area he wouldn't be surprised that some time soon the municipalities will actually adopts a policy of urging the state to take over the entire education tax.

Council Member Golonka said he thinks the city should have a plan over a 5-year period or a 10-year period to get to a level where we have \$1 or \$2 million in the fund balance. Obviously, solving the problem with the water and sewer would go a long way in increasing cash. Timing of outside agency payments would potentially mitigate some of this.

Council Member Weiss said as certain community in Washington County for the outside agencies says if it is voted in March of 2010 it won't get that money until FY'12.

Mayor Hooper replied that would crush some of the agencies that rely on this funding. She is definitely a supporter of having a fund balance and having it at a correct amount. She would be remiss to note that she has certainly heard from members of our community that think we should not have a fund balance and should only collect enough money from the taxpayers who cover our actual bills, and if we need more we can come back and ask for more.

10-195. Taxi Rates

Council last updated taxi rates in 1996. There is interest in starting a new cab company in Montpelier, but the 1996 pricing is out of date and Council is being requested to increase the allowed rates as follows for the first two passengers:

Zone 1: up to \$4.50.

Zone 2: up to \$5.50.

Zone 3: up to \$6.00.

Plus \$2.per mile. Additional passengers would add \$2.00 per passenger ages 12 and up, and \$1.00 per passenger ages 3 to 11.

Flat Rate Charge between Montpelier and Berlin/Barre each way of \$10.00.

Waiting Charge - \$7.00 per hour and shall start after the first 5 minutes.

Luggage: No charge for the first two (2) pieces. \$1.00 per piece thereafter.

Groceries: No charge for the first five (5) bags – more than 5 bags would be a flat rate of \$2.00.

Additional requested stops along the route by the passenger would be \$1.00 per stop.

Council has been provided with a map and the 1996 pricing.

Discussion; possible voting action.

Assistant City Manager Hill said a person came into the office and talked about starting a taxi cab company and expressed concern about the taxi cab rates. She suggested that he come up with a proposal. City Clerk-Treasurer Hoyt had provided a copy of the map. We have one cab company licensed to operate in the City of Montpelier. Most of the cabs around here are licensed in Stowe or Burlington. This one taxi company wants to start a business and based on the area and need this is what he is asking the Council to increase the rates to. Over the years we have had calls asking where people can find a taxi in Montpelier. If there was a taxi available there are a lot of people who would hire them to be picked up or run errands for them. Of course, we don't have the type of supermarkets that you could call your order in.

Council Member Jarvis asked if the rates were in the ordinance but just set by Council.

Mayor Hooper said she would like to have some feedback from users of the cabs in the town.

Chris in the audience said there are two cab companies that are fairly active here in Central Vermont and they average about 20 calls per day. They run out of Washington County. He takes one five days a week to his job and pays about \$15.00 per day which is about 70 cents per mile. That is for a round trip. Because it is a constant pickup he is charged a flat rate. If he receives another call to go to St. Johnsbury he has to turn the trip down because he has a contract with him. Both cab companies do go and get groceries for people. They do local super market runs for people, trips to the Post Office, etc.

Mayor Hooper said if there was a contract for a service and the city changed the rate, what would that do to his contract?

Chris said it would be a question for the operator of the cab company. The rate depends where you are going in Barre because if you are going all the way down Elm Street to way up Washington Street in Barre as opposed to right in the city of Barre it would vary. He doesn't know if it a good idea to have a fixed rate between two cities. He feels it would be better to default back to the actual mileage.

Mayor Hooper asked if the Council needed to gather more information in order to do this.

Council Member Hooper asked why they don't say everyone operating a cab needs to have a posted visible schedule of rates which they can also bring to the Police Department when it changes.

Council Member Jarvis said they could temporarily approve the rate changes while they consider what to do.

Council Member Sheridan said they should just approve it, and if people complain they can bring the issue back up.

Chris said a taxi company provides a transportation service. There are multiple taxi companies in the area; it isn't monopolized. You essentially have a choice as to which taxi company you are going to take, and most of the time it is based on price. There are two main taxi companies that operate between two and three cabs, and there is one based about a half hour out of town that is often in the Barre area. He doesn't know what the original idea was about setting rates. Maybe it is so the taxi company isn't charging unfair amounts. The customer will call the taxi company and ask how much, and a lot of times they will hang up and call the other company and then call back to schedule a ride. It would make sense to allow the cab companies themselves to set their own rates and submit it to the Police Department.

City Manager Fraser said there has been a proposal submitted for a specific fee schedule. The Council could set the rates up to that amount specified in the City Council Agenda and if somebody wants to charge less they can.

Motion was made by Council Member Jarvis, seconded by Council Member Golonka to set the rates up to the amount specified in the agenda item. The vote was 6-0, motion carried unanimously.

10-196. Vermont League of Cities and Towns (VLCT) Voting Delegate:

The VLCT Annual Business Meeting will be held Thursday, October 7, 2010 from 2:15 to 4:30 P.M. at the Robert E. Miller Expo Center, Champlain Valley Fairgrounds, Expo North Room A.

Council needs to elect a voting delegate and alternate.

Motion was made by Council Member Sherman, seconded by Council Member Jarvis to elect Council Member Hooper to be the voting delegate at the VLCT Annual Business Meeting. The vote was 6-0, motion carried unanimously.

- 10-197. Economic Development – Consider economic development and roles the city can play in guiding or supporting development.

General discussion and direction to staff.

Mayor Hooper said her interest is to have the Council say broadly and generally what it is we mean by economic development. She wanted this conversation in response to the continual conversations they have on the side about economic development. She has heard two broad things. One is we mean housing and the other half is commercial development. We do a lot in this community already in the arena of economic development and we should pat ourselves on the back for a lot of what we have done. The Master Plan also talks about economic development and any person you talk to will have a particular strategy we should follow.

Council Member Jarvis said she doesn't like the idea of choosing. For her she is thinking about what her goals are rather than the means. For instance, one of her goals is increasing the tax base which which mean housing as much as it mean commercial development. There are also other issues of job creation, excess capacity with water and sewer and schools. Schools obviously is a residential issue.

Council Member Hooper said presently they have two and a half times as many jobs as we have people. We have a lot of people commuting and a lot of people who could benefit from living here right now and supporting the town more than just buying lunch on State Street. That is why he is leaning towards the residential side of the equation.

Council Member Sherman said they are inseparable and they have to talk about both.

Council Member Weiss said to him economic development is how the city reduces its exorbitant bond ratio debt to the population. There is \$3 million in bond debt which places us first or second in the state of Vermont in the ratio of bond indebtedness to population. Carrying a huge debt does not help economic development.

Council Member Golonka said the city needs to increase the grand list and become more attractive so people can afford to live here. How we get there is very difficult. Any time a proposal comes before the Council it doesn't go anywhere so it is difficult to get there. Everybody talks about bringing in business but there is really no action so it is very frustrating. He would love to see a plan where we would have a certain amount of homes built. He agrees with Alan that the city has a huge amount of debt and our tax rates are prohibitive because of it. He would love to have Sam Matthews come in and explain what our options are and what would be a good first step. We need experts like CVDC to help us sort through this process.

Mayor Hooper said her problem is that economic development means something different to every single person. She is hoping to choose an area they could focus on and understand more about that particular area and work on a plan associated with it. Our debt ratio is a whole other conversation.

Council Member Sheridan said there is very little they can do, but there are two areas where they can actually do something. Housing and economic development are linked. People need two things; they need a place to live and they need a job. The two areas where the Council can actually do something that maybe wouldn't require a lot of staff and money is what could they do about incentives to help them come here and what can they do about barriers that stop them from coming. We don't have money to establish something to work on this. At the Housing Task Force meeting they talked about barriers. Nobody talked about incentives, but we could look into that. There was a drug rehab clinic on Downing Street and immediately received calls about that. Again, that was "not in my backyard" barrier to business. We heard about the two family that wanted to do the single family homes from a neighborhood of single family homes. In some cases the barriers are the same. Everyone knows that some day we probably should have a homeless shelter but no one wants it around them.

Mayor Hooper reminded Council Member Sheridan that the people who were invited to the Housing Task Force meeting were housing developers specifically. They were there to talk about housing related issues.

Council Member Weiss said on August 25th and September 8th the Council is going to be looking at the Master Plan and he wonders what is in the Master Plan that relates to economic development.

Planning Director Hallsmith said in the hearings leading up to the Master Plan both Sarah Jarvis and Tom Golonka had raised questions about the financial incentives that had been identified in the Master Plan. Obviously, providing incentives has a budgetary impact. They went through the entire plan and identified all of the places they had talked about incentives and made a list. There is a whole chapter on Economics and Livelihoods in the Master Plan. She was surprised going through the stakeholder process because the same debate they are having tonight on whether to focus on commercial development or housing is an important question, and they are linked. There are different strategies to achieve both of the goals as well. One of the things she found encouraging about the priorities that people in the city made is people identified green jobs as the top priority for the city. Housing is another very important priority. They talk about economic well being and meeting peoples' needs. Food is actually one of the more unusual categories in our economic development strategy for a city to undertake, but it was a very important piece of the economic development planning we were doing, and it is because it is a very important human need that right now we import a lot of it. Ninety-five percent of the food that Vermonters eats come into the state from outside the state when in fact even 50 or 75 years ago we were in the export group. If you look at the mix of critical human needs like food, energy, and housing and look at the ways we are sending money outside of the city now, and ways we could replace that money we are sending out with things we do here or we do locally, that is really a critical strategy for the city to consider.

City Manager Fraser said the Master Plan process then translates into zoning and that is where you get into the barriers and incentives of choosing what you want and creating the regulations that will allow that to happen in the way you want it to happen. Think about the ends you want and we do need to keep it simple. The city spearheaded Stone Cutters Way which created opportunities for development. The city is taking the opportunity to put together a project like 58 Barre Street and converting it into housing opportunities. We are working with the Housing Trust Fund to support a goal. Do we need to change our zoning for that? Do we need to put more money into the Housing Trust Fund? Do we need to buy and sell property? Raising the grand list is a good goal. We have done a study that shows we have water and sewer and most of our services could handle additional housing. Creating a good office park zone with good water and sewer would go a long way. Jim is right that people want good housing and good schools for their children.

Council Member Weiss said we have a marvelous economic driver before us right now with energy. If we take the information given to us and get the citizens to invest x number of dollars in a bond, in 12 years we will have an income provider which will give a good amount of money annually with which to use to do some of the other things with housing and other development.

Mayor Hooper said when they did the citizen survey it said to increase housing. We have all talked about the need to increase housing and talked about our excess capacity. What are the barriers? What are the different strategies? What are the incentives we can create? We need to pick the next effort, and she would like to suggest that is housing.

Council Member Sherman said they did that for Sabin's Pasture.

Mayor Hooper said she thinks her failure with Sabin's Pasture was not to engage City Council sufficiently in that process. The Council and other members of the community went out and developed a plan but they didn't sufficiently invest other folks in the plan.

10-199. Council Reports.

Council Member Hooper reported that EC Fiber is looking to privately raise \$1.2 to \$1.5 million for the project. They don't call it "pilot" because the big financiers don't like the idea of pilot projects before they put their money in. This is Phase 1. They are going to build a head-in for phone and internet and doing a 20 mile fiber loop.

Council Member Sheridan reported there was a Senior Services Committee meeting and they made some headway. There is an oversight committee and established four subcommittees who are tasked with various things that they hope to move forward with.

Council Member Sherman said members received an e-mail from Chris Cole who is the Manager at Green Mountain Transit and CCTA about a Montpelier circulator. This came to us because it was on the GMT board agenda for the August meeting. Chris Cole calls it the loop brief because it has to be approved by AOT but the person who will approve it at AOT has been a very active member on the GMTA Board so there is expectation he will look favorably on this. It could bring a very low cost or free circulator that really goes places within the city and the preliminary plan is to start in January 2011. Chris Cole and Nancy Wasserman are

willing to come to the Council and talk more about this. It ties into the Master Plan. Harris Webster and people who are advocates of pedestrian friendly sidewalks are going to come to a Council meeting with a resolution about outside falls. They have been working with Todd Law so when people find rough split places in the sidewalk they report them directly to Public Works and they are hoping that sidewalks will be safer.

Council Member Jarvis said the Senior Services Coordinating Committee has established four subcommittees – Finance, Governance/ Administration, Services and Facility. They have figured out what kind of folks they want to serve on the subcommittees. It felt like a very productive meeting.

10-200. Mayor's Report:

Mayor Hooper said in her view part of their talking about the city needs to be the Council Members saying what they all believe that this is a great place to live, work and raise a family. Sometimes we are too apologetic about that. It is an amazing community where the people of this community provide extraordinary services to each other because they care deeply about the quality of life that we are creating and supporting here. That is something to really be celebrated.

10-201. City Clerk-Treasurer's Report:

City Clerk Hoyt reported that the Primary Election was on Tuesday, August 24, 2010. There have been over 200 people who have already voted. There will be a meeting of the Board of Civil Authority on August 19th.

10-202. City Manager's Report:

City Manager Fraser said every year we talk about doing a Council photo for the Annual Report outdoors in better weather rather than doing it in City Hall in the middle of January. We might want to think about a fall photo in Hubbard Park or another spot in the city.

We have talked many times about looking at street lights and the cost and doing a study. Honeywell is willing to do a study.

Assistant City Manager Hill said she is starting to receive calls from people looking for their tax bills. It is their hope to have the tax bills out by the end of August. The first tax payment is going to be due October 1st. The second payment will come only six weeks later on November 15th.

Adjournment:

After motion was duly made and seconded by Council Members Sheridan and Hooper the council meeting adjourned at 9:20 P.M.

Transcribed by: Joan Clack

Attest: _____
Charlotte L. Hoyt, City Clerk