

CITY COUNCIL MEETING STATED MEETING & PUBLIC HEARING FEBRUARY 9, 2011

On Wednesday evening, February 9, 2011, the City Council Members met in the Council Chamber.

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

11-038. Call to Order by the Mayor

Mayor Hooper a called the meeting to order at 6:00 P.M.

11-039. Consideration of entering into Executive Session in accordance with Title 1, §313, Executive Sessions, (3) *The appointment or employment or evaluation of a public officer or employee*, in order to conduct the City Manager's Annual Review.

Motion was made by Council Member Jarvis, seconded by Council Member Sherman to go into executive session in accordance with Title I, Sec 313, Executive Sessions, (3) to conduct the City Manager's annual review. The vote was 6-0, motion carried unanimously.

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

After motion duly made by Council Member Jarvis, seconded by Council Member Sherman the Council came out of executive session at 7:00 P.M., in accordance with Title I, Section 313, Executive Sessions, (a) whereby they had conducted the City Manager's annual review. The vote was 6-0, motion carried unanimously.

TELEVISED PORTION OF MEETING BEGINS ... 7:00 P.M.

11-040. General Business and Appearances

Ann Marie Kapel, Coordinator for the Montpelier Fashion Show came before the council to say they were hosting the seventh annual fashion show. She would like to have State Street from Main to Elm Street closed on the first Saturday of June, June 4th from 7:00 A.M. to 5:00 P.M. A tent will be pitched in the middle of the street which is about 80 feet long and 20 feet wide. The Fashion Show starts off with designers on the runway and the local downtown businesses participate as well.

There will be live music, hopefully the Glee Club from the Middle School will be performing on the street and the contemporary dance and fitness studio plans on doing a couple of dance numbers.

Mayor Hooper asked her to work with the Farmer's Market so they are aware this is happening. The event has been embraced by everyone.

Council Member Golonka said there was a concern he had heard about last year. There are a lot of kids present. Has that been addressed?

Ms. Kapel said it will absolutely not be there. It has been growing each year and as the crowd grows new things start popping up. There will be a rehearsal so there will be no surprises.

Council Member Weiss said if they coordinated with Montpelier Alive he would be satisfied.

Council Member Jarvis said it is really a fun event and it is nice to see that it is growing and something that people come to Montpelier to see.

11-041. Consideration of the Consent Agenda:

- a) Consideration of the Minutes from the City Council's December 8th and December 15th, 2010 Meetings.
- b) Consideration of approving the Annual Highway Mileage Certificate for State Fiscal Year 2012. The certificate is required annually by the Vermont Agency of Transportation (VTTrans) – Division of Planning, Outreach & Community Affairs (formerly Policy & Planning Division). The certificate provides a formal documentation of the length in miles of public highways owned and maintained by the City of Montpelier for each of the four highway classifications. The certificate is the basis for determining the amount of state aid participation a town receives for highway maintenance. Note that there is a slight change this year in our Class 1 mileage due to construction related realignment

measurements at the Rte. 2 / Rte. 302 intersection. The document must be returned to VTrans by no later than February 20, 2011. A majority of City Council will need to sign the certificate in the space provided. The City Clerk will record the document upon return receipt of the approved certificate from the Agency.

- c) Consideration of authorizing the Police Department to purchase two new parking vending machines; these machines would be replacements for the 60 State Street and Capitol Plaza parking lots. Cale Parking Systems submitted a proposal for \$27,810 (initial cost for the two machines plus installation/training); this would allow the Parking Division to have these units operational in the spring of 2011.

- d) Consideration of authorizing the City Manager to sign a “Reservation of Rights” for the *Walker Motors, Inc. et al v. City of Montpelier, VT, et al* case. The City has coverage under the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. (“PACIF”) program. This means PACIF is willing to assign defense counsel (McNeil, Leddy & Sheahan) to defend the claims, under a reservation of rights, if agreeable with City Council.

- e) Consideration of leasing three updated digital imaging systems:
 - 1) Due to incentives that are currently being offered by digital imaging system providers, the City has the opportunity to have newer digital imaging equipment with added functions and save money when compared to our current costs.

 - 2) Staff recommends accepting OCE’s proposal for a five-year lease for three digital servicing systems at the monthly cost of \$1,150.00. This proposal includes consolidating and improving the printing, copying, scanning and faxing functions in the Finance, Planning and Clerk/Treasurer’s Offices. (See memo from Finance Director dated January 14, 2011.)

- 3) This item was pulled from the January 20th Consent Agenda due to a question about the current lease buyout. The question has been answered, and staff continues to recommend accepting OCE' North America's proposal.
- f) Acting as the Liquor Control Commission, City Council Members may now consider the following:
1. Ratification of the issuance of a Catering Permit to Yebba, Inc., d/b/a The Abbey Pub & Restaurant, for a Cocktail Reception on Thursday, February 10th, from 3:00 to 7:00 P.M. in the Cedar Creek Room of the State House.
 2. Ratification of the issuance of a Catering Permit to Vermont Hospitality Management, d/b/a New England Culinary Institute, for a Dinner on Thursday, February 10th, from 4:30 to 8:30 P.M. at National Life's Hopkins House.
 3. Ratification of the issuance of a Catering Permit to Hyzer Industries, Inc., d/b/a Three Penny Taproom, for a "*Customer Appreciation Party*" on Friday, February 11th, from 6:00 to 8:00 P.M. at Onion River Sports, 20 Langdon Street.
 4. Application for an "*Educational Sampling Event*" Permit from Vermont Brewers' Association for a Vermont Grocers' Association Legislative Reception scheduled to be held on Thursday, February 24th, from 4:00 to 8:00 P.M. in the State House Cafeteria.

g) Approval of Payroll and Bills

General Fund Warrant dated January 27, 2011 in the amount of \$377,954.20.
Payroll Warrant dated February 3, 2011 in the amount of \$33,154.48 and \$113,095.18.

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

Council Member Sherman said she had a question about the parking vending machines. There is always a lot of confusion about whether people have to pay on weekends. She would like to pull that.

Council Member Golonka said he needs to recuse himself from voting on the the Walker Motors issue.

Mayor Hooper called for a vote on the motion after removing the parking vending machine. The vote was 6-0, except on the Walker Motors issue where Council Member Golonka had recused himself.

- 11-041(A) Consideration of authorizing the Police Department to purchase two new parking vending machines; these machines would be replacements for the 60 State Street and Capitol Plaza parking lots. Cale Parking Systems submitted a proposal for \$27,810 (initial cost for the two machines plus installation/training); this would allow the Parking Division to have these units operational in the spring of 2011.

Council Member Sherman said in response to the confusion about the current vending machines if these would also not be used on weekends because parking is free on weekends. If so can that be clearly marked.

City Manager Fraser said that would be their intent.

Council Member Weiss asked if the \$27,000 included the training for the new vending machines.

City Manager Fraser replied it is inclusive.

Motion was made by Council Member Jarvis, seconded by Council Member Sherman to authorize the Police Department to purchase two new parking vending machines. The vote was 6-0, motion carried unanimously.

- 11-042. Consideration of approving, and authorizing the City Manager to sign, the Efficiency Vermont Contract; formally endorse the forming of a committee to help the City move forward in

improving the efficiency of its street lighting; and appoint citizens who have indicated an interest in serving on this committee.

- a) This process will involve both eliminating unnecessary streetlights and converting remaining lights to more energy efficient technology.
- b) The committee will guide the City through the process of developing an accurate inventory of lighting, assessing lighting needs and levels, and developing a project scope and budget; staff anticipates a six-month time commitment.
- c) Staff advertised and will provide Council with the names of those individuals who are interested in serving.
- d) Recommendation: Approve the contract with Efficiency Vermont and authorize the City Manager to sign the document; formally endorse the forming of a committee; and make the appointments to this “temporary” committee.

City Manager Fraser said the Council over the last year or two has included looking at street lighting as part of its priorities and looked at some options for doing that. In the spring they received a Letter of Intent from Honeywell and they worked up some preliminary numbers for us and they basically decided that wasn't the way to go. It didn't look like it was going to be cost effective for the city. In the meantime there have been some other programs including Efficiency Vermont and the Town of Hartford on their own did some new lighting. They started looking at alternatives. Paul Markowitz, does contract work Efficiency Vermont and he offered to volunteer as a citizen to head this up. He is interested in leading the city through this process. The idea is we would enter into an Efficiency Vermont contract with the idea to create a committee to take a look at the process. Tom McArdle will talk about some of the options available to us. They are asking the Council to approve the contract with Efficiency Vermont and approve creating a committee and going forward with this effort.

Tom McArdle, Assistant Director of Public Works said the city recently received a letter from Green Mountain Power saying that as mercury is a hazardous product, they were phasing out those lights. Montpelier has a rate 16 for our lights, which is \$10 per month for a 100 watt bulb. Green Mountain Power

notified us they are going to be replacing the lights for us with LED, and have already done so in several locations. This would move us to a rate 18 which is about a 30 to 40 percent increase in cost depending on what the equivalent is.

That is really forcing our hands because we are looking at a substantial increase. The problem with Green Mountain Power's conversion to LED lights is that although they will be paying much less in electrical costs there is no payback. We are at rate 18 forever. The cost of the fixture are about \$500 or \$600 each. They were looking at a process or program where we would purchase the lights and own them and contract with the utility company to install them. They have exclusive domain over the utility pole. Only they can be on the pole and work in the area where the power is. The city would enter into an agreement with Green Mountain Power as Hartford did to do any maintenance. Of course, with LED lights maintenance is nothing. In fact the first five years they are under warranty and have a 20 year life cycle and maintain their lumines throughout their life. They are a cluster of LEDs with a whole bunch of little lights so if you lose a few diodes you still have decent lighting.

The idea would be to purchase them, use the Efficiency Vermont grant of about \$300 a fixture and then develop a financing arrangement so we would pay that down eventually and have about \$100,000 a year in lighting bills and hope to get that down to 70 percent of that cost. One thing that Hartford did which we really need to do, is do an inventory of our lights. The grant they would sign with Efficiency Vermont would include 10 or 12 hours of engineering consulting services which is another benefit that is provided free with this arrangement to help evaluate it. Hartford ended up eliminating about 30 percent of their total light inventory which decreased the time in payback. We would be well advised to do the same thing and do a light inventory. There are more areas in town that are more rural like Upper Elm Street and Upper Terrace Street where maybe our headlights are good enough and we don't need street lights.

Lighting is all about security and convenience. The Police Department would probably like to double the amount of lights because it is an important crime deterrent. The committee should be comprised of somebody from the Police Department, Fire Department, Public Works and a couple of citizens and a Member of the City Council.

City Manager Fraser said they should also include a member from the city's Energy Committee.

Assistant Public Works Director McArdle said Green Mountain Power is in the process of replacing our mercury vapor lights with LEDs now. The one he has

been using to show the difference is located at Main and Brown Streets. At that intersection there is an LED and on either side. The first one they put in was a demo. Green Mountain Power called and asked if they could replace a light with an LED down near the cemetery. The city owned downtown lights Honeywell thought those lights could also be replaced with LEDs.

Mayor Hooper said the Energy Committee talked about this and she wondered if Council Member Weiss had anything he wanted to add.

Council Member Weiss said the Energy Advisory Committee did not discuss this and that is one of the reasons they are asking for a seat on the committee.

Council Member Hooper said Public Works Director McArdle said Green Mountain Power shows the increase brightness of our lights meaning we have to pay more even though they take less electricity.

Discussion followed. Motion was made by Council Member Weiss, seconded by Council Member Sherman to approve authorizing the City Manager to sign the Efficiency Vermont Contract and appoint a committee at a later date. The vote was 6-0, motion carried unanimously.

Assistant Public Works Director McArdle said one of the things the committee needs to do is develop criteria for keeping lights and if there are going to be some minimum light levels and housing density.

Council Member Weiss asked if they could just authorize the City Manager in conjunction with Tom to form a committee. Council Member Weiss made a motion authorizing the City Manager in conjunction with Assistant Public Works Director McArdle to form the committee. The vote was 6-0, motion carried unanimously.

11-043. Carr Lot Update

- a) Jeff Tucker, P.E. from DuBois & King, Inc., will provide this update to City Council Members.
- b) Recommendation: Receive update; opportunity for discussion.

Jeffrey Tucker, from DuBois & King, the city's Municipal Project Manager of the Multi-Modal and Transit Center Project, and Andy DeForge from VTrans, appeared before the council for this agenda item.

City Manager Fraser said this summer they outlined a plan to move forward with the Carr Lot. This is an opportunity to update Council Members on the status of the project.

Jeffrey Tucker reviewed information in his memorandum that he had provided to the Council on this project. This will be made a part of the minutes. He also reviewed maps of the project area.

Mayor Hooper said she had some questions about how they were going to move through the design stage of the Carr Lot itself which does include the bike path to some degree. This was adopted five years ago by this group and looked at even more years by the community. We need to think about a process as we enter the preliminary design phase to reengage the community. The Farmer's Market is interested in this space so we need to make sure it accommodates their needs. Concerns she has always had with public space development is we pay careful attention to how people use the space as opposed to how we choose to put buildings on the space and assume people will behave around it. They are talking about creating a significant green space that is in an area we are not used to using and we don't want to create something that doesn't work well for the community. She is excited about the project and the opportunity to redesign the intersection at Main and Barre Streets.

Mr. Tucker said this project ends at the sidewalk on Main Street so it doesn't include any improvements to the intersection of Main and Barre.

Mayor Hooper said this is such a wonderful opportunity to look at that intersection she would like to see them line up the resources to do that. Then they have to figure out how the bike path gets across the street.

11-044. Flood Study Update:

a) Jeff Tucker, P.E. from DuBois & King, Inc., has provided City Council Members with a “Winooski River Flood Damage Risk Reduction Project Status Report”, as well as summary maps.

b) Recommendation: Receive update from Jeff; opportunity for discussion.

Jeff Tucker from DuBois & King presented an updated report on the Winooski River Flood Damage Risk Reduction Project and Flood Study Update to the Council in a memorandum dated February 2, 2011 to the City Manager which is included as a part of the minutes.

City Manager Fraser said they have talked about the flood study at length during the budget process

Mr. Tucker said to refresh everyone’s memory that when the ice jam of 1992 happened following that in 1996 a pretty detailed reconnaissance study was completed through the Army Corps of Engineers laying out a number of potential alternatives to reduce the potential for future ice jam flooding events. That laid dormant for awhile and with some recent high water marks and potential serious flooding again there was renewed interest and the Army Corps of Engineers partnering with the City of Montpelier as well as the State of Vermont has launched into the next phase of a feasibility study. He is assisting the city with in-kind services that can be done at the local level.

City Manager Fraser said after the flood of 1992 the city and the Army Corps of Engineers did a reconnaissance study and then in 1994 or 1995 the Council decided not to do much more with it so it sat dormant. Then, when they had the flood scare in 2007 they reactivated the old project.

Mr. Tucker said there are some maps included which show the floodplain. One of the key recommendations in the reconnaissance study in 1996 is what they

referred to as ice retention piers which are concrete piers put into the river, spaced about 12 feet apart so there is still a natural river flowing between, and as the ice lifts up and breaks it is caught at the piers and allows the ice to run further downstream to flush itself out.

11-045. District Energy Update

- a) Planning Director Gwen Hallsmith and the Montpelier Energy Advisory Team will provide this update.
- b) Recommendation: Receive update; opportunity for discussion; possible direction to staff.

Planning & Development Director Hallsmith and Carl Etnier from the Energy Advisory Team appeared before the Council to provide an update on the district energy. Mr. Etnier said they have been talking to the state about how the business arrangement will work between the city and the state as they move forward with the project. One of the proposals at this point is to look at the state's plant as the "state plant" and the state would continue to control what happens there.

Planning & Development Director Hallsmith said the state has been encouraging the city to look closely at setting up a municipal utility and working hard to recruit a lot of the building owners on our side of the street to join into the plant before we build it, to sign letters of commitment, because part of the struggle right now is how to plan for future capacity. If we do a fairly extensive effort right now to recruit that people who are already ready and willing to sign up for the facility now that they are zooming in on what the likely price that will make us better able to plan for future capacity. Harold Garabedian has been in touch with the General Services administration of the United States government who control the Post Office and Social Security buildings. There is a new Executive Order out for them that requires them to shift from fossil fuels as quickly as possible so the district energy plant fits very neatly into those plans. They are really poised to sign a letter of commitment to be on the system. It is another public building and there is nothing risky about that. If they make a commitment to it, it is a fairly sizeable building in terms of square footage. She understands the City Manager has been

approached by some of the big building owners in the downtown as well saying they are ready to sign on. They are trying to get as many of those commitments as they can so they can adequately size the facility as they move into the next phase. The state right now is focused on their end and the city needs to focus more on our end. To that end Carl has a recommendation for the Council from the Energy Committee.

Carl Etnier said they still see it as desirable to continue looking for a way to make the district heating plant work for the city. They are by no means confident that an alternative that does work will come forward. They are not ready to recommend the project go forward because they don't have a concrete project. The recommendation is that the city pursue the option of collaborating with the state on the biomass district heating plant by buying steam or hot water from the state, which will own the new plant, while the city builds and maintains the distribution pipes for the city portion of the system. This basically says if this is the way the negotiations are going then follow them and see what we come up with.

Council Member Weiss said he was one of the 10 people that Gwen has appointed to that committee and they have been beyond faithful. There has been close to 100 percent attendance and they are only supposed to meet once a month but have been meeting most times twice a month and sometimes more. The committee has divided itself into some subcommittees. Gwen has nominated a good group of people, the Council has appointed them and they are doing a great job.

Mayor Hooper said they have suggested the Council adopt the statement that if everything works we enter into an agreement.

City Manager Fraser said the statement simply says we will pursue it.

Planning & Development Director Hallsmith said one of the shift this new direction represents which is a slight divergence of what they have been discussing so far is the initiative is to try and identify more of the buildings on our side of the city that will be willing to hook up and get their commitment as soon as possible. That is one of the things that is really critical about capacity planning. It is likely that when they come to the Council when the project is

solidified that there will be a number of those commitments as part of the city's end of the bargain, and that is important.

Council Member Weiss said they aren't going to know anything until the Legislature adjourns because they for the moment are controlling this project. They are still subject to what the Legislature will include in their capital budget and what the Legislature will provide as conditions for the use of those dollars.

The city is not going to receive periodically interim reports which will be much like the committee adopted and Carl presented until May at the earliest.

City Manager Fraser said Council Member Weiss is correct. There is nothing that can officially happen at the city's end on a big scale until the Legislature has acted. There are some things we may need to do in the meantime because in order for Buildings and General Services to put forth something for the Legislature as far as a project proposal the city will be partners to that so we may have to agree on what is being presented. The Council may be asked to sign on or vote to approve a proposal that is going to the Legislature. It doesn't mean we are bringing it to the voters until you see what comes out of the Legislature. The city is trying to negotiate a framework. The current operating model is what was articulated by Carl. We still like the idea of it all being one project but politically they aren't sure how that is going to end up so they are looking at a lot of options. The other piece is while they do not think they will be asking for authorization to sign on for any big commitment of construction the Technical Review Committee is still looking at this. They are feeling the need to bring on greater technical expertise than what they have available to them as they start talking through the options. They may be looking to recommend one of the bidders as a partner to the city while not making any commitment for future design or construction. Council Member Weiss is correct. The plant is the state's plant and last spring and summer they have indicated to the city they were open to other options as far as it being owned privately, city or jointly, and more recently they have said they would like to retain ownership. He thinks from their perspective in terms of selling a bill to the Legislature they are going to say to the Legislature they need this money to fix their plant and as part of that Montpelier is going to do their project.

Council Member Weiss said going back to the City Manager's first point about the Legislature they would invite him to come and attend committee meetings as he sees fit to discuss with the committee the various plans that may be presented.

City Manager Fraser said Buildings and General Services has a deadline of February 22nd to get something to the Legislature.

Mayor Hooper said Legislature will be off Town Meeting week which begins February 28th and Buildings and General Services needs to be saying to the Institutions Committee here is the plan. Historically, the House has tried to get the capital plan out to the Senate immediately after Town Meeting week. The Governor has recommended a capital budget with a sum of money for the state to spend on the steam plant which is on the order of \$2 million. The Governor has made a significant commitment.

Council Member Jarvis said at this point the thought is the state owns the plant, the city pays for additional capacity, and the city does the capital investment improvements for laying the pipes and become a utility and full purchaser from the state to resell to the federal government and private property owners.

Mr. Etnier said the latter phrasing would meet with more approval from Dick Saudek who attended the last meeting. He didn't like the word utility used in conjunction with this thermal energy distribution entity because it would not be regulated.

Planning & Development Director Hallsmith said there is a bonding issue there also.

Council Member Jarvis asked where we were in terms of our bidders for the original RFP.

Planning & Development Director Hallsmith said they are all still holding their breath.

City Manager Fraser said what staff is thinking is they would like to engage one of them in a consulting role. They have all indicated a willingness to stay in.

We would bring one on as our partner to provide the technical assistance for now with a consulting type contract. We aren't going to make any kind of multi million dollar commitments until they know they can have a project. The city's parameters remain pretty similar to what they have been saying all along. Their plan is that the city's costs would be taking a look at our current capital needs and what we need to replace over the next 20 years and seeing how that amortizes out. We don't want to add new costs. We don't want to speculate on unknown customers. The committee said if we have a firm commitment either from public or private customers and they sign that then they are in. With just the city and their three buildings and a couple of schools it's a lot of pipe for not a lot of heat although the grant certainly helps. That's a struggle to work out with the state who has to make a significant investment and upgrade to their plant.

Planning & Development Director Hallsmith said the issue of capacity is if they say they are going to project an additional 20 percent on top of what we know we need but the cost of carrying that capacity on our heating bills makes it more expensive.

Council Member Golonka asked the City Manager if he had engaged the school in this. We don't control the schools or the school buildings. If we don't have the schools on board then we are in much worse shape.

Planning & Development Director Hallsmith said Harold Garabedian has been in touch with the facility managers about the capacity and capital plan.

City Manager Fraser said the plan right now is for the High School and the Elementary School but not Main Street School. They have in the past indicated they would participate.

Planning & Development Director Hallsmith said they imagine the schools and businesses are similar to us. They want it to work financially. If they can offer the schools good prices for heat and more stable prices over the life of the boilers that's a smart decision.

Council Member Hooper said he is curious about what the commitments would look like from other property owners.

City Manager Fraser said he wouldn't expect someone to make a commitment and then find out it wouldn't work financially for them. Once they get a feel of what the cost would be then they could find out what their capacity was.

Planning & Development Director Hallsmith said right now the prices they are projecting for the district heat are comparable to the price of oil. One of the things they have had to stay on top of through the process are the projections for energy costs. Right now the current predictions for oil heating costs are that they will be back to 2008 levels by the beginning of 2012. Once you are into the \$4 per gallon price for heating fuel this plant works for everybody. 2008 was when it spiked up to over \$4 per gallon. The projections they are using in the model are very conservative and they have a very conservative increase over the 20 year period of less than 2 percent. She is comfortable with the existing financial models.

Mr. Etnier said he thinks it is worth pointing out that to live is to speculate so they can assume that oil prices are going to stay constant and plan the infrastructure on that.

Council Member Sherman said she heard them say hot water and steam combined.

Mr. Etnier said hot water or steam is the way the resolution was phrased with the idea there would be the state plant and it would be making thermal energy and then it would come over to the city side in either the form of hot water or steam and be transported by the pipes as hot water in the pipes.

Council Member Weiss said he would like to respond to Council Member Hooper. Not only would anybody who signs on have to determine whether economically the cost of what is being delivered is reasonable but they are going to also have to factor in the cost of hooking up.

Council Member Jarvis said she is still really unsure about this because she has all of these assumptions in her head. She is assuming there is all of this support out there in the community but she has not heard it. She knows the committee is really pushing this project but all she has received personally in feedback is don't do it. She is looking for some expressions of support. Her assumption all along have been is that this is the project that environmentally

makes sense but again it is an assumption and she hasn't had this information given to her. Her assumption is that it is a project that will enhance the perception of Montpelier, what people think about it as a place to live, how forward thinking we are about our concerns about the environment. Her assumption is that it will actually enhance Montpelier in terms of the kind of place that people want to develop and want to inhabit. Then, lastly she has been coping all along that what the plant might mean is a decrease in our energy costs and what the city actually spends on energy costs. It sounds like now the goal is sort of looking at a revenue neutral over the long term which may be as good as it gets. The project feels like we the city, Gwen, Bill, Mary and the Committee has put so much time and effort into this project it is getting smaller and smaller and more difficult and less appealing to her personally. She needs some bolstering. She thinks others of the Council have also had a lot of negative feedback from the community. She just wants to express that and should have expressed it a long time ago.

City Manager Fraser said he is also hearing a lot of intrepidation, and a part of it is that people hear there is a \$20 million project and assumes the city is going to be paying \$20 million, and that is not the case. If oil goes to \$3.80 or \$4 per gallon then it isn't revenue neutral and we are saving a lot of money. As far as citizen support he notes that when they initially proposed a \$250,000 bond for this a number of years ago it passed overwhelmingly. When we recently had a restatement of the bond to reallocate it for this it passed overwhelmingly. Then, when we proposed the charter changes this fall to authorize the district those passed overwhelmingly. There has been at least on the ballot when this issue has been presented to voters there has been strong support. He is a very cautious cheerleader on this project. The very first City Council meeting he ever attended here in Montpelier 16 years ago in January they talked about this project so it's not an overnight thing. It has been worked on for a long time, and if it isn't going to fly with an \$8 million federal grant it's never going to fly. The time is now to run this to the end and see where it goes. He isn't going to recommend it to the Council if he doesn't think it flies, and neither is Gwen. Neither is the state; they aren't going to do it, either. They have the same pressures that the city does. They have had some moments with the state over how these arrangements go but they don't want a bad year either. We could be embarking on a 50 or 100 year relationship here so they get it. He feels like it's now or never. If we don't take it to the end to see what it looks like then we aren't serving our citizens and aren't serving the environment either.

Mr. Etnier said this could be the beginning of a wonderful friendship. The Montpelier Energy Advisory Committee is very interested in this project and thinks it has strong potential for the city. They would like to find a way to make it succeed and they haven't seen any version of it they can stand behind at this point. They are very interested in what happens with these negotiations with the state. He is very impressed by the number of moving parts we have

here with the Department of Energy and its oversight of the grant and the Renewable Energy Laboratory and the advice they provide to us and the federal building possibly getting connected, and the Legislature, Buildings and General Services, City Council and the private property owners who may or may not hook on. He is impressed with the number of moving parts and the complications of coordinating them. He is impressed with the steadfastness of the staff and their inventiveness in coming to grips with obstacles. Will it result in something that the Energy Advisory Committee will recommend that the city invest in? He doesn't know. They are skeptics, too.

Planning & Development Director Hallsmith said one last word on the other kinds of encouragement needed with respect to the environmental impacts of the plant, Harold as a former air regulator is familiar with these impacts of the existing plant and the projected impacts of the technology they have been looking at for the proposed plant. What he has calculated is that even with a rough doubling of the plant's capacity we will be reducing the net emissions by 11 tons a year. That is pretty huge. Think about the 11 tons in the air that we are breathing. The increased efficiency that we gain with the plant combined with the reduced reliance that the entire service area will have on fossil fuels is a huge environmental benefit. The other one is that right now we have all of these propane and oil tanks scattered throughout the city in a floodplain. If we can get rid of those tanks and those fuel sources and concentrate them in a flood proofed central plant that's another big benefit because we will flood again despite all of our best efforts. As long as we have all of the petroleum products getting into the water when that happens it's a big environmental impact. There are a number of very beneficial impacts of this plant if we can get it built.

Council Member Golonka said he shares a lot of Sarah's concerns and has heard a lot of the same things in the community. He is trying to understand where they are putting these pipes. It used to be behind the buildings and then

you were talking about State Street. What would be the impact to the downtown community of this project and how will that play out? We looked at the construction project on River Street and it was devastating to the community. He understands long term benefits but it also has to work in the short term for businesses here in downtown. If we are planning on ripping up State Street completely, which is what he understands they are switching to, that really concerns him. The second issue he would have is they haven't had much success with the utility business. Our water plant is facing a \$500,000 deficit. Our experiment with wireless failed miserably. How is this going to be different? How do you convince people in the community that this is going to be different? If you are going to get private partners in this you have to convince them that we aren't going down this path that is going to be similar to the water problems we are having right now or similar to the wireless on a grander scale. He is really concerned that those issues have to be addressed. Tonight hearing they are relying more on private partners that really scares him because all along we have been saying we aren't going to rely on private partners and makes this run on its own and now suddenly private partners are coming into the mix. Those are big concerns of his. He wants to voice them now because he doesn't want her coming to the Council saying this is their grand plan.

Planning & Development Director Hallsmith said she shares all of their concerns. The first one is about the pipes in the street and coming down State Street and staying on Main Street. Speaking for her they have not finally decided on the pipe routing and they are looking hard at alternatives that are less disruptive to the downtown. The reason they went with the route in the bidding process was because that was going to be the most expensive way to go and they wanted conservative assumptions in the material they were addressing. The other reason is because they are in the middle of completing their environmental assessment to use the federal dollars. Once that is complete they can still amend it, but to get it completed quickly we needed to use routes that we already owned the rights-of-way in or they would be stuck in right-of-way struggles before they could complete the environmental assessment. This is a time constrained project. They are absolutely still open to alternative routes. In fact, some of what they learned in the bidding process because the bidders themselves proposed alternative routes were similarly good ideas for how to address that problem. They are not interested at all in being asked to be disruptive going right now Main and State Streets. It seemed like a

logical way to at least construct the base bids for the project was that it is an enabling route. The businesses are all very close on Main and State. The route that Veolia had proposed going down the railroad tracks would be a long distance to hook up any of the downtown and that would add to the cost of hooking up which would provide an additional financial disincentive for people to join them if they didn't join right away. Since then they have been thinking about having feeder routes that are actually publicly constructed go through back areas instead of down the main streets. They won't get to those final decisions for awhile.

Mayor Hooper said drawing an analogy between what this could be and what was experienced recently with other construction projects she would ask folks to remember extremely construction projects in the downtown where we installed new sidewalks on both sides of State Street and did it also on Langdon Street as a separate project. They worked extremely closely with the property owners, maintained access and were very successful in making that work for the community. It was a good project. We have some very nice successes and we can make it work.

Planning & Development Director Hallsmith said on the second point about the city's success in the utility business, when she is talking about how it is important for us to really look hard at planning the capacity of the plant is because we want to avoid an over capacity situation when they are overbuilding something and paying for it because we haven't picked up the slack. In Burlington Telecom's case that was part of the problem, the capacity planning. In our water plant's case it was regulatory capacity that we were required to have. There is nothing analogous in the heating business so that is why they are sharpening their pencils and looking really closely at what capacity they need to build to because that really is the biggest nut to crack in this. We aren't saying we are doing to depend on unknown private building hookups. We want to know they are wanting to hook up and get a firm commitment.

City Manager Fraser said what he thinks they are really talking about here is the two federal buildings and maybe one more building owner who comes to the city and requests to be hooked up. They aren't talking about 10 buildings. They talk about this, worry about this every single day and have exactly the same concerns as Council members do. One other key difference with the water plant is that first of all there has been a district heating system for 50 or

60 years with the state and the largest user of the system will still continue to be the existing user. The main capacity of the plant is still for the state.

Council Member Golonka said they don't have any hard numbers in front of them right now about the scale of the project.

Planning & Development Director Hallsmith replied it really hasn't scaled down. It has been split up a little.

Council Member Jarvis said first they were talking about cogeneration, now we are just talking about heat and not owning the plant, so it has been scaled down.

Planning & Development Director Hallsmith said the structure might have changed but the plant's projections are still the same size. She thinks the jury is still out on this. We haven't actually rejected it.

City Manager Fraser said there was a discussion about going to all hot water and that would have eliminated the electricity. We're going to do steam and steam allows for electricity. Because it is in the state's plant they have said that is up to them. The structure has been driven by their desire. At one point they said they would consider turning it over to a private entity and now they are not. They own it.

Council Member Jarvis said there is something about this that feels like we are just trying to make something work so we can use this money. Maybe that isn't a legitimate characterization but there is a little bit of that feeling she has.

Planning & Development Director Hallsmith said they are just trying to make something work so the city will have a reliable and low cost renewable energy source as we get off fossil fuel. And she wants to use that money to do it, but the goal is to have a reliable local renewable energy source that heats the downtown because we are going to need that next year. The oil prices are not going to come down a lot in our near future, at least if you can believe what you read in the projections right now. That is why she is so excited about it and not just because of the money, although she doesn't want to lose the money.

Council Member Jarvis said she thinks it is important for the Council and for the community to hear that because people keep seeing us try to do something and not expressing the overall goals.

Council Member Weiss said the discussion has been excellent and the next meeting of the Energy Committee is February 15th and he requested a transcript of just this portion of the discussion so the committee could focus on it.

Mayor Hooper said it has been an excellent discussion and she feels they ought to continue having more discussions and updates. We need to keep the community aware of this as well.

The Council took a short break at 9:00 P.M.

11-046. Consultant Selection

- a) Staff requested proposals for Consultant Services/Management Analysis, seeking an outside review/assessment of its organizational/supervisory structure, management systems, financial practices, staffing levels and staff capacity.
- b) The Committee is conducting interviews with four firms selected as finalists:
 - 1) Municipal Resources, Inc. Meredith, New Hampshire \$29,300
 - 2) Novak Consulting Group, Cincinnati, Ohio \$23,500
 - 3) Matrix Consulting Group, Andover, Massachusetts \$34,500
 - 4) Eaton Peabody Consulting Group, Augusta, Maine \$25,000
- c) Copies of the full proposals from these firms are posted on the City's website.
- d) Recommendation: It is the intent of the Committee to provide a recommendation at this evening's Council meeting; discussion; selection of a consultant.

The Consultant Committee is comprised of Council Members Jarvis, Hooper and Weiss along with the City Manager have met for many long hours and have done a lot of work.

Council Member Jarvis said the committee recommended to the Council that the city engage in a management analysis and the city hire an outside consultant to do this with the goal of enhanced departmental effectiveness and efficiency. The Council endorsed the idea and an RFP was drafted and they received 13 responses to the RFP and were happy to have such a wide range of proposals. The proposals ranged in price from \$14,000 to \$114,000. The RFP was to conduct an outside review for an assessment of the city's organizational supervisory structure/management systems/financial practices and staffing levels and staff capacity. The committee reviewed the 13 proposals and narrowed it down to 4 and conducted interviews on Monday and Tuesday of this week. All four of the proposals they decided to interview were very strong and had very good interviews. Based on the proposal and the interviews they have narrowed it down to one that they suggest the Council endorse and allow us to enter into a contract with, and that is the Matrix Consulting Group who are an entity based in Massachusetts and also have an office in California. They were the entity that was the best on paper and in person. Their proposal was very strong and thorough as was their presentation.

They collectively offer many years of experience consulting with other municipalities, many in New England and several in Vermont and many of the communities they work with are also similar in size to Montpelier, and that was important to the committee. They were impressed with their breadth and depth of experience. They offer area experts in some of our different departments and could offer us some real knowledge and experience.

The written proposal was very responsive to what they asked for in the RFP. They are offering a real comprehensive look at our operations and organizational management functions of Montpelier. They are interested in how they will be able to help us for future planning, for how we position ourselves looking toward staffing changes we will have in the future or how they might change things when opportunities do arise such as how we might consolidate, divide and consider doing things differently than we do now. They really appreciated the recognition that this entity shows of the fact that we really have a lot of strength and experience in our own city staff right

now. Part of what these folks will do will draw on some of those experiences and ideas that the people working in these jobs have.

They were struggling as a group with the fact that what they are asking for is an internal focus of our operations and management but they want to be careful to keep the process open to the public and it is clear this is something that we are engaged in as a community. These folks said the city is the client; it's not the Council or the Manager.

They would recommend that the Council allow the Committee to enter into a contract with the Matrix Consulting Group for \$34,500. It is expected we would have a report from them by June. She would make that a motion. Council Member Hooper seconded the motion.

Council Member Hooper said of the four they looked at this group stood out for all of the committee at the end of the interview process. They all weighed that as them being more expensive than the other groups and for each of them was the case they seemed to be worth the extra money.

Council Member Jarvis said it is a four-person team that would be working with them.

Council Member Golonka thanked the committee for taking this on because it is valuable. How does the process work?

Council Member Jarvis said they will be communicating with the City Manager. There is a lot of information they want to gather in terms of our Annual Report, Master Plan, staffing levels, etc. They want to meet with a large number of our employees and all of our department heads.

Council Member Weiss said they clearly understand that they will not evaluate any person's performance.

City Manager Fraser said they have a significant client list. This group had the most consulting experience. He called references on four of them in Brattleboro, Portsmouth and Keene, New Hampshire and Augusta, Maine and they all spoke very highly of their experience working with this group.

Council Member Sheridan said he is willing to accept the committee's recommendation on this. He would like the future Council to think about this. The value is not going to be in the report but in the courage the Council uses to implement what is in the report and to actually carry some things out. He thinks it needs to be done but he hopes it doesn't end up being a fancy report on a shelf.

Council Member Jarvis said their implementation rates are very high.

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

11-047. Council Reports:

Council Member Hooper reported he attended an EC Fiber meeting. They will start streaming fiber for their first little pilot project. It is becoming a much more gradual process particularly with the City of Burlington's default. The options for large scale financing are gone. They are trying to work with state politics. Karen Marshall, Governor Shumlin's new broadband appointee, met with them last night.

Council Member Sheridan said this is his last public meeting with Bill Fraser. He has been the only City Manager he has worked with these 12 years and not only is he a good City Manager but even more important a good person. His life has been enriched by these 12 years by knowing him. He wishes him the best going forward. A City Council cannot look good without the staff that is employed under it making things happen. He thinks Sarah Jarvis is a great person, too, and he has enjoyed working with her.

Council Member Weiss said the four town emergency committee met last Thursday and Mr. Golonka did another brilliant job being prepared with a financial analysis of related budget expenses and revenues for each of the towns as related to fire, police, dispatch and ambulance. There was almost two full hours of discussion and suggestions made by representatives and Mr. Golonka is going to rewrite the report. It has been exceptionally helpful in getting the group to focus.

Council Member Jarvis thanked Jim Sheridan for his kind words and she has appreciated being under his tutelage and mentorship. She wishes him the best of luck and hopes he stays involved. The Senior Services Coordinating Committee continues to meet very diligently trying to get some recommendations to the Council. They are looking at the end date of Lucinda McCloud's retiring and what they want to have happen before that date.

11-048. Mayor's Report:

Mayor Hooper said she was invited to go up to Westview Meadows to meet with some folks and there were about 25 people who attended. She talked to them about the ballot, the budget, etc. She told them about the proposal for the bus and she was interested in how many people said they were very interested in that. They have a van that serves them and it is very limited in scope and people have felt unable to get around.

Washington County Mental Health has put in another application on behalf of the Central Vermont Community to bring in mental health workers to support a crisis intervention team to support our Police Department in Montpelier. The Barre and Montpelier Police Departments have worked together to try to get that and she is real hopeful that this next go at it with Washington County Mental Health will be there. There are some really interesting ideas out there about how to help our emergency responders manage some of the crisis situations they are seeing and Washington County Mental Health can partner in that.

She reminded the Council that the Teen Center is having an open house on February 11th from 4:00 to 6:00. They are doing an art display of their talents. The League of Cities and Towns has their local government day at the State House on February 16th which begins at 9:00 A.M. It is a nice gathering of local officials who understand the partnership between local and state.

The City Council met at 6:00 P.M. in Executive Session to do part of the City Manager's review and they need to talk about whether they are scheduling another time to sit down and have a conversation with City Manager Fraser.

Sandy Pitonyak sent her a note and said we need to think about the end of the month in terms of Council meetings.

Mayor Hooper told Jim Sheridan has given his passion and enthusiasm and excitement and love to this community for 12 years. He is very proud of the fact that he has showed up for every single meeting for 12 years. But it's not just showing up here and every single day he has cared about this community. He has taken phone calls from people and talked on the street with people and brought that love and passion to helping them solve their problems and getting the service they deserve and being the best representative possible for this community. They are all a great deal richer for him having served in that way and deeply thank him. The Council presented him a clock saying thank you for his 12 years on the City Council from March 1999 to March 2011.

11-049. Report by the City Clerk-Treasurer

City Clerk-Treasurer Hoyt said the property taxes are due on Tuesday, February 15th. They have the ballots for the Annual City Meeting so anybody who wants to vote early or is going to be away can vote. February 23rd is the last day to register to vote for the Annual City Meeting.

11-050. Status Reports by the City Manager:

They are doing their first preliminary meeting with the Police Union February 17th and they still do not have a Council representative. That meeting is set for 10:00 A.M. and scheduled to set the ground rules and schedule. They meet every two weeks to bargain.

Now that they have received the official retirement notice from Fire Chief Schneider it is time to do a search for a new Chief. They will probably restrict the search to New England this time. That will include him, the Police Chief, Director of Public Works, Fire Union and a citizen representative. He has found it useful to ask a former Council Member to serve. That has worked well in years past to give that perspective. He plans to have the new Chief named before Chief Schneider retires on May 1st. Hopefully in mid April they will identify the new Chief.

11-051. Agenda Reports by the City Manager

a) Consideration of the City Manager's *21st Century Project*, including a *Paperless Council Policy Recommendation*.

- 1) The City Manager has provided memos to City Council Members outlining his proposal, as well as information from the *Sunshine Review* website; this website summarizes what makes an effective municipal website for its citizens.
- b) Recommendation: The City Manager is requesting that the Council (1) formally endorse the overall project and its stated goals; (2) specifically approve the paperless meeting policy including the related equipment funding; (3) acknowledge and approve the change in minutes preparation; and (4) offer any concerns, comments or suggestions to staff.

City Manager Fraser said he attended the ICMA Conference last fall in San Jose and this year's theme it was about technology. He heard a lot of suggestions about how things can be done. Number one, we need to ramp up our public information. We have been ramping up our web site. You hear the Governor talk about transparency and it is a big issue in the press and we have taken a lot of steps to be more open than we have in the past. One of the things he heard about in San Jose was the Sunshine Review who ranks municipal and state web sites and gives guidelines. He tasked the staff to get this done. Our survey showed us a direct curve between the ways people get information. The younger you are the more it is based on technology and the older you are the more it is based on the newspaper so we are in this age where we have to do both. He has been giving out weekly memos now with information about our departments now. It is important they get focused on the Carr Lot projects and the District Energy projects which are important, but it is important to remember that really 90 percent of what the city does is those services they deliver daily and that is really our responsibility all of the time. The public needs to read these reports on line to be reminded of that as well.

As of last Friday we have a City of Montpelier Facebook page. The web site is now linked and there are 51 people who liked us today. The city also has a twitter account. Going to the city's web site or going to look in the paper for ads is a request to see what the city is doing. People who are looking at Facebook are looking to see what people are doing and what is going on in their life. They will experiment with regular updates.

City Treasurer Hoyt is looking at different ways to use technology in accepting payment. They have set a target to have debit/credit card payments by the end of the year but hopefully by July 1. There are a lot of people who want to pay parking tickets or taxes with them because not many people carry cash or checkbooks any more. They are trying to look at ways to download zoning permits. We still have to have meetings but we realize that people work.

In line with the video Charlotte is ready to look at how we do the minutes. Maybe now is the time to scale down the minutes to something more of a synopsis and less of a transcript.

The last piece is that starting after Town Meeting Day that we no longer will have all of these paper packets and do everything on line. They are already posting the packet information on line. Technology exists where it makes it easy to read and they think the time is now to do that and get rid of all photocopying and keep paper copies for the Clerk's records. He provided the Council a memo about a proposal for doing this. If the Council approves that tonight their goal would be to have it ready to begin.

Council Members Jarvis and Golonka said it would be great to get rid of all of the paper.

Council Member Sherman moved the Council approve the **21st Century Project** and move ahead to paperless, more open, more efficient and more transparency. Council Member Sheridan seconded the motion.

Mayor Hooper called for a vote on the motion. The vote was 5-0, with Council Member Weiss abstaining.

Mayor Hooper told the Council that one of the things they had talked about was going back into Executive Session but she is going to ask for the meeting to adjourn and look for a time next week when we can get together.

Council Member Weiss said he would like to go back to the first part of the Manager's presentation regarding the schedule he set up for the process to retain the services of a new Fire Chief. He respects the fact that in many documents, a contract and in the City Charter the Manager has the right to employ but the Council as a matter of policy has the right to ask as we move

into the 21st Century whether or not they ought to look at whether or not there are other patterns for hiring Fire Chiefs, Police Chiefs and whether there is one person responsible for all of it. He would like to have that discussion before the Manager's Committee gets too far in the process.

Mayor Hooper said they would include it as an agenda item as a policy question.

Adjournment:

Motion was made by Council Member Jarvis, seconded by Council Member Sherman to adjourn the meeting. Motion carried unanimously.

Transcribed by: Joan Clack

Attest: _____
Charlotte L. Hoyt, City Clerk