

**Minutes of the Montpelier City Council Meeting
January 9, 2013
City Council Chambers, Montpelier City Hall**

In attendance: Mayor John Hollar (presiding), City Manager Bill Fraser, City Councilors Andy Hooper, Angela Timpone, Thierry Guerlain, Alan Weiss, and Anne Watson. City Clerk John Odum acted as Secretary of the Meeting. Councilor Tom Golonka was not in attendance.

Mayor Hollar called the meeting to order to order at 6:32 PM.

13-011. Councilor Guerlain noted mistakes in the minutes presented before the Council, and the City Clerk suggested they be tabled until the next meeting. The Clerk also requested that an application from Capitol Grounds for a liquor license (serving beer and wine) be added to the consent agenda for approval, and the Council agreed.

Councilor Weiss moved for approval of the consent agenda, minus the minutes and with the addition of the Liquor license request. Councilor Timpone seconded. The motion was approved unanimously at 6:35.

13-013. Councilor Guerlain moved that Claude Stone and Beth Boutin be reappointed to the Montpelier Business Loan Fund. Councilor Watson seconded. The motion passed unanimously at 6:37PM.

13-013. Steve Love of *Love, Cody and Company* CPAs in Bennington (the city's auditing firm) addressed the Council on the final FY12 Audit Report. Councilor Timpone asked questions about the city's debt relative to other towns. The Auditor generally spoke positively about the City's approach to debt.

At the Mayor's request, the Auditor noted no points worthy of "flagging" for particular attention, noting that there was still some auditing work to be done.

Mayor Hollar asked about the procedures for the Council's signing of warrants, and whether it is necessary and/or appropriate for the elected Council to sign them, and in doing so attest to the warrants that individual Councilors have no specific knowledge of. The Auditor understood the point, but noted there could be legal obligations for signatures, suggesting that some different wording on the signatures may address the concern.

Councilor Weiss asked for clarification on the total debt load carried, and accounts receivable figures. Councilor Guerlain asked about the relative complexity of Montpelier's financials, wondering if they were disproportionately complex in comparison to other municipalities. The Auditor indicated they were comparable. Councilor Weiss indicated that he would prefer a more qualitative analysis along with the quantitative accompanying future audits.

Love commended Ruth Dockter and Sandra Gallup for their work. Finance Director Gallup rose to commend the entire finance team – particularly Charlotte Hoyt, Sharon Blatchford and Kris Morande – along with Ruth Dockter.

Councilor Weiss moved that the council receive the Audit report with commendation. Councilor Guerlain seconded. The motion was approved unanimously at 7:02PM.

13-014. The Mayor opened the first public hearing on the proposed FY14 municipal budget. The City Manager made note of the 793-0642 call-in number for members of the television viewing public for questions or input in on the proposed budget. Mayor Hollar introduced the proposed budget as a consensus document from a Council with diverse perspectives. He reviewed the recent increases in city budgets and tax burdens, contrasting the rise against a Vermont-wide decrease in average household incomes. He indicated that the budget represents an attempt to address these concerns, while addressing infrastructure needs.

David Beede congratulated the Council and the manager for their work. He noted that extra items on the ballot will likely change the 2.2% increase to a 2.3% increase, and further disapprovingly of the ballot process, which he felt could create further financial challenges in the future.

The mayor clarified that the GMTA ballot item currently gathering signatures (the circulator route) would not further raise the budget, as it was already accounted for within the proposal (and that in fact, if the GMTA article were to fail, the 2.2% level of increase would be reduced). He clarified that the additional library funds expected to be included as a ballot article (and any other such ballot items) were not so accounted for and would raise the budgetary percentage increase.

Vicki Lane testified that she was tired of budget cuts always coming from public service and public works, and assailed the “huge salaries right here in [City Hall].” She indicated she felt less positive about the budget this year than in previous years.

Paige Guertin spoke disapprovingly about proposed personnel cuts in public works and planning & community development.

Phil Dodd generally supported the budget, while lamenting the fact that the rates were not cut. He hoped the overall approach could be maintained next year.

Elizabeth Dodge indicated that she rode the circulator bus, and that it was “chock full of people.”

Jane Kast appreciated the work done on the budget, but had questions about the appearance of \$2 million in unpaid loans to the city indicated on the auditors' report.

Bob Gross rose to thank the Council and Manager for their work, particularly for their work on reducing personnel.

- 13-019. Greg Guyette, Andrew Brewer, Sarah Jarvis (Montpelier Alive board members) and Executive Director Phayvanh Luekhamhan gave an overview of Montpelier Alive's mission and work, and briefed the Council on the proposed Design Review District, and its accompanying business property assessment (which would be collected as part of the property tax bill on downtown business property). The group elaborated on the financial status and sources of revenue for Montpelier Alive before explaining the particulars of the requested ballot item, and the related ordinance which would follow a successful ballot article vote.

The Mayor indicated that Councilor Golonka had concerns and had asked that the vote be put off until the meeting on the 24th. Jarvis asked that they do not delay the vote, as the timing would mean that Montpelier Alive would be constrained against placing it on the ballot in the case of a negative vote. The Mayor responded he would vote against such an approach, even though he supports the proposal. Councilor Weiss suggested the petition process be initiated immediately, to account for the possibility of a negative vote.

Councilor Timpone and Mayor Hollar asked about the levels of support for the idea in the business community, while Councilor Guerlain asked about how (and if) the state properties would be assessed the additional amount.

Councilor Weiss felt that it was inappropriate for the voters to be asked to rule on a tax assessment on a subset of property owners. He also felt it was inappropriate to assess a tax to be funneled directly to a private organization like Montpelier Alive, and further questioned whether Montpelier Alive was exceeding its role and authority.

Councilor Timpone asked for details about comparable districts in other Vermont cities, and whether they are funded and administered similarly. Luekhamhan and Jarvis indicated that the relationships and arrangements vary, but that the downtown organizations are generally separate from the municipal structure. Timpone spoke positively about the downtown improvements in Rutland City, which she felt was a comparable model.

Councilor Guerlain spoke broadly positively of the basic proposal, but wanted more information. He inquired about how the collected assessment funds would be spent (in regards to programs versus staff time), and expressed concern as to the potential financial impact on low-income residential tenants.

Councilor Hooper asked how the assessment would be renewed. He further asked for elaboration on the Councilor Weiss's concern as to the appropriateness of asking the voters-at-large to weigh in on such a targeted tax regime. Councilor Watson asked for details on how the overall process would be implemented and accounted for.

Councilor Guerlain wanted to confirm that the ballot could be written such that the program could sunset in three years.

Phil Dodd noted that a Vermont Supreme Court decision required the full town vote on the district and the associated assessment, in the case of Rutland. He also suggested that, if the city were concerned about ceding spending control to a private entity, there may be ways to address it.

Vicki Lane (via the phone) expressed concern that any expenditures rising from the new assessment could become a spending expectation that could be inherited by the city in future budgets. Jarvis responded that this sort of budgetary creep would be limited.

Fred Bashara indicated he was a supporter of Montpelier Alive, but asked that the item not be given special consideration for placement on the ballot by the Council. He also spoke out against assessing any new property tax.

Katie Fahnestock expressed her concern for those living in the residential units. She then asked why the supportive businesses don't simply give more money to Montpelier Alive if so many are supportive of the assessment. The Montpelier Alive representatives indicated openness to parsing the language to prevent the cost being passed to residential renters, but were dubious (along with Councilor Hooper) about how it could be enforced.

Jed Guertin reiterated the concern about low-income renters, and further advised the Council be wary of putting its imprimatur on a proposal that contained ambiguities.

Jane Kurt testified that she thought the idea was excellent.

Councilor Timpone asked whether removing mixed use properties from the assessment would affect the amount dramatically. The sense was that it could have an impact of a couple thousand dollars, which would still leave the overall project viable.

Councilor Guerlain wondered further about the philosophical ramifications of outsourcing economic development to a private entity in this way.

Councilor Weiss referenced Title 12 of the City Charter, questioning whether the proposal would be consistent with its conditions on publicly voted ballot articles. Jarvis noted that specific authority for the district designation comes from the state. Councilor Hooper noted that Rutland's comparable program had

entailed a charter change. Jarvis noted that the project did not necessarily require ballot approval.

Terry Youk asked if a square footage revenue model had been examined.

Jesse Jacobs said he felt it was irresponsible and unacceptable for the Council to take any action during the meeting. He said that Montpelier was “notorious” for approving everything on the ballot and that too many questions were unanswered, particularly on accountability and oversight. Mr. Brewer advised against over-defining public relations project metrics, given that they need to remain fluid and adaptable.

Jacobs further noted that most of the stakeholders listed were businesses, not property owners. Brewer invited Jacobs onto the committee that would oversee the project.

Jacobs closed by suggesting it might be a good idea to wait another year.

At 8:38 PM, at Councilor Watson’s request, the council took a 5 minute break. At 8:46, the council reconvened.

Ms. Jarvis explained to the Council that Montpelier Alive had reached its maximum capacity under the current model, and that this proposal would enable them to accomplish more for the downtown.

Councilor Timpone asked that the proposal be tabled until the next meeting. Mayor Hollar agreed, noting at Jarvis’s question that it wouldn’t be necessary to return with dramatically increased details on the potential implementation, but that a couple more weeks of communication between Montpelier Alive and potential stakeholders would be positive. Hollar read from a supportive email sent by Kevin Ellis of KSE Partners.

- 13-015/13-016 Councilor Timpone moved to approve the necessity resolutions relating to the proposed bonds. Councilor Hooper seconded. Councilor Weiss noted that the language of the resolutions was not included in the packets. The Council agreed to table the motion until the next meeting.
- 13-017. The first public hearing on the warning for the March 5 Annual City Meeting was opened. There were no public comments. The hearing was concluded at 8:54 PM.
- 13-018. Councilor Hooper moved that the Council set the date for the Annual City Meeting on Tuesday, March 5th, 2013, from 7:00 A.M. to 7:00 P.M. in the City Hall Auditorium. Councilor Timpone seconded the motion, which passed unanimously at 8:56 PM.
- 13-020. Councilor Guerlain took a moment to ask that accompanying documents to agenda items (such as those relating to the consideration of a VTrans

Transportation Alternatives Grant) be more clearly labeled as to source and date in the future.

Planning and Community Development Director Gwen Hallsmith reviewed the genesis and content of the grant.

Councilor Weiss moved that the council authorize Director Hallsmith to move forward with the grant process. Councilor Timpone seconded. Councilor Watson asked for clarification on the process moving forward. The motion then passed unanimously at 9:01 PM.

13-021. Director Hallsmith explained that the National Endowment for the Arts “Our Town” Grant was a grant the city previously applied for and did not receive, and went on to explain the purpose of the grant and its applicability to Montpelier and the potential to promote the city as a “creative economy” center in various ways. Bill Kaplan of the VT College of Fine Arts and Terry Youk of the Savoy theater spoke of the process of writing the grant and spoke positively of the process it would support.

Councilor Weiss asked for clarification on the matching funds portion of the grant, and the budgeted amount that would go to staffing. He further asked for (and received) clarification as to what degree of outreach to schools had been undertaken up to this point. Finally, Councilor Weiss asked for more information on the makeup and procedures of the steering committee.

Councilor Weiss moved that Council authorize the city to move forward on the grant. Councilor Hooper seconded.

Councilor Guerlain asked for further clarification about the matching funds, and what the total program budget would be. He asked for clarity about the costs to the city, and whether this would create a long-term burden on the city.

The motion passed unanimously at 9:13 PM.

13-021A. Councilor Weiss asked that the Bicycle Advisory Committee track annual expenditures for upkeep of the bike path. Councilor Weiss moved approval of the charge to the committee as follows:

1. To gather information and opinions about bicycle-related issues from people who live, work or bike in the city, and from model programs in other cities.
2. To recommend policies and actions by the city that will promote bicycling for all purposes and that will provide safe and convenient access to all parts of the city via bicycle.
3. To advise the city in its pursuit of Bicycle Friendly Community designation.

The motion was seconded by Councilor Watson and passed unanimously at 9:15 PM.

13-022. Councilor Guerlain asked for clarification on part of the Manager's Weekly Report, and on the additional Terrace Street transmission antenna converted to DSL as the Hebert Road antenna was. City Manager Fraser indicated that was done to pre-empt any neighborhood objections following the Hebert Road antenna issue.

15-023. Mayor Hollar updated the Council on the process to evaluate the City Manager.

13-025. The City Manager reported that Senior Center representatives had secured a substantially increased funding request to appear on East Montpelier's ballot. He also indicated that Representative Mary Hooper was ready to proceed with the Council's stated goal to merge the Montpelier and Berlin fire districts.

The City Manager reviewed the potential overall tax impact to the citizens of Montpelier if all the anticipated ballot items pass, along with the expected request from the schools (in regards to budget and bonding)

After a review of schedules, the Council decided it would schedule the evaluation for the City Manager on February 20th (and have no other business on the agenda), and to have regular meetings on February 13th and 27th (the latter would include the required bond hearing).

Councilor Weiss move to adjourn. Councilor Timpone seconded. The motion was approved unanimously at 9:29 PM.