

On Wednesday evening, January 11, 2012, the City Council Members met in the Council Chamber.

Present: Mayor Hooper; Council Members Timpone, Jarvis, Golonka, Weiss and Sherman; also City Manager Fraser. Council Member Hooper was absent.

Call to Order by the Mayor.

Mayor Hooper called the meeting to order at 6:30 P.M.

12-013. General Business and Appearances

None

12-014. Consideration of the Consent Agenda.

a) Consideration of Minutes from December 14, 2011 

b) Consideration of becoming the Liquor Control Commission for the purpose of acting on the following:

1. Application for a Catering Permit from Hyzer Industries, Inc., d/b/a Three Penny Taproom for an event at Onion River Sports, Langdon Street, on February 10, 2012, 4 p.m. to 9 p.m. 

2. Application for a Catering Permit from the Skinny Pancake, Inc., for a private birthday party at the chapel at VCFA, 36 College Street on January 21, 2012 from 6 p.m. to 10 p.m. 

3. Application for a Catering Permit from the Skinny Pancake, Inc., for one of their "Green Drinks" events at the City Center, 89 Main Street, on February 21, 2012 from 6 p.m. to 8 p.m. 

4. Application for a Catering Permit from the Skinny Pancake, Inc., for one of their "Green Drinks" events at the City Center, 89 Main Street, on March 13, 2012 from 6 p.m. to 8 p.m. 

5. Application for a Catering Permit from the Skinny Pancake, Inc. for one of their "Green Drinks" events at the City Center, 89 Main Street, on April 10, 2012 from 6 p.m. to 8 p.m. 
6. Application for a Catering Permit from the Skinny Pancake, Inc., for one of their "Green Drinks" events at the City Center, 89 Main Street, on May 8, 2012. 
7. Application for a Catering Permit from McGillicuddy's Irish Pub for an event at the Vermont Grocer's Association, 160 State Street, on January 18, 2012 from 4 p.m. to 9 p.m. 
8. Application for a catering Permit from MCGillicuddy's Irish Pub for an event at the Chapel/Wood Art Gallery, VCFA/Union Institute on January 24, 2012 from 5 p.m. to 10 p.m. 

Motion was made by Council Member Jarvis, seconded by Council Member Weiss to approve the consent agenda. The vote was 5-0, motion carried unanimously.

- 12-015. Approval of three contracts with the State of Vermont for the Downtown District Heating Project. 

City Manager Fraser reviewed the three contracts with the council. The thermal purchase agreement outlines the business deal between the city to the state, how the rates are constructed, how future capacity is purchased and how problems are resolved. The second is the procurement agreement which outlines the specific terms of the city's initial investment from grants and funds that buy our capacity and the third is the agreement which has to do with how the federal funds are managed and the process to take. In June the Council approved the Memorandum of Understanding with the State of Vermont which at that point outlined the big pieces. Our team consisted of Attorney Saudek, Project Manager Garabedian and himself. They have finally reached a place where their team feels comfortable that they can recommend the Council approve the contracts. They have a design team now working with the state. They will send up the RFP bids for boilers to the state tomorrow and they will be getting preliminary cost estimates in January. That will be our first indication of whether our end of the project is still within our funds that are available. The goal right now is to have everything bid out and awarded by late summer and fall because a lot of the materials take time to order for both the state and city. Construction will begin in 2013 so this will become

operational by October 2013. It is a tight schedule but it can still be met but in order to move forward these agreements need to happen.

One issue that has had some publicity is the Union Elementary School and the cost of converting that system. They have a 75-year-old heating systems and pipes that are old steam pipes in disrepair. That has been a cause of concern. They are going to have to rehab that whole heating system in that building at some point. We have always assumed they would be heating Union School and are planning for that. However, if for some reason the school chose not to participate or it is too expensive to do that they have made adjustments in their thinking that they would not count that amount of bond money. When they estimated the city's bond it was based on the assumption of a certain amount of heat for all of the city's buildings, including Union Elementary School. The bond payments were calculated to stay within that cost of heat they are already paying. We would back out the amount allocated for Union School heat and not issue bonds for that amount so they wouldn't ask the taxpayers to pay twice. That has been in their contingency plan and not a new situation.

Council Member Weiss said he is trying to figure out the chronology. At some point the city may then choose to go out to bid on contractors and at some point the city may have to buy pipe. At some point the State of Vermont has to have installed a furnace or boiler. What is the chronological pattern between our having to have pipe and the state having to have the boiler?

City Manager Fraser said they would have to order boilers before we order our pipe. There is a schedule that is coordinated. The technical considerations inside their plant are such they have to build in a way to heat our system and have the right kind of equipment to do heat exchanges. There is a very high integration of the two projects. If they get bids that are too high then we or the state can't do it.

Mayor Hooper said the pipes have to be in the ground and completed when the boilers are ready to go. We don't want them in the ground longer.

Council Member Sherman moved approval of the three contracts with the State of Vermont that will enable us to proceed with the district energy heat project.

Council Member Jarvis seconded the motion.

Council Member Golonka said he was voting no on the three contracts because he doesn't like the exclusivity factor about the capacity. He doesn't like the fuzzy nature of the retroactive pricing or going back to readjust the bills to Montpelier.

He doesn't like the stated appeal process. In general he is concerned about the project itself because of the 16-year break even in the current models. He thinks they are going to have to really investigate that because he would hate to see us get into this project and then if it goes over the 16 years then it goes into a 20-year and 25-year, and then we are suddenly on the hook for something they hadn't anticipated.

Council Member Weiss said he would be voting no for different reasons. The City of Montpelier is the buyer and the State of Vermont is the seller. The state is not prepared tonight to sell us anything. Therefore, he doesn't want to enter into a contract in which we are committed to something and the state does not have the capacity to meet that.

City Manager Fraser said the contract is very clear that if the state can't deliver then we don't have to buy anything. They have to provide the goods and we aren't buying anything until they build something. Once they build the plant and use the funds then we will be committed to buying the heat. One of the reasons it is tight for so long is that what we were asked to do, to use a very low oil price and stay within just the existing users and run it tight. The models were all designed to meet the requirement that we showed the system can stand on its own for just the city buildings because they did not want to be dependent on private customers. It is, however, being built to have private customers and have more users, and when you add more users to the system then the performance improves dramatically.

Mayor Hooper thanked Bill Fraser, Dick Saudek and Harold Garabedian along with Gwen Hallsmith for working through this very complex process. It has taken a period of time because it is a new concept for everyone and they have done a great service for our community. She went on to say they had brought us a contract that meets what they said they would do when we ask the voters to consider the bond earlier in the year. It is also the beginning steps in a dream we have been having for about 15 years about how to use alternative energy to support the city, an important element of which is our desire to economically support the private sector in the downtown. Their deep hope is they will get people hooking on to the system and enjoying the benefits of the equivalent of \$3.05 oil. She thinks the contract accomplishes what they said they would do.

Mayor Hooper called for a vote on the motion. The vote was 3-2, with Council Member Golonka and Weiss voting against the motion. Mayor Hooper voted in favor of the motion to make the fourth vote in favor of the motion.

Attorney Dick Saudek asked if the Council could authorize Bill Fraser to sign the contracts.

Motion was made by Council Member Jarvis, seconded by Council Member Timpone to authorize the City Manager to sign the contracts on behalf of the city. The vote was 4-1, with Council Member Golonka voting against the motion.

12-016. Consideration of application for a Vermont Downtown Board Grant for the Blanchard Block “park-let”.

a) Montpelier Alive Design Committee Chair Paul Carnahan described the project at last week’s meeting.

b) Grants for the downtown board must be approved by the City Council.

c) Descriptive materials were distributed last week.

d) Recommendation: Approve grant application.

Mayor Hooper said this agenda item requires no action as the project did not meet the grant criteria.

Mayor Hooper called for a short break at 6:49 P.M. and they were ahead of schedule and were expecting more people to come for the next agenda item.

Mayor Hooper called the meeting back to order at 7:00 P.M.

12-017. Conduct First Public Hearing on Proposed FY 13 Municipal Budget.

a) The City Manager presented a recommended budget on December 7th, 2011.

b) The Council conducted “budget workshops” as part of their meetings held on December 7th, December 14th, and December 21st, 2011; and January 4th, 2012.

c) The proposed budget requires less than a penny (\$0.007) increase in the municipal tax rate and includes a bond for infrastructure improvements

and equipment purchase.

- d) Recommendation: Present budget to public; conduct public hearing; provide direction to staff as necessary.

Mayor Hooper said City Manager Fraser will do a power point presentation on the FY13 budget. Department heads were present to answer questions. Following the presentation there will be a public hearing to take comments and questions.

City Manager Fraser presented a power point presentation on the FY13 budget. He explained the budget process, the use of the Matrix consultant recommendations and reviewed the budget figures he had provided to the council for their consideration.

Mayor Hooper said at the last meeting, city staff was asked certain questions. Tonight the Fire and Police Department heads will address those questions. She opened the public hearing at 7:20 P.M.

Police Chief Facos provided a hand out to the council in response to police department overtime.

Police Chief Facos spoke about how a reduction in staffing would affect the department. The COPS grant that is in place with the Department of Justice pays the base pay for three year for one officer. At the end of that three year period the city is required to maintain that employee for the fourth year. The City has two options continue with the program or release the employee. The city may lose future grant opportunities up to five years if they don't complete the grant requirements. Currently the department has seventeen officers. If a position is cut he would take an officer off the day shift.

Police Chief Facos reviewed the 2011 activity levels and trends.

Fire Chief Gowans said at the last meeting questions were raised about changing staff levels and they provided a power point presentation from NFPA which addressed those questions.

Fire Chief Gowans said they were in the process of writing another FEMA grant, but if the city did not follow through on the COPS grant it would also affect the fire departments ability to get grants as well.

The issue of a second call coming in while a first call is active was researched. Last year, 13% of the calls were second calls. Mutual aid is called in to handle the second call, which takes roughly 7 minutes. Montpelier's response time is about 3.2 minutes on the average. Getting to a fire before the "flashover" point is significant. According to research, "flashover" generally happens in 7 minutes. Changing staffing levels could be the difference between life and death for someone in cardiac arrest.

Department members do extensive training as well as vehicle, equipment and station maintenance during their downtime. These tasks are done every day. For emergency preparedness, firefighters check commercial buildings, fire hydrants and river gauges. The department also does community outreach tasks which makes the department special. These services may be the first to go with budget cuts. There is a lot that the department does, but a lot that generally people don't see.

Council Member Jarvis asked about the difficulties in recruiting more volunteer members to the force as a Call Firefighter and changes in standards making recruitment more difficult. It was noted that the quality and quantity of applicants is going down, so they are looking at people joining at a lower level but then train them and build them up. They are paid hourly and for training. Currently there are three people but no EMTs.

Fire Chief Gowans said the career firefighters and chiefs are submitting new regulations for certifications. Currently 160 hours for training. This will increase. Other towns with successful volunteer fire departments already have these training standards in place. Vermont has now adopted a national standard for ongoing training for EMTs with significantly more hours than what is required currently. That will be a big challenge this fall to get all current people certified at the national level. They will need to hire an outside instructor. This is mandated for this fall.

Public Works Director Law presented information about how many employees are in the department and what their functions are. They need 14 people on the road during storms, including a supervisor. The issue now is the summer staffing because since crews can't take time off during the winter, they take it in the summer. At the same time, there are many projects/tasks that need to be accomplished with less staffing. At current level of staffing and service to maintain infrastructure is pretty much at its maximum capacity.

Green Mountain Transit representatives were present to talk about the Circulator Bus and the city's decision not to place it on the ballot.

Council Member Jarvis said she was disappointed in the ridership numbers for the time frame it has been in use.

Ms Burkett, GMTA representative said the normal incubation period is three years to allow people to incorporate it into their lives.

Council Member Sherman thanked GMTA staff for their efforts.

Phil Dodd, Montpelier resident said the Council should consider the ballot side and assuming they will all pass which will result in a 2.67% tax rate increase. The school increase is just over zero percent. He urged Council to continue to look for savings. He looked at several regional centers, statewide, with similar downtowns and compared the municipal tax rates to the median homeowner. Montpelier is the 6th highest tax rate. He suggested researching other regional centers to see what they are doing.

Council Member Jarvis noted it is the Council's job to submit the budget, but that the taxpayers make the decisions about the extra costs that are not part of the recommended budget.

Council Member Golonka noted to better manage this in the future, a change is being made to increase the number of signatures required to get on the ballot.

Council Member Jarvis asked about \$30,000 for the wastewater consultant as a possible place for a cut.

Public Works Director Law replied that the City has been operating under an expired permit and there may need to be improvements to the infrastructure before a permit will be issued for the existing waste water facility.

Council Member Jarvis asked about charging for police or fire departments services for special events like Corporate Cup, 4th of July, etc.

A telephone caller expressed concern for the long list of outside agencies that are on the ballot. She said the City and the City Manager has done a good job, having said that, she encouraged the Council to look for ways to save.

Mayor Hooper closed the public hearing at 8:56 P.M.

Motion was made by Council Member Jarvis, seconded by Council Member Timpone to set the second public hearing for Thursday, January 26, 2012. The vote was 5-0, motion carried unanimously.

12-018. Conduct First Public Hearing on Warning for the March 6, 2012 Annual City Meeting.

- a) A draft warning of ballot items for the Annual City Meeting is being prepared and will be available in advance of the meeting.
- b) Recommendation: Conduct Public Hearing; provide direction to staff as necessary.

Mayor Hooper opened the public hearing at 9:00 P.M.

City Manager Fraser explained the styles of how charter changes were presented in the past. Given the possible length of this ballot, the City might not want to put all the text in, but rather have Attorney Guiliani write a summary for voters to read on the ballot.

Council Member Weiss said the summary is missing and he doesn't want to have the discussion until the summary is handed out.

Council Member Golonka noted the question regarding future regionalization was missing from the warning.

Mayor Hooper closed the public hearing on the warning at 9:05 P.M.

Council Member Golonka, seconded by Council Member Weiss moved that the second public hearing on the warning be set for Thursday, January 26, 2012. Motion carried unanimously.

12-019. Reports by City Council

Council Member Sherman asked about debris in the river.

Public Works Director Law noted an excavator came in on Monday to pull debris off the abutments of the bridge.

Mayor Hooper asked about the excavation being done in the river by the state.

Public Works Director Law explained that the state was doing the work to put the land back in its place after the flooding, rather than excavating the river bed.

Public Works Director Law noted that the waste water effluent is coming along well. They are getting closer to throwing the switch.

Council Member Weiss said that last Friday evening residents on Northfield Street held a neighborhood meeting, about 40 people, and sincerely described what could they do to help themselves and their neighbors if there was any kind of need. He thinks that group has the tenacity to stick to do something.

Council Member Timpone said tomorrow night the Recreation Review Committee will meet for the first time. They will look at should the Recreation Department stay under the School or should it be under the City Council.

12-020. Mayor's report

Mayor Hooper spoke about the DuBois Construction fire and she had spoken to Phil Scott. He was particularly complimentary of the fire department, public works, and the many people who showed up and helped.

Mayor Hooper had attended the North Street neighborhood meeting Monday night, with about 40 or so people where a discussion of the history of their neighborhood was discussed. Paul Gilles gave the presentation which was very comprehensive.

Mayor Hooper said the City Manager's review has been scheduled for February 8, 2012. She suggested three Council members meet with Bill to decide a plan and strategy of how to conduct the review, but that all Council members be at the review. She asked Council Members Golonka, Weiss and Jarvis to be on the preliminary committee.

12-021. Report by the City Clerk-Treasurer

City Clerk Hoyt noted she has three more meetings to go before her retirement as City Clerk.

12-022. Status reports by the City Manager

City Manager Fraser said Friday, January 27, is the court-ordered meeting with National Life. He suggested the Council meet to discuss the case ahead of time in executive session to give direction to the Council's representative. They scheduled a meeting for January 26, 2012 at 6:00 P.M.

12-023. Agenda reports by the City Manager

None.

Adjournment.

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

Transcribed: Patricia Tedesco
Joan Clack & Charlotte Hoyt

Attest: _____
Charlotte L. Hoyt, City Clerk