

On Wednesday evening, January 13, 2010, the City Council Members met in the Council Chamber.

Present: Mayor Hooper; Council Members Sheridan, Jarvis, Weiss, Golonka and Sherman; also City Manager Fraser. Council Member Hooper arrived shortly after the meeting began.

Call to Order by the Mayor:

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

10-009. General Business and Appearances:

Council Member Jarvis recused herself from the discussion.

Steven LaRosa, a resident at 2012 Main Street, appeared before the Council. He stated they live directly adjacent to the Vermont Compost Company. The last time they all spoke was this past spring about a similar topic they are going to discuss tonight. They have this fall and early winter encountered yet again a considerable amount of food waste being dumped on their property by crows, other vectors and vermin due to a lack of control of these materials that are dumped at the Vermont Compost Company. They have reported this to Chief Schneider and he has made some inquiries and done some investigation around their property in the last several weeks. Earlier this week the Vermont Compost Company was requested to cease taking food wastes at their facility on Main Street and to discontinue doing that until they come up with a better method for controlling those wastes. His primary concern right now revolves around the timing, the level of proof and evidence they need to provide at what is now probably his fourth season of coming to the Council. They initially started discussing with Chief Schneider and made some notifications in October that this problem was starting again and made several additional notifications, sent lots of pictures, performed their collections. This year he is happy to report they don't have to measure and take pictures of every piece that they collect. Every day his wife goes out and collects between 2 ½ and 5 gallons of materials on their property. He very much appreciates that Fire Chief Schneider has looked into this and indicated to Vermont Compost that they are not to take food wastes at this time until they can keep the wild animals from getting into it. However, it is disconcerting to him the length of time that it takes for them to get to this point every fall and in the spring when the roosting starts again and the level of proof they need to provide and the communications they need to provide without hearing or seeing anything in response from Vermont Compost Company. The only response they have seen in the last six weeks of dealing with Fire Chief Schneider is either directly from him where he indicates that he has contacted Vermont Compost Company, but they never see any responses from Vermont Compost. They don't know if there are negotiations or things going on in the background between Vermont Compost and the city? He assumes there has not been as they haven't been apprised of anything. That is very bothersome to them in that they are continually collecting things and showing proof of this impact and there is nothing happening. They would very much like to see that line of communication opened up to them. They need to get to a point where Vermont Compost is held accountable for what is happening due to their operations. They have tried to be extremely patient to this point and it is frankly unacceptable to them that they have to go through this constantly to prove out what impact continues to

happen. His understanding is that Vermont Compost is not taking food wastes at this point in time. He understands they are looking into potentially constructing some sort of better feed mechanism or improved feed mechanism. It will be interesting to see how that works, and if it works, and would be great if it did so they could all be done with this. His worry is that when they do finish this construction, if they do any, and it doesn't work, how long it is going to take for the impact to stop again. How much more do they have to do? Because they knew there was a high potential of this happening again this year despite the changes that Vermont Compost made this last spring they spent nearly \$10,000 at their property taking down 48 pine trees the crows roosted in to try to reduce the amount of food waste that lands on their property. It improved it some but not nearly as much as they had hoped. Unfortunately, the city will probably hear from a couple of their nearest neighbors that it did exactly what they thought it would do, which is to make the impact spread out even further because there is less room for all of these animals to be in the 8 trees they kept and they are now going farther out into the community and dropping food waste at other places. They very much want to see a solution to this, as much as he is sure everyone does. They have pretty well had it with how much time it takes for the decisions to be made that there is impact and this needs to stop. They just wanted to let the Council know what is happening. They have had some conversations with folks who indicated that maybe not everyone knew exactly what the impact had been at this point.

Deb Glottmann, a resident at 210 Center Road, which is up the hill about four houses from the LaRosa's, said she is speaking on behalf of the East Montpelier community. The crow population has become so impressive that they now share in the torture that the LaRosas have been in for the last six years. They are using their trees to perch. She has found food waste on her property. The waste they are carrying is coming from NECI, the Montpelier School system and the East Montpelier School system. She assumes when the City of Montpelier signed their food waste contract with the Vermont Composting Company they assumed their food waste was going to stay at the Compost Company. Now it is on her lawn. Something needs to change. These people have gone through enough. They are not going to follow suit in letting it go for six years. Fire Chief Schneider, the City's Health Officer and David Grundy, the East Montpelier Health Officer, have been very supportive, helpful and instrumental in keeping them in the loop but they need the City Council's support. This is one person not following the rules impacting two communities.

Mayor Hooper said Fire Chief Schneider, the city's Health Officer, is present to update the Council on his actions. She reminded the City Council that it acts as the Board of Health on any health related issues.

Fire Chief Schneider said he wanted to thank Mr. LaRosa and Ms. Glottmann for coming. It is been very difficult on the LaRosas. He said he wanted to emphasize that it a lot more complicated an issue than people realize. What he has had is a very thin slice of what he thinks is a much larger issue and he has tried to focus on that thin slice. Because of the cyclical nature of it as changes go and come it is often a long time. In his memo to them last year summarizing

the issues he told them it might be a year before we knew what would happen. Unfortunately, Mr. Hammer went ahead and changed back to older practices without telling him. What they are seeing is a much quicker ability to evaluate what was going on. He is in the process of preparing a report with the intention of asking the City Council to consider the issue. Whether it would be considered as the Health Board to issue a health order or to ratify or examine what other actions have been taken he isn't sure. It's not the issue of voluntary compliance and his

willingness to comply with any conditions he feels would make the difference between whether he would be asking for a health order or asking the Council to ratify a contractual agreement. February 10th would be a good time to review his report.

Council Member Golonka said he read the book that is the guide for Health Officers and in the book it lists the Health Officer's responsibilities in regards to enforcing state rules as well as local ordinances. Are there any ordinances the Council could envision that could help the situation, including fines or more teeth to the Health Officer's authority as Health Officer in Montpelier? He asked him to think about it as having a little more teeth in this position.

Fire Chief Schneider said he doesn't know. This is really a unique situation and obviously the problem is statewide because if there was an answer statewide it would have been easy to handle. When he looks at the definitions of what he has to deal with he is actually looking at definitions for rental residential properties which does not directly impact either of the two properties, but it is then trying to extrapolate from definitions for rental residential properties and to determine how to put that into use in this situation.

Council Member Golonka said if the Council crafted some nuisance ordinances at the local level would that help Chief Schneider in this instance and throughout the town.

Fire Chief Schneider said that he doesn't know because they have looked at the other issues which are basically the issues of the dogs and chickens, all of which are ordinances and all of which there are still complications and difficulties.

Council Member Golonka said he feels they are negotiating with someone who is violating the city's ordinances, and he doesn't like that. He feels if we have ordinances on the books that we need to follow we should increase the fines and enforce them. He is concerned that going through this negotiation process the last couple of years is very manipulative in terms of all parties and he wants to avoid that going forward. He is frustrated given the pictures that are coming out over the past couple of weeks. It is disgusting and we really need to address this as soon as possible. He doesn't want to negotiate any more; he is tired of it.

Fire Chief Schneider said he will consider that. His immediate reaction is he doesn't know because it involves so many statewide agencies. There is no single statewide agency.

Council Member Golonka said according to the rules the local Health Officer can follow local ordinances as well, and he thinks they should enforce that.

Fire Chief Schneider said in looking at the history of trying to enforce some local ordinances the fact that it has to be very well constructed so it is enforceable.

Mayor Hooper said they are trying to fit a certain situation into a state law that doesn't really apply neatly to what we are dealing with.

Fire Chief Schneider said it isn't a straight Board of Health situation and none of the state agencies have been willing to take responsibility for it. He is being treated as an agricultural use and none of the state agencies have been willing to deal with it and each of the agencies are well aware of the issues that have come up.

Mayor Hooper asked Chief Schneider if he could imagine any fixes from a state perspective. She knows that Representative Tony Klein has been contacted and is willing to sit down and consider this. She urged him to speak with the Council and the East Montpelier Health Officer to make sure he has the full background of what is going on here. There is certainly a desire to be helpful in that way in moving this forward with an appropriate resolution. She knows that none of the Council are as bothered or disgusted by this as the people who are being directly impacted by it, but she believes all of them want to see it resolved quickly with an appropriate resolution. The Council will receive a report from the City's Health Officer and she presumes that part of the report will contain a recommendation on how the City Council should proceed. That will happen on February 10th.

City Manager Fraser said hopefully the activity will stop, but in terms of creating a permanent action from the Council he hopes something can be done.

Council Member Sherman asked if Chief Schneider had talked to Mr. Hammer recently.

Chief Schneider said his last communication from Mr. Hammer was this afternoon when he dropped off his sketch plan that he supposedly had given to the zoning office about the location of a proposed covered feeding area. He wants to make sure the LaRosas have been receiving all of the copies of e-mails because he is making sure all of the communications go to Bill Fraser, Glenn Moore, himself, Mr. Hammer and the LaRosas and also Dave Grundy from East Montpelier.

Mr. LaRosa said they haven't received any proposal from Mr. Hammer other than a sketch plan.

Ms. Glottmann said she has been in contact with Mr. Hammer. She is a veterinary professional and one of her issues is that these droppings are right where she has treated her dogs on emergency because they have swallowed things they shouldn't have. At the bottom of each of her trees are now little compost bins where for the next three or four months that will compost down. Compost toxicity at every emergency clinic keeps you up with a seizure dog for the next 14 hours trying to get it to turn around. He had never heard of such a complication. It's not just the domesticated animals. We are affecting the whole eco system. It is something that needs to be evaluated. It is Montpelier's food waste along with everybody else.

10-010. Consideration of the Consent Agenda:

Consideration of the minutes from the November 18th, December 2nd and December 9th, 2009 City Council Meetings.

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

Consideration of issuing a Catering Permit to New England Culinary Institute/Vermont Hospitality Management for a reception to be held on Saturday, January 16th, from 7:45 PM to 1:00 AM at Noble Lounge, Vermont College of Fine Arts.

Consideration of issuing a Catering Permit to New England Culinary Institute/Vermont

Hospitality Management for a reception to be held on Tuesday, January 19th, from 2:30 PM to 8:00 PM at TW Wood Art Gallery, Vermont College of Fine Arts.

Consideration of issuing a Catering Permit to Robert J. Sambel d/b/a Sambel's Restaurant Inc., for a reception to be held on Tuesday, January 26th, from 4:00 PM to 8:00 PM at the Vermont State Employees Association.

Ratification of the issuance of a Catering Permit to New England Culinary Institute/Vermont Hospitality Management for a reception and dinner held on Saturday, January 10th, from 4:00 PM to 10:30 PM at the Chapel, Vermont College of Fine Arts. (Staff polled Council Members, via e-mail, on January 8th and received 4 approvals.)

Summary Budget Reports and Detailed Budget Status Reports for the General Fund, Water Fund, Sewer Fund, Cemetery Fund, Parks Fund, Senior Center Fund and Parking Fund for a five month period beginning July 1, 2009 and ending November 30, 2009.

Approval of payroll and bills:

Payroll Warrant dated December 10, 2009, in the amount of \$136,447.22.

General Fund Warrant dated December 16, 2010, in the amount of \$263,772.49, \$335.50 and \$84.27.

Payroll Warrant dated December 24, 2009, in the amount of \$145,673.32.

General Fund Warrant dated December 30, 2009, in the amount of \$346,390.92.

Motion was made by Council Member Sheridan, seconded by Council Member Jarvis to approve the consent agenda. The vote was 6-0, motion carried unanimously.

10-011. Receive Report of the Montpelier Financial Review Committee.

On November 11, 2009, the City Council asked State Auditor of Accounts Thomas Salmon to head up a committee to review the city's finances and issues related to Scott Construction, Inc.

The Committee retained the services of Accountant Ray Cota to perform financial analysis.

The Committee has met weekly since November 16, 2009.

The Committee has prepared a report of their work, findings and recommendations and will be presenting that report to the Council.

Recommendation: Receive report. Provide direction to staff as necessary.

The hope was that the Committee would be able to make a report to the Council next week. Unfortunately, some of the members of the committee are not going to be present. They will have a report from the Committee on February 10th.

Motion was made by Council Member Sheridan, seconded by Council Member Jarvis to table this agenda item until the February 10th Council Meeting. The vote was 6-0, motion carried unanimously.

10-012. Conduct First Public Hearing on Proposed FY11 Municipal Budget

The City Manager presented a recommended budget on December 9, 2009.

The Council conducted workshops on December 9th, 12th and 16th and January 6th, 2010.

The proposed budget does not require an increase in the municipal tax rate.

Recommendation: Present budget to public. Conduct public hearing. Provide direction to staff as necessary.

Mayor Hooper said this is the Council's first public hearing on the proposed FY11 municipal budget. The City Manager presented his budget to the Council on December 9, 2009 and the Council held meetings on December 9th, December 12th, December 16th and January 6th to consider his budget. The Council is presenting a budget to the public that will not require an increase in the municipal tax rate. The City Manager will do his presentation on that and open the hearing up for public comment. Folks who are watching the public hearing on the budget from home are welcome to call the Council at 802-595-2161 following the presentation of the budget. They ask that people identify themselves and say where they are from when they call in.

City Manager Fraser said this is the budget that has been approved by the Montpelier City Council subject to two public hearings and presented to the voters on March 2nd. When they started the budget back in the fall there was a very difficult backdrop to the work they were going to be doing. There is a national recession that has been going on for a year plus resulting in some pretty serious state government cuts. Not only does that impact some of the residents of our community who are state employees but also the services we provide as the state cuts back on some of what it provides. Some of that responsibility has fallen to the city. Also, funding from the state is being reduced to the city. We are getting hit three separate ways as a result of that. We already have what many people consider being high local property taxes, and that has always been a resource issue for the city. Additionally we have a reappraisal under way which almost certainly will result in a shift in the tax burden from the commercial properties on to the residential properties. That has happened in every reappraisal since the 70's and there is no reason to believe that won't happen again as residential properties rise faster in value than commercial properties. Finally, the city dealing with the uncertainties of the Scott Construction situation and the nervousness that created has had a big impact.

In the fall the Council, he and the staff met and set some very clear goals for this budget. Given those factors we just discussed the Council really felt strongly that we could not tolerate any increase in the municipal tax rate or any increases in rates or fees. However, given the needs of the community we felt that it was essential to keep our core services in tact, particularly with the hold back of state services, and we need to keep our capital plan in tact. We have to invest in the community and there is a level of effort that needs to be kept up, and in fact there was some debate as to whether we need to increase it.

To assist us in this process and to assist us in governing the city the Council commissioned an excellent survey, the results which were received in early December from the National Citizens Survey and learned lots of things about a lot of the community from lots of segments of the

community. The survey is on the city's web site for people who would like to read them in more detail. However, one of the things they learned in the survey was there are five service drivers that people most closely related to their impression of the city as a whole. Those were police and public safety, planning and zoning and how the community is growing, park systems, roads and schools. The roads were the only ones that were viewed negatively; the other four were viewed very positively. We don't handle the school system here so focused on the other four. Additionally, they asked open ended questions. What are the most important issues you see facing Montpelier? The top three were property taxes, affordable housing and jobs. Finally, there were some other survey questions asked and the overall jest of the survey was that people really wanted the city to maintain our services. They said yes that it was important to maintain all of our services. They also thought it was important to maintain a high quality of life. That was the backdrop of public opinion they were working with in trying to achieve the goals they set up for themselves.

A budget is a money and policy plan. It is probably the biggest piece of policy we enact in the year. There was no surprise as to where our money is coming from. Two thirds of our municipal money for the general fund, which is what the voters vote on, 67 percent is funded by property taxes, 19 percent from revenues and fees we charge for our services, about 7 percent from grants and other governmental transfers and 7 percent from fund transfers. It is the property tax by and large that funds our services. We are no different than any other Vermont municipality in that regard.

How do we spend our money? We spend about 39 percent of that on public safety, which is one of those important issues that people referred to in the survey; another 37.5 percent on infrastructure. Just under 10 percent is spent on community services and 14 percent on administrative, which includes elections, operations of the Council, finance operations, assessing operations, etc. All of these things are required by law as administrative services to operate the city government.

Taking a look at the budget by department you can see where our expenditures are. Police, fire, and public works are our biggest departments and biggest expenditures. The capital plan and administration is the next highest areas.

How do we spend our budget across all of those funds? We are a personnel driven operation. There are people driving snow plows, fixing the water lines, people answering the police calls and people responding and answering the phone at dispatch, people who respond on the ambulance. There are always going to be people performing these services as long as we wish to have these services provided. Personnel will always be our biggest chunk. It is just under 60 percent. It has also been our fastest growing cost, particularly due to health insurance. This year we really tried to come to terms with that. We created a city committee of employee groups and they looked at some options and came up with a revised means of providing health insurance which enabled the city to reduce the cost of health insurance by about \$200,000. That is in contrast to last year's budget increase for health costs. This is a very significant cost control on a key item and still providing good benefits to our employees. That really allowed everything else to go forward in the way it did.

Other cost factors – we started with 58 Barre Street in general. In addition, there are flood mitigation efforts. There is a project we are funding now which also has a longer term plan with the Army Corps of Engineers. Those are important projects for the long term future of the

city but they do take up a lot of money right now on an annual basis. It is the same with the reappraisal. We are completing our reappraisal and have been setting money aside for the last three years so that is in our budget and next year it will no longer be. We have contracted wage rates. Even though we reduced our health insurance costs we still have wage rates that have been contracted prior to the recession, and we have to deal with the water and sewer fund deficits. Even though we are not going to spend a lot of time on them in this presentation to the Council, it also didn't require any rate increases to fund the current year's budget. They were able to balance those budgets.

We do have a capital plan. The capital plan is the combination of annual funding and our debt that we incur for capital projects. For a number of years we had set a combine figure of \$1 million. In 2007 and 2008 they actually went down to about \$950,000. The year we are in now the Council raised that up to \$1,070,000 and this budget just projects that out. You can see the debt rising and then maxing out by FY13 and then starting to dip back down so we don't have more debt coming on line. You see the annual funding dipping to a low in FY13 and then slowly coming back up, and that has been one of the discussions of the Council. Should we raise this cap so we can invest more money right now into the community?

Taking a look at the current proposal, which is at the \$1,070,000 level, \$600,000 plus is debt payment and the remaining \$422,500 are annual funding. We are looking at spending about \$67,000 on street paving, \$80,000 on a retaining wall which is a dangerous situation, \$30,000 on storm drains and culverts, \$55,000 on buildings and grounds, \$15,000 on our Master Plan update, \$5,000 on downtown projects, \$100,000 on the flood mitigation study and \$50,000 on the rerouting of the sewer outlet for the flood mitigation project and then we maintain a 5 percent project management fund to help deliver all of those projects.

Looking at the budget proposal as a whole, the highlight of course is that it does not require a property tax increase nor does it require layoffs which means that our services are basically maintained at the levels we hoped to. It implements the new health insurance plan at a big savings. While we don't anticipate that we will have a reduction next year we will be starting from a base of \$200,000 lower and this plan they hope will not rise at the same rates that others have been.

For the first time in recent memory the entire Library budget will be on the ballot. There are not library funds contained in the base city budget so this budget has the transition. It keeps all of our current programs and projects in tact. It does reduce our equipment funding which is basically a deferred cost because that is piling up. It also relies on level state funding for our highway aid and payment in lieu of taxes which is certainly a wild card as the Legislature has just begun their work. Major reductions in state funds could cause us to look at this budget again.

Our operating costs are squeezed. As we have stayed within these parameters we have cut and cut. We opted to use \$24,000 of the fund balance and another \$10,000 in the equipment reserve funds to balance the budget.

Looking at the key service drivers, those items the community said were important; we certain did maintain our police. In fact, we are adding an officer by using a COPS grant. They have kept other public safety levels as well. The fire and ambulance have been kept at their current levels. We have made sure we maintained our public safety. Parks which are important, we

kept our funding and operations the same, and the same with planning. We did include \$66,000 in capital plan for roads. The budget itself included some road funding. It isn't nearly enough but it is on the level that we have funded in years past.

If we look at what the community said was important to them – taxes, affordable housing and jobs – we have a less direct relationship with jobs other than creating a good development environment, but we have held the budget to no tax increase and maintained the \$26,000 in the affordable housing as well as our Community Development Housing Specialist who works specifically on developing housing programs and working on developing community development programs which can be job creators. We are keeping our overall services in those areas and increasing our public information capacity through out web casting and through other means. The public has expressed a desire to be well informed and the city is trying to meet that need.

Just taking a look at the property taxes and how they break down, they do not yet have final recreation and school numbers so these are based on last year's numbers for those two. About 33 percent goes directly to the city and about 58 percent pays for schools, 3 percent for recreation, 2 percent for various ballot items and everything else on the list. It also talks about the common level of appraisal and hopefully, when it comes time to actually set our tax rate we will be at 100 percent. The numbers you see for tax rates here will not be the tax rates, but in order to compare the impact on this budget the tax rates will be lower and the values will be higher. The city will not be asking for more municipal tax money per valued property than they are right now.

Taking a look at property taxes it is important to look annually how we stand around the region and against our fellow communities that deal with similar issues. This source of information is from the 2009 report of Property Valuation and Review. The 2010 version should be out any day now. They take all of the tax rates in the state and equalize them and call them effective property taxes. That is essentially what that common level of valuation is. It assumes that everybody is at 100 percent valuation. When we look at the towns and cities in our region the average residential school tax in our region for all of the other communities is \$1.15 and Montpelier's is \$1.16, so clearly our school taxes are right in line with everything else in Central Vermont. The nonresidential rate for schools is \$1.28 for average and Montpelier is \$1.26, so we are just slightly under the average of other communities. Our school taxes despite being 58 percent of the total bill are not drastically different than those in Central Vermont. Our municipal taxes, if you look at the Central Vermont average, you will see it comes to \$.54 and Montpelier is \$.88, so we are 34 cents higher than the average. When there is a perception that our taxes are higher than our neighbors it is true, and it is true because of the municipal tax and it is also true because of the array of services that we provide. When you look at some of the communities on the list you see while we are at \$.88 Barre City is at \$1.28. Then, you look at Northfield at 65 cents then you look at all of the services we provide. These other communities have dirt roads and don't have big commercial centers. They don't have full time police departments and fire departments. We provide a different array of services. We have a similar cost structure but we don't have a similar service structure. That really is the difference when we look at our neighbors. Taking a look at communities that have downtowns, commercial centers, which are about our size and have a full range of services, particularly full time fire, it is the same headings. When you look at our schools, the average for all of those is \$1.18 for Montpelier and \$1.16. We are right there on the average. When you look at the municipal taxes, the average of those communities is 90 cents and we are at 88 cents. These

communities with the same array of services are really having the same tax burden that Montpelier is. When you compare the total tax rates they are at \$2.08 and we are at \$2.04. Montpelier does have high taxes, but our high taxes are not out of whack with those communities that are in many ways like us with the same array of services. It doesn't make it any less painful for people who have to write the check to pay the taxes, and it doesn't mean to say that we shouldn't try to keep them down, but it does point out that we are not alone in struggling with ways to pay for the things our citizens need and desire.

That was the end of his presentation and he would be happy to answer any questions. The budget process began with him working with city staff on the budgets in October and November and presenting their recommendations to the Council on December 9th. The next public hearing will be next Thursday, January 21st which is the last day to accept petitions to place an item on the ballot. The annual city meeting will be held on Tuesday, March 2, 2010 and the polls will be open from 7:00 A.M. to 7:00 P.M.

Mayor Hooper said the Council is running their first public hearing. The City Manager just gave an overview of the budget and the Council has met four times to talk about this. This is now the opportunity for members of the public to ask any questions they may have.

Jack Lindley, a resident at 253 Chestnut Hill Road, asked if the Community Justice Center was a federal pass through.

City Manager Fraser said it actually comes from the Vermont Department of Corrections. There is state funding of \$85,000 and another \$31,000 from the city.

Mr. Lindley had a question regarding flood mitigation and asked if that dollar figure was to remove the growing islands that are now appearing in the river? Is that what the flood mitigation dollars are for? Is there any anticipation in this next budget cycle that the island will be renamed or taken away?

City Manager Fraser said the islands can't be removed for many reasons. As part of the study from the Corps of Engineers they are looking at ways they can deal with the channel. The days of cities being able to go in and dig out islands are long gone. Those are regulated rivers and it is beyond our authority to do that without approvals. The study that is being conducted is to come up with some permanent solutions. Folks who deal with the rivers say that the islands reflect the natural flow of the river.

Council Member Jarvis said the money in the budget is for a feasibility study.

City Manager Fraser said there are two different projects in the budget. There is a feasibility study with the Army Corps of Engineers and the State who is also paying a share of it, and then the city received a grant for a project to create a permanent redirection of our wastewater treatment discharge. In 2007 when they had the flood scare we found it was effective to warm the water and melt the ice in the channel. While it wasn't the only thing that prevented any flooding, it certainly assisted. The city received a grant to permanently reroute those channels and have that available to us at all times. Our local share is \$50,000.

Mr. Lindley asked if the Community Justice Center was a regional justice center. Are we serving all of the communities in Central Vermont out of that justice center?

City Manager Fraser replied we are. We serve Montpelier and the U-32 School District, and that is where the state funding comes into play.

Mr. Lindley asked if that means we receive revenue from those surrounding towns for that project.

City Manager Fraser said we do not right now, but we do receive revenue from the State of Vermont. We collect fees for certain services as well.

Mayor Hooper said the Council had a discussion around the issue of the sort of service we are providing and asked the Justice Center staff to approach the communities that we are providing services to and inform them of these services their residents are receiving and ask them to contribute to the cost of it. We also asked for some data as to the users of the services and the Director of the Program Yvonne Byrd is here with us this evening. If you look at who the victims are or where the problem was and who was engaged in the problem, much of it is in Montpelier.

City Manager Fraser said next week the school will also be here to present the school and recreation budgets.

Mayor Hooper said next week is on Thursday, January 21st. If folks would care to communicate with us individually about our budget all of the Council contact information is up on the city's web site.

Mr. Lindley asked why was there pension interest in the Community Justice Center that wasn't there a year ago. There is \$4,000.

City Manager Fraser said they refinanced their pension plan and each department is paying its share.

Mr. Lindley asked why their travel and transportation would jump from \$500 to \$3,300 in one year. Is there something different they are doing?

City Manager Fraser replied that one of the grants they have requires them to do more travel to jail in St. Johnsbury to work with prisoners that are a part of the grant program.

Mr. Lindley asked how we would know what we as taxpayer are getting for our \$31,000.

City Manager Fraser said he isn't sure they could simply say this is the taxpayers' \$31,000 because there is a total budget revenue offset. There are certain aspects of the budget like the travel that are partly due to the reentry grant. The same people are doing that work as well as doing some of the other work. The bulk of the money in the grants is people. That would be a reduction in staff. Then, it would call into question whether or not we could perform the services for each year.

Mr. Lindley said when he reads the worker's compensation line, when they proposed it at \$305 and it was moved, was that a reduction in worker's compensation or an increase? That is on page 15.

Finance Director Gallup said worker's compensation throughout the budget they have for the first time not allocated worker's compensation out to all of the programs by numbers of employees. That is how they did it in the past. That wasn't a very accurate way of doing it because fire, ambulance and police are much more expensive so to show the truer cost of our fire and ambulance services we are now allocating based on the real costs of worker's compensation. All of our administrative programs went down in worker's compensation.

City Manager Fraser said to be clear they always included the real costs of worker's compensation in the budget they were just using a different allocation process.

Mr. Lindley asked if we had in place some type of training program to help mitigate worker's compensation.

City Manager Fraser said they have actually reduced their worker's compensation costs. It went down \$30,000. They are very active in loss prevention. There is a Safety Committee.

Mayor Hooper said the Finance Department has done some remarkable work in general in human resource services, both in health care and in workers' compensation and making sure we are controlling our costs and managing them while providing good services to our employees. There really is a team effort.

Mayor Hooper closed the public hearing at 8:08 P.M.

10-013. Conduct First Public Hearing on Warning for March 2, 2010 Annual City Meeting.

A draft warning of ballot items for the Annual City Meeting is being prepared and will be available in advance of the meeting.

Recommendation: Conduct public hearing. Provide direction to staff as necessary.

Mayor Hooper opened the public hearing at 8:10 P.M.

Mayor Hooper read the article of the warning as follows:

ARTICLE 1. To elect a mayor for a term of two years; two auditors for an unexpired term of two years; one commissioner for the Green Mount Cemetery for a term of five years; one commissioner for the Green Mount Cemetery for an unexpired term of four years; one park commissioner for a term of five years; three school commissioners, each for a term of three years; one council member from each district, for a term of two years.

ARTICLE 2. Shall the voters appropriate the sum of \$6,520,363 for the payment of debts and current expenses of the City for carrying out any of the purposes of the Charter, plus payment of all state and county taxes and obligations imposed upon the City by law to finance the fiscal year July 1, 2010 to June 30, 2011? (Requested by the City Council)

ARTICLE 3. Shall the voters appropriate the sum of \$_____ necessary for the support of the public school system for the fiscal year July 1, 2010 to June 30, 2011? (Local budget of \$_____ plus grant budget of \$_____, for a total school budget of \$15,579,403.) (Requested by the School Board)

ARTICLE 4. Shall the voters appropriate the sum of \$_____ for the support of the Recreation Department for the fiscal year July 1, 2010 to June 30, 2011? (Requested by the School Board)

ARTICLE 5. Shall the voters appropriate the sum of \$125,707 for the support of the Senior Citizens Activity Center for the fiscal year July 1, 2010 to June 30, 2011? (Requested by the City Council)

ARTICLE 6. Shall the voters appropriate the sum of \$2,700 as compensation to the Mayor for services for the fiscal year July 1, 2010 to June 30, 2011? (Requested by the City Council)

ARTICLE 7. Shall the voters appropriate the sum of \$6,000 (\$1,000 each) as compensation to the Council Members for their services for the fiscal year July 1, 2010 to June 30, 2011? (Requested by the City Council)

ARTICLE 8. Shall the voters appropriate the sum of \$7,300 (Chair \$1,300; others \$1,000 each) as compensation to the School Commissioners for their services for the fiscal year July 1, 2010 to June 30, 2011? (Requested by the School Board)

ARTICLE 9. Shall the voters authorize the Board of School Commissioners to hold any audited fund balance as of June 30, 2010 in a reserve fund to be expended under the control and direction of the Board of School Commissioners for the purpose of operating the school? (Requested by the School Board)

ARTICLE 10. Shall the voters appropriate the sum of \$293,975 to be used by the Kellogg-Hubbard Library for the fiscal year July 1, 2010 to June 30, 2011? (This amount is requested by the library board and is in addition to the \$46,973 for library bond payment included in the City General Fund Budget, Article 2.)

ARTICLE 11. Shall the voters authorize the City to increase the veteran's exemption amount from \$10,000 of appraisal value to \$40,000 of appraisal value in accord with 32 V.S.A. Section 3802(11) first effective for the April 1, 2010 tax year?

ARTICLE 12. Shall the voters appropriate the sum of \$25,000 to be used by the Cross Vermont Trail Association for the design, easements and construction of a bicycle-pedestrian path connecting the Montpelier Recreation Path to a two-mile section of the Cross Vermont Trail which parallels the Winooski River?

The Capital Improvement Committee had recommended that the council consider an additional sum of money explicitly for the purpose of street resurfacing and rehabilitation because of this deep concern about adequately taking care of our streets and roads.

Council Member Jarvis said she would like to note that the Capital Improvement Project Committee's thoughts about putting that on as an additional item was at the time they thought there wasn't going to be any money in the budget for this. They had forgotten that the capital improvement plan had been bumped up a bit last year. Without that money there was going to be no money at all in the budget for street rehabilitation. That was part of the thinking. Certainly, there is a concern about not keeping up with our streets. We now have \$66,000 in the budget which is in line with what we had in the past. As a member of the committee that recommended that additional article she will rescind her recommendation, partly because they made a commitment to have no tax increase this year. It just seems disingenuous to put this additional article on, although it is obviously money that the city could really use and needs. But she thinks they want to stick with their commitment that we shouldn't include that article.

The consensus of the council was to not include an additional item for street repairs and resurfacing.

Council Member Sherman asked how many more years of the Library bond do we have.

City Manager Fraser said it is contained in the budget. The Library bond payments go until 2021. It was a 20-year bond and we are 9 or 10 years into it.

Mayor Hooper closed the public hearing on the Warning for the March 2, 2010 Annual City Meeting. The Council will hold their second public hearing on January 21st.

Council Member Jarvis, seconded by Council Member Sheridan moved that the Council pass first reading and set the date for the second public hearing for January 21st. The vote was 6-0, motion carried unanimously.

10-014. Set Date and Time for Annual City Meeting.

Recommendation: Set date for the annual meeting on Tuesday, March 2, 2010 from 7:00 AM to 7:00 PM.

Motion was made by Council Member Sheridan, seconded by Council Member Sherman to set the date of Tuesday, March 2, 2010, from 7:00 A.M. to 7:00 P.M. in the city hall auditorium. The vote was 6-0, motion carried unanimously.

10-15. Authorize the City Manager to execute a land sale to William & Sandra Ricker at 172 Main Street.

In September, William and Sandra Ricker approached the City council asking to purchase the piece of land owned by the City adjacent to their property at 172 Main Street. The Council authorized the City to pursue the process of selling to the Rickers'. The Rickers' agreed to give the City a right-of-way across the parcel.

Lawrence K. Martin, MAI, a Certified General Real Estate Appraiser, has appraised the parcel at \$13,000. A copy of the full appraisal is available upon request.

Mr. Martin states that this is not a developable lot because it is smaller than the size required by zoning.

Recommendation: Authorize City Manager to execute documents to transfer the parcel of land for \$13,000 to William and Sandra Ricker and retain a right of way.

City Manager Fraser said the city has received an appraisal which is acceptable to them and have proposed we move forward on this. They have agreed to the conditions we put in which we have access across the property.

Motion was made by Council Member Sheridan, seconded by Council Member Weiss to authorize the City Manager to execute the documents that transfer the parcel of land for \$13,000 to William and Sandra Ricker and retain a right of way. The vote was 6-0, motion carried unanimously.

10-016. Reports by City Council

Council Member Sheridan said the city has a number of accounts with the State Treasurer with unclaimed funds and the City Clerk said they are in the process of looking into them. There is also an account for a Timothy A. Hooper at 8 Winter Street.

Council Member Hooper reported that Montpelier Net may still be alive. He hopes to find out more tomorrow.

Council Member Sherman said the City Manager's note to the Council said that some water damage claims might not be covered.

City Manager Fraser said that is not unusual. They are trying to work with the property owners to see how the city can assist them. The city handles them on a case by case basis to see what they can do to assist.

Council Member Sherman reported that it was nice that the city received a check for \$22,000 because employees participated in the health maintenance program. Someone in the Water Department won the grand prize drawing.

She said she heard from Ken Pearson who has a property on Barre Street and he is very concerned about the old utility poles that haven't been removed.

10-16. Mayors Report:

Mayor Hooper said she sent an e-mail to all of the Council Members asking about some legislative language she was asked to sponsor with regard to the creation of a different regional transit management district. She had someone inquire about the status of EC Fiber and she wondered if the Council could have an update.

Council Member Hooper said because of the nature of the grant money from RUS separate applications have been put in for Montpelier and the other 21 towns. One pot of money comes in for 21 towns. The second round of awards has been announced as of yesterday not including us. At this point they are still all grants whereas Montpelier asked for a loan. It may be that in their mysterious ways they are doing grants first. Of the pot of money for which Montpelier would be covered, which is not ARA Recovery Money that has been completely on hold? Once RUS gets back around to their regular business they will consider the Montpelier loan application. If the 21 towns get covered the immediate top operation of EC Fiber is finding private investment to cover the \$3 million extra bump to include Montpelier in the roll out of the project. They have worked out largely what that private placement looks like, how many people you can have, what the call input prices are, etc.

Mayor Hooper said she inferred from his comments on the grant application pool for the other 21 towns that there would be another round.

Council Member Hooper said they still have not done their awards. They still have money. They were all going to be announced on November 11, 2009.

Mayor Hooper said she hopes the EC Fiber people are talking to legislative people.

Council Member Hooper said they are talking to all of our Congressional delegation.

Mayor Hooper said she would like to have a general conversation about our procurement policy. She recalls that we had a "Buy Local" policy a number of years ago. She is also curious about our expectations in terms of idling city vehicles.

10-018. Report by the City Clerk-Treasurer:

None.

10-19. Status Reports by the City Manager.

The Council needs to schedule a time and plan for the Manager's Review. Mayor Hooper said they could do it early on February 10th. After some discussion the Council will meet at 6:00 P.M. on February 10th for the Manager's Review.

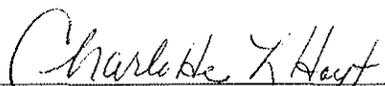
10-020. Agenda Reports by the City Manager:

(None as of "press time")

Adjournment:

After motion was duly made by Council Member Sheridan, seconded by Council Member Hooper the Council Meeting adjourned at 8:32 P.M.

Transcribed by Joan Clack

Attest: 
Charlotte L. Hoyt, City Clerk