

**Minutes of the Montpelier City Council Meeting
January 24, 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, Tom Golonka and Anne Watson. City Clerk John Odum acted as Secretary of the Meeting.

Mayor Hollar called the meeting to order at 6:32 PM, taking note of the improved sound system in the council chambers.

13-028. Councilor Weiss moved the approval of the consent agenda. Councilor Guerlain seconded. The motion passed unanimously at 6:33 PM.

13-029 Councilor Hooper moved that Christopher Hilke be reappointed to the Conservation Commission. Councilor Timpone seconded. The motion passed unanimously at 6:34 PM.

13-030. Councilor Weiss made a motion to reopen the discussion of the proposed Downtown Improvement District tabled at the previous meeting. Councilor Timpone seconded the motion, which passed unanimously at 6:36 PM.

Sarah Jarvis, Greg Guyette, Andrew Brewer, Jon Anderson and Bill Kaplan (representing Montpelier Alive) addressed the Council in support of the proposal. Brewer characterized the proposal as economic development, and made particular refutation of the suggestion that Montpelier Alive could make the additional monies sought under their current revenue model. Guyette drew attention to the list of downtown business “stakeholders,” contacted, noting the support for the proposal. Kaplan added his perspective and support, followed by Jarvis who reviewed the ballot article language and proposed ordinance language, as well as the process going forward should the Council approve the ballot item and the public vote it into effect. Finally, Anderson (after discussing the approval process which would be necessary to continue the program in coming years) discussed how he and other business owners can expect to see a return on the investment.

Councilor Golonka expressed concerns that the targeting of the assessment may pit citizens against each other. He also felt that many voters would be less supportive in the context of the overall tax increase that would likely be forthcoming, and suggested that it may not be the time to allow an increased revenue stream via taxation for Montpelier Alive in light of budget cuts. He suggested a longer, more deliberative process.

Councilor Weiss suggested that the group consider holding their proposal until the November special city meeting. He also noted the introduction of S.39 in the legislature, which would allow municipalities to adopt a local options tax without a vote of the citizenry, and which could alter the revenue landscape.

Finally, he reminded the presenters that there would be significant street construction relating to the district heat project in April, which might make it an inopportune time to initiate a promotional campaign.

Anderson responded that it was not appropriate to wait further, because Montpelier was, in his view, falling behind other downtowns. In regards to the overall tax burdens, he noted that the commercial rate was not changing significantly, even as the residential tax rate was likely to escalate from the school district. Finally, he indicated that there is a history of certain segments of the city coming forward and accepting special funding for targeted improvements, noting an issue with the water system on Towne Hill Road when he was a City Councilor that residents volunteered to pay additional assessment to address.

Jarvis responded to Golonka's philosophical concerns noting that this mechanism was the one provided by the State and that the benefits were of particular benefit for those businesses that would be assessed. She further reminded the Council that six other municipalities have such a program, so it is an established, known quantity. She added that the timing with the proposed charter change (which would be approved in November under the proposed timeline) dovetailed ideally with a 2013 Town Meeting Day vote, logistically speaking. She contextualized the timing against regional developments, such as the expanding Wal-Mart in Berlin.

Brewer added that the group could have gotten signatures for a ballot article, but they wanted to get the Council buy-in.

Councilor Watson expressed her view that Councilor Golonka's underlying concerns did not seem prohibitive to moving forward under the model laid out by Montpelier Alive.

Councilor Hooper echoed Golonka's concerns about the fairness, but suggested that the business survey results offered by the group was an effective response. Councilor Guerlain spoke approvingly of the project, agreeing with Anderson that it was, perhaps, a late hour already for such an effort, suggesting that it should not wait. He further characterized the coming main street construction as having an impact that needed to be countered, and therefore a reason to proceed quickly.

Anderson and Brewer reviewed and contrasted the comparable districts in other cities. Councilor Timpone echoed the positive reports of the Rutland district and spoke positively of the proposal.

Councilor Guerlain thanked the group for being responsive to his prior stated concerns about the impact on mixed-use properties. Mayor Hollar also spoke positively of the effort and thanked the Montpelier Alive group. Councilor Guerlain and City Manager Fraser discussed the merits of adding the words "up to" before "\$75,000" to allow the Council to adapt to fluctuating Grand List

values. Anderson responded that he believed it was more appropriate to have a fixed dollar amount.

Lori Pinard, a local realtor, spoke in opposition to the proposal, agreeing with Councilor Golonka's fairness argument. She also questioned the whether the survey list accurately reflected the views of downtown business and property owners.

Scott Fitzgerald indicated he had never been contacted by Montpelier Alive, and didn't like the idea that – as a non-resident – he didn't have a vote on the proposed assessment.

Councilor Golonka asked about how the committee would be appointed, and how the money would be forwarded to Montpelier Alive.

Jesse Jacobs noted that a higher percentage of business owners than property owners were supportive. He suggested a business tax, and then suggested that passing on the cost of the proposed assessment to business tenants would be counterproductive. Guyette responded that the return on investment for locating in Montpelier would be a net positive and noted the support of Ernie Pomerleau.

Councilor Guerlain moved that the council adopt the proposed Article 12 wording as presented. Councilor Timpone seconded. The motion passed 4-2 at 7:35 PM, with Councilors Watson, Timpone, Guerlain and Hooper voting yea, and Councilors Weiss and Golonka opposed.

13-031. City Manager Fraser reviewed the petitioned ballot items that reached the signature threshold for approval on the 2013 annual city meeting ballot.

Mayor Hollar had questions about proposed Article 15, which would restore the cut firefighter/EMT position from the proposed budget. Fire Chief Bob Gowans clarified the impacts of the proposed staffing change in the context of the ballot article. Discussion centered on how often a 3-person staff time was available and what the impact or second and third calls would be.

Councilor Weiss questioned why a discussion was taking place, given that the ballot article had qualified. Mayor Hollar responded that he felt the ballot article was an extraordinary enough action, that it merited further discussion by virtue of its implications to the budget process.

Councilor Watson asked whether a robust volunteer fire fighter program would alleviate some of the concerns about response time. Gowans noted they had "on-call" firefighters, but that they do not impact response time the way the system is currently set up.

Councilor Golonka echoed the Mayor's concerns, and asked Chief Gowans if he felt comfortable with the proposed staff structure under the budget. Gowans

repeated his opinion that the staffing change was not ideal, but that the department would make it work. He indicated that it would impact staffing efficiencies, and therefore (potentially) overtime costs.

Councilor Hooper moved that the Council accept the petitions as presented. Councilor Watson seconded. The motion passed unanimously at 7:56 PM.

13-032. The Mayor opened the second public hearing on the proposed FY14 Municipal Budget. Councilor Watson removed herself from the council table for that portion of the public hearing focusing on the school budget, based on her status as a school employee. Superintendent Brian Ricca along with School Board Members Sue Aldrich (Chair), Ken Jones, Tom Wood and Steve Robinson presented a power point on the school budget.

Councilor Guerlain noted the high percentage of costs associated with personnel. Councilor Timpone asked for clarification on the bargaining agreements. Aldrich noted that the salary levels were roughly “in the middle of the pack” regionally.

Mayor Hollar expressed concern that projected budget increases going forward seemed unsustainable. He made note of the increased enrollment and contrasted it with previous years of decreased enrollment and probed further about the budgetary increases. Jones and Ricca noted that many costs had been deferred over the years and the school system was making up for that, while still cutting 6 FTE (which created challenges).

Councilor Guerlain asked about district consolidation. Ricca indicated there would not be a substantial amount of savings in pursuing such a strategy, in addition to the issue of significant “community questions” about the process. Mayor Hollar strongly disputed the characterization that there would be no savings from consolidation. Councilor Timpone added that she is frequently asked about consolidating the middle school and high school within the district.

In response to a question from Councilor Golonka, Ricca indicated that no further push towards district consolidation from the legislature was likely. A discussion of the merits of consolidating schools within the district followed, with the representatives from the school board and some on the Council, along with the mayor, disagreeing on significance of potential savings.

Councilor Weiss advised that the change in the education department structure combined with the rhetoric from the Governor should be a concern to the school leadership.

Ricca reviewed the budgeted salaries of the 3 school principals in response to a viewer call (approximately \$90,000 each).

Mr. Wood gave an overview of the bonds requested by the school, and the group explained the process of prioritizing and settling on an agreed upon level of bonding and list of necessities to be addressed.

Wood and Robinson were replaced at the table by Arne McMullen, James Surwilo, and Brian Murphy to discuss the recreation department budget, which is level-funded in the proposal. McMullen reviewed the programs, facilities and upgrades, as well as the department's overall approach to its responsibilities.

Councilor Golonka had questions about the tracking of the rolled over fund balance enabling the budget to be level funded, and expressed concerns about whether a large commensurate increase in the departmental budget might be looming in the future. The City Manager helped clarify that the fund balance expenditures were reflected in the budget. Golonka expressed charter-based concerns about the existence of the fund balance. He noted that maintaining a balance could cause problems, particularly with public perception.

Councilor Guerlain asked for further clarification on the budget sheet relating to the fund balance. He also asked for the history of ongoing annual fund balances. McMullen and Golonka indicated that it had come down significantly over the years. Guerlain repeated concerns that, with a diminishing fund balance, a budgetary challenge could be on the horizon.

Councilor Timpone asked if the fund balance had primarily been used for capital improvements, and McMullen indicated that it had. Mr. Murphy noted that the use of the fund balance had not had a major impact on keeping the overall budget in check in recent years.

Councilor Watson received clarification from the group about the riverbank maintenance expenditure.

At 9:09 PM, the Mayor called for a five minute recess. At 9:18 the meeting resumed.

City Manager Fraser gave a power point presentation on the budget proposal overall. Councilor Guerlain reported that a group of Montpelier citizens are planning a Tuesday February 19th, 7:00 PM meeting at the High School to discuss the budget.

Marge Power rose to express concern about the proposed staffing cuts, while noting that the city government often is presented with unappealing budgetary options. She suggests that the attitude towards city budgeting should be service-driven, rather than dollar-driven, and that doing so would constitute economic development.

Morgan Brown testified that he was pleased that the firefighters had mobilized to generate the ballot article. He expressed frustration that, in his view, the only

option he had a citizen to meaningfully object to the proposed staff reductions was to vote against the budget on Town Meeting Day.

Jake Larabee, President of the Firefighters' local, made a statement on behalf of the union, and was followed by a power point presentation offered by Welker Taylor. Larabee took strong exception to the process that led to the decision to cut the firefighter position – in particular the memo from the City Manager presenting the Council with options to counter the relevant ballot article's potential budgetary impact.

The Mayor disagreed with Larabee and Taylor on the potential impacts of the staff reduction.

Councilor Golonka (who agreed with the Mayor that the impact on emergency response resulting from the staff cut was overstated) asked the two firefighters for their opinions on the proposed regional public service authority. Larabee indicated that he felt he had been rebuffed from the regionalization process. Golonka indicated Larabee would be welcome to engage in the process, and thought regionalization would be a net benefit to public service employees.

Larabee indicated that he had attempted to bring in DPS and Police unions into the petition to restore all the cut public service positions.

City Manager Fraser indicated that he had no desire to cut positions, noting that he had received criticism last year for being reticent to cut public service positions. He explained that he and the department heads had received specific budgetary instructions from the Council. Fraser compared and contrasted the different staff reductions across the city departments, noting that there were no fundamental changes to overall staffing models.

The Mayor noted two questions received via phone from television viewers; one asking whether or not the Council was receiving the called-in questions, and another asking whether one of the firefighter positions was meant to be funded through ambulance billing (the City Manager clarified the latter issue).

Morgan Brown read a letter calling for the restoration of the firefighter position from Jim Condos aloud. Councilor Guerlain responded to the Condos letter's call for the Council to be "reasonable, thoughtful and responsible," going into detail characterizing the proposed budget as meeting that standard.

Councilor Timpone asked the City Manager for the full financial impact of the three public service positions (from fire, police, and public service). The City manager replied it was approximately \$175,000 representing slightly over 2 cents on the budget (\$44/year on the average tax bill).

David Taube from the Times Argus asked for details on the position cuts.

Vicki Lane addressed the Council, objecting first to the fact that the doors to the building were locked. She voiced a strong objection that call-in comments (such as her own) were not being read aloud. She further objected to unspecified, non-public-service city employee salaries that she felt were too high, and questioned whether many of the positions were needed. Councilor Watson agreed that the comments should be read aloud.

Councilor Weiss moved that that the Council approve Article II (the proposed city budget) at 10:43 PM. Councilor Watson seconded the motion.

In response to a phoned-in question, City Manager Fraser defended the inclusion of the Assistant City Manager as necessary from a balanced approach to the city budget.

The Mayor closed the public hearing at 10:44 PM.

Councilor Golonka suggested that the \$10,000 budgeted for the citizen survey could be cut. Councilor Guerlain concurred. Councilor Timpone reluctantly agreed as well. Councilor Weiss indicated he was not open to adopting the removal of the \$10,000 for the survey from the motion on the floor as a friendly amendment.

Councilor Golonka moved that the motion on the floor be amended to remove the \$10,000 for the citizen survey at 10:49 PM. Councilor Guerlain seconded. Councilor Golonka then withdrew the motion, also at 10:49 PM.

The Mayor called for a brief recess. The Council reconvened at 10:55 PM.

Councilor Golonka moved that the motion on the floor be amended to remove the \$10,000 for the citizen survey. Councilor Hooper seconded. The motion to amend carried 5-1, with Councilor Weiss voting against, at 10:58 PM.

Councilor Guerlain moved that the motion on the floor be amended to remove \$54,700 (the amount specified in the Article 15 petition). Councilor Golonka seconded the motion at 11:00 PM.

Councilor Timpone objected to the proposed amendment on principle, feeling that it was antithetical to the democratic/petitioning process. Councilor Golonka defended the amendment. Councilor Watson also was uncomfortable with the amendment. Mayor Hollar supported the amendment, suggesting that the voters would not be adequately informed to make an appropriate decision and that the Article 15 was not well suited for the ballot process.

Councilor Weiss also felt that it was inappropriate to, as he saw it, circumvent the ballot petition process and the intent of the voters who signed the petitions.

Councilor Hooper added that the calls he received on the firefighter position in question were not well informed. Councilor Weiss took exception to the

argument, suggesting that the Council's perspective on the relative ignorance or lack thereof of the voters was irrelevant. Councilor Golonka defended the amendment on the grounds that it reflected the appropriate role and responsibility of the City Council.

The Mayor read a comment from Vicki Lane regarding library funding.

Welker Taylor voiced strong exception to Councilor Guerlain's motion, characterizing it as undemocratic.

Marge Power referenced Morgan Brown's comment that he may feel it necessary to vote against the budget, lamenting that the conclusion drawn by voting down budgets is always that the public desires a decrease in the budget, and that may not be accurate in every case. She called for an amendment restoring the three public service positions.

Jake Larabee also expressed strong disapproval of the amendment to the motion, citing a private conversation with Councilor Guerlain regarding the Assistant City Manager position.

Councilor Watson took exception to the suggestion that voters may be too uninformed to make a proper decision on the ballot, suggesting it is the Council's responsibility to educate them. Councilor Guerlain defended the amendment on the table, suggesting that municipal policy by ballot measure is problematic and unmanageable.

Nancy Sherman suggested that the Council was swinging too far away from an appropriate prioritization of city services over bottom-line financial concerns, and that such an approach was inconsistent with the opinions of most city voters.

Vicki Lane arrived to clarify her phoned-in comment on the library.

Councilor Watson indicated that she would prefer the Council find money to restore the cut firefighter/EMT position now rather than act in a way that could be seen to penalize the firefighters for their work. Mayor Hollar disagreed, saying that the ballot article undermined the budget process.

Vicki Lane returned to the microphone and noted that she appreciated that the library budget was on the ballot in its entirety. She then asked if it would have made a difference to the council if she (rather than the firefighters' union) had generated the signatures for the firefighter position.

Councilor Timpone suggested that the equipment fund might be a source of funds to restore the positions. Councilors Guerlain and Hooper suggested that such an approach would constitute budgetary micromanagement on the Council's part.

At 11:31 PM, the Council voted 3-3 on the amendment to the underlying motion, with Councilors Golonka, Hooper and Guerlain voting aye, and Councilors Watson, Timpone and Weiss voting nay. Mayor Hollar broke the tie, voting aye. The motion to amend carried.

Councilor Timpone moved that the three public service positions cut from the previous year be returned to the current budget proposal (at a cost of \$174,000). The motion was seconded by Councilor Watson. Councilor Golonka felt that approving the amendment would set a bad precedent. Vicki Lane rose again said she would have petitioned for the return of all three positions, in retrospect. She asked why the Council should hold public hearings on the budget, if some councilors felt it was inappropriate to make changes based on the public feedback received at the hearings.

At 11:43PM, Councilor Watson withdrew her second from Councilor Timpone's motion to amend the underlying motion. Councilor Timpone's motion then failed for lack of a second. The Council agreed to close debate on the underlying motion over Councilor Timpone's objection.

At 11:44 PM, the Council voted 4-2 to approve Councilor Weiss's motion as amended. Councilor Timpone and Watson were opposed.

- 13-033. Councilor Guerlain moved that the Council approve a Necessity Resolution for the financing of sidewalks, retaining walls and storm drains and culverts in an amount not to exceed \$710,000. Councilor Hooper seconded. The motion carried unanimously at 11:45 PM.
- 13-034. Councilor Guerlain moved that the Council approve a Necessity Resolution for the financing of sewer line improvements in and around River Street in an amount not to exceed \$670,000. Councilor Hooper seconded. The motion was unanimously approved, also at 11:45 PM.
- 13-035. The Mayor opened the second public hearing on the warning for the March 5, 2013 Annual City Meeting at 11:46, then closed it upon hearing no citizens rise to testify at 11:47 PM. Councilor Hooper moved to approve the warning as amended to reflect the action taken by Council on the budget. Councilor Guerlain seconded.

Councilor Hooper suggested that Article 6 could be eliminated. Councilor Timpone was opposed, suggesting that doing so would make it harder for most people to serve on the Council. Councilor Guerlain noted that individual councilors had the option of turning down the approved compensation. The motion passed unanimously at 11:48 PM.

At 11:50 PM, Councilor Guerlain moved for adjournment. Councilor Timpone seconded the motion, which was unanimously approved.