

On Wednesday evening, June 8, 2011, the City Council Members met in the Council Chamber.

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

Call to Order by the Mayor:

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

11-152. General Business and Appearances:

Zachary Hughes from Prospect Street and a member of the Taser Committee had a few questions regarding the committee's charge.

Mayor Hooper replied they had reviewed and it was approved by the Council. She understood the question meaning did they mean to have the built in bias that appears in the framing of the question. The charge says under what circumstances? Their intention was for the Taser Committee to look at the issue.

Mr. Hughes said there was a question raised after that about composition and making sure the composition of the committee was correct.

Mayor Hooper asked would it be all right to add to the committee experts as opposed to just inviting them in to testify.

Council Member Golonka said he thought they decided the council wanted residents as members of the committee but they could invite experts and the public in for discussion.

Mr. Hughes said there are some members of the committee who feel we need the experts in the deliberation process.

Mayor Hooper said the third question was whether the end of September date was an absolute.

Mr. Hughes said depending on what product the Council wants. Some feel we can be done by the end of September. There is also a lot of reading involved.

Mayor Hooper said she had talked to Jeff Dworkin, the Chair of the Committee who mentioned all of these questions. She told him it was tied to the Council's budget deliberations and they wanted the question resolved before they got into budget time.

11-153. Consent Agenda:

- a) Consideration of the Minutes from May 11th and May 25th, 2011 Regular Council Meetings.
- b) Consideration of accepting the bid submitted by Lloyd Franks of Plainfield, Vermont, for Maintenance of Trash & Recycling Barrels for the Public Works Department, in the estimated annual amount of \$11,231,90, with the condition that all material collected be disposed of at the Public Works Garage, and to authorize the City Manager to sign all contracts and other documents.
- c) Consideration of awarding a 3-Year Banking Services Contract to the Merchants Bank and authorizing the City Treasurer to sign the contract and associated documents.
- d) Consideration of street closures for Independence Day Celebration on July 3rd.
 - 1) **Langdon Street:** Closed at 2:00 P.M. on July 3rd for McGillicuddy's outdoor event; one change is that when the music stops at 12:30 A.M. (July 4th), owner Dave Nelson is asking that they be allowed to continue food and beverage service outside until 1:15 A.M. For safety reasons, this will alleviate overcrowding the pub when the music stops. At 1:15 A.M., the street will be cleaned and Langdon Street restored to traffic.
 - 2) **State Street:** Between Governor Davis and Bailey Avenue from 12:30 P.M. until 10:30 P.M. for vendors and parade.
 - 3) **Main Street:** From 6:00 P.M. until approximately 7:45 P.M. for the Montpelier Mile Road Race followed by the parade.
 - 4) **Meadow Area Streets:** From 4:30 to 6:00 P.M. for the parade staging area.
 - 5) **School Street from Main to St. Paul Streets:** All three streets/areas will be closed during the parade.

- 6) **60 State Street Parking Lot:** From 3:00 P.M. to 1:00 A.M. for street dance (including set-up and take-down time).
- e) Consideration of a request from “*Montpelier Alive*” for a waiver of the City’s Noise Ordinance to accommodate the Independence Day Celebration events until midnight on July 3rd.
- f) Consideration of a request from Dave Nelson, owner of McGillicuddy’s, for a waiver of the City’s Noise Ordinance to accommodate live music for his Annual Street Dance which is part of the Independence Day Celebration on July 3rd. Mr. Nelson is asking that they be allowed to continue food and beverage service outside until 1:15 A.M. For safety reasons, this will alleviate overcrowding the pub when the music stops.
- g) Consideration of becoming the Liquor Control Commission for the purpose of acting on the following:
 - 1) Ratification of the issuance of a Catering Permit to Yebba, Inc., d/b/a The Abbey Pub & Restaurant, for a Cocktail Reception scheduled to be held on Wednesday, June 8th, from 3:00 to 7:00 P.M. in the Cedar Creek Room of the State House.
 - 2) Ratification of the issuance of a Special Event Permit to Eden Ice Cider Company (for Vermont Grape & Wine Council) for a “Testing of Vermont made wines for registered attendees at Vermont Grape & Wine Council’s Annual Conference” scheduled to be held on Tuesday, June 7th, from 2:30 to 5:30 P.M. within the confines of College Hall at Vermont College.
 - 3) Application for an Outside Consumption Permit from Langdon Street Pub, d/b/a McGillicuddy’s Irish Pub, for their street dance held each year as part of the Independence Day Celebration; they are requesting to sell from 4:00 P.M. on July 3rd, to 1:15 A.M. on July 4th. (Application is attached to outline the details.)
 - 4) Applications for Catering Permits from Vermont Hospitality Management, d/b/a New England Culinary Institute, for National Life’s Focus Group Welcome Dinner on Saturday, June 12th, from 6:00 to 8:30 P.M. at their Guest House; and for National Life’s Focus Group Dinner on Wednesday, June 15th, from 5:30 to 8:30 P.M., again at the National Life Guest House.

- 5) Valley Bowl, Inc., 12 Prince Street, Randolph, Vt to cater a BarMitzvah Luncheon on Saturday, June 18th at the Vermont College Alumni Hall Gym located at 36 College Street from 11:00 A. M. to 5:00 P.M.

h) Payroll and Bills

General Fund Warrant dated June 1, 2011, in the amount of \$10,080.97 and \$132,755.44.

Payroll Warrant dated June 9, 2011, in the amount of \$30,637.51 and \$129,242.94.

Council Member Sherman said the Council is approving a dance at 60 State Street Parking Lot, but it doesn't say who is putting it on.

City Manager Fraser replied that is part of the Montpelier Alive celebration.

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

11-154. Receive MATRIX Report.

- a) On February 9, 2011, City Council selected MATRIX Consulting Group of Andover, Massachusetts, for Consultant Services/Management Analysis, seeking an outside review/assessment of its organizational/supervisory structure, management systems, financial practices, staffing levels and staff capacity.
- b) Representatives from MATRIX will present their findings and answer any questions that Council Members may have.
- c) Recommendation: Receive report; discussion; possible direction to staff.

Council Member Jarvis said Council Members Hooper and Weiss and she became the Committee on Revenues and Expenses and one of the recommendations to the Council was to engage an outside consultant to do a management study. They were looking to find some efficiencies or redundancies within our structure and an opportunities to engage someone to look at the city's operation. They put out an RFP and chose the firm of MATRIX. They have engaged city staff in the process and for the purposes of the Council Committee they came back and said the staff run a tight ship. She introduced Alan

Pennington, one of the project team members with Matrix Consulting Group who presented an overview of the report. to Council Members. A copy of the presentation will be a part of the minutes.

Council Member Weiss said the Committee has discussed this and had a positive recommendation that starting with the first Council meeting in August they would like to ask multiple numbers of departments to appear before the Council for a full discussion about the MATRIX Report so the Council Members can establish priorities.

Council Member Weiss moved that the Council receive with commendation the final MATRIX Report. The motion was seconded by Council Jarvis. The vote was 6-0, motion carried unanimously.

11-152(a) General Business and Appearances.

Council Member Jarvis said the Executive Committee of Montpelier Alive would like to ask the City Council to convene a committee to disperse the funds that have been given by the community for flood relief. They would like a Flood Relief Committee. Montpelier Alive would like to be supportive of this committee but does not want to be the body to actually give the money away. Their organization is comprised in large by businesses. They would like to have the Council convene a small group of outside people with a representative from Montpelier Alive.

Mayor Hooper said it is a great suggestion. Her only concern is she is hearing from folks they can't wait a week or two weeks to get a Small Business Administration loan. We need to get this going immediately. There are some businesses that need assistance this week or before.

Council Member Golonka said he thinks the Council is the only body in the city to have the authority to do something quickly.

Council Member Weiss reminded the Council we have a Montpelier Business Loan Fund Committee and Garth Genge is head of it and we could assign that to this committee right now.

Mayor Hooper said they could ask them, a couple of Council Members and a representative from Montpelier Alive to serve on an ad hoc flood committee.

Council Member Weiss moved that the Montpelier Business Loan Fund Committee, Council Members Timpone and Golonka and a member of

Montpelier Alive convene to help with the disbursement of monies that had been raised. The motion was seconded by Council Member Jarvis.

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

11-155. Update on Flood Issues

- a) Staff will provide a brief overview of what has happened since the flooding.
- b) In addition, the Police Chief will prepare a timeline of events and activity, summarizing the weather events of May 26th thru May 30th; it will be done in time for Wednesday's meeting.
- c) Recommendation: Receive update; discussion; possible direction to staff.

Police Chief Facos said he had sent the police logs for Thursday, May 26th and May 27th and a new weather event on Monday on May 30th so the Council would feel a pace of how it unfolded. There were some very serious life and safety issues cascading on them.

Police Chief Facos said he talked to Public Works Director Todd Law at 3:30 today and he said the paving on the temporary section of Gallison Hill will be paved tomorrow and the signal will be operational, and Friday Gallison Hill will be opened. Phelps was paved a little ahead of schedule and will be open tomorrow. Bliss Road and Lower Towne Hill Road are in pretty rough shape. Gould Hill Road has some problems as well. They are open but not in great shape. North Street also still has flood culverts. The sweeper is repaired, operational and back on line. There is a loose steel plate on the Granite Street Bridge and the contractor will be here Monday to deal with that. The only power outages they had were at the request of the Building Inspector and it was departmentalized. Folks in Montpelier fared fairly well. Business folks took a hit but the community bounced back quickly.

Rob Hertzog asked if there was any question about closing off the flow from Wrightsville Dam. Was that a possibility?

Police Chief Facos said it is a possibility. They looked at the flow rates but it didn't seem like it would have done too much at that point. It wasn't anywhere near the flow they had a month ago when they were concerned about it. They did not call Washington Electric to shut it down.

Mayor Hooper asked wasn't the storm so localized and much of it wasn't coming down the North Branch valley.

Police Chief Facos said the Winooski River was the problem at that point and it came up too high.

City Manager Fraser said the notification system they had in place was one that had been developed in 2007 in cooperation with Montpelier Alive and they are the keepers of the downtown area. Of course, there had been tornado warnings and major flood warnings and they relied on the fact there had been general warnings being put out. When they finally got the notification at midnight he immediately called WDEV and made whatever announcements they could make then. Montpelier Alive called people all night long. Bev Hill was making phone calls also.

Police Chief Facos said there was a lot of property damaged, but at that point it wasn't a priority and at that point it was life safety. There were a lot of boilers that had damage. It is life safety first, and then property damage and not allowing a situation to get worse and the next steps are mitigation and recovery. They are always looking for better ways to provide notification for various problems. But it also comes down to what you have for resources and all critical resources were on life safety and evacuation notification at that time.

Mayor Hooper said that was part of the reason she wanted the Police Chief to walk through the scenario of what was going on so folks would have a sense of how incredibly quickly events were changing and we had to pull everybody to be managing urgent life safety issues. This was evolving and the weather service did not know what the flood conditions were going to be around midnight when they immediately got out there to get people to safety. What is the obligation of government and what are the obligations of people to pay attention to their properties and understand what is going on. The other wonderful thing going on was the partnership that was happening with people pitching in and helping each other but not just between governments. The New England Culinary Institute was in there almost as quickly as National Life even though they were experiencing serious flooding in some of their buildings. Green Mountain Transit actually had urgent situation we were able to help them out with but they were also knocking themselves out to help people assure they were in safety.

Police Chief Facos added that Twin City Taxi volunteered their time as well with some of the evacuations.

Mayor Hooper also spoke of the Colchester Technical Rescue Team helping out.

Council Member Jarvis said they had a great meeting with the Montpelier Notification system and it was real clear from the meeting that we need help. This storm clearly pointed out that what was in place is not adequate.

Tim Heney said after the event there was a neighborhood meeting with Bill Fraser. Basically, the storm sewer separation is still an issue. Every time something like this happens we try to learn how to not have to live through it the same way again. There were a number of properties that were damaged from significant sewage backflow that wasn't flooding. Around downtown some really substantial properties suffered damage from that and the pressure was astounding which is due to changes that happened since 1992. He fears that the pipes that have gone in just aren't large enough because we didn't start having these problems until this project went into play. He understands that the new sanitary sewer lines went in the smaller pipes because they were taking the storm water runoff. Capital Plaza had problems. Three Penny Taproom had problems earlier in the evening. There were a lot of properties and the Loomis Street area had a real messy situation. It's a big issue and has happened enough times that it needs to be addressed.

Mayor Hooper said she wondered what their policies are going to be going forward in terms of the design of public systems. The Central Vermont Solid Waste District is providing assistance to people in terms of rubbish removal. Services to private property owners that are residential related are available in Barre. They are opening up a storefront to get services into one spot so people can access them. The Governor announced today that he is asking the Emergency Board for a million dollars which will be used to leverage 3 to 4 million dollars of loan money that can be made available to nonprofits and businesses up to \$25,000 in loan money across the state with zero percent interest in the first year and 1 percent interest for the following four years so it is a 5-year loan. The federal money is all contingent upon designation and things happening way out in the future. The Emergency Board meets next week.

One of the things that Police Chief Facos talked about was the emergency response and assessment. Last week the city was asked by the Farmer's Market if they could be back at 60 State Street and she spoke of the importance of getting things back to normal because we need to show people Montpelier is open for business. She wants to complement John Mayfield at Julio's and the folks at Kismet and others who pitched in to make that happen.

Council Member Weiss said they all need to provide a standing ovation to the Police Chief, City Manager and all of the good city employees who got us through this event.

Mayor Hooper called for a short break before the next agenda item and the meeting was reconvened at 8:10 P.M.

- 11-156. Consideration of a Public Informational Hearing regarding the financing of a proposed District Heat System including heat generation, transmission and distribution improvements in an amount not to exceed \$2,750,000.

City Manager Fraser explained as part of any bond vote the Council holds a public information hearing. He introduced Harold Garabedian, the Project Manager; Tim Maker the city's consultant and Attorney Richard Saudek to answer the public's questions.

City Manager Fraser said one of the things important to talk about is how long the project has been around. In the 1990's the Council was talking about the District Heat project and in the late 90's there was a collaboration of folks who studied this even further. Continued studies happened in the early 2000's and it looked like this might be moving forward and the city actually voted a \$250,000 bond to begin the process but as a result the state did additional engineering studies and realized they did not have the capacity in the boilers they thought they had and would require serious upgrades. The Biomass Energy Research Center updated some of the information and this continued on and they started looking at designs, including the possibility of a design without using the state. Finally, in 2009, the project started up again and the city asked the community to change some of the purposes of the bond voting and the citizens approved that change of use of the 2003 bond. Finally, in 2010 the city applied for and received an \$8 million dollar Department of Energy renewable energy grant. There was \$20,000,000 of these grants given out across the country and \$8 million came to Montpelier, which was one of five grants in the country. One of the reasons it was successful was because it was a partnership between the state and city and the fact that these studies existed and the documentation existed.

Harold Garabedian, Project Manager, presented the power point presentation as a part of the informational hearing.

Mayor Hooper opened the public hearing at 8:35 P.M.

MaryJo Krolewski, a resident of Montpelier, asked how the project economics work if in the future if we were to merge our school system with U-32.

City Manager Fraser replied there are two reasons why the Main Street Middle School isn't hooked into the project. One is because of the initial cost of getting

to that building and that is the most likely school to be closed down. The operating theory is if there were a merger with U-32 is that the U-32 High School would become the regional high school and Montpelier High School would become a regional middle school and would still continue to function as a school. It seemed that over the 20-year life of the payment of the bond the two schools would continue to function as schools.

Ms. Krolewski said there was a slide about reduction in omissions. Are some omissions going up? Are we concerned about that?

Mr. Garabedian said what is going down is particulate matter SO₂ and carbon monoxide.

Ms. Krolewski asked if they were concerned about ozone in our community.

Mr. Garabedian said he thinks it is a good tradeoff.

Ms. Krolewski said it would be nice to see a bit more analysis on that tradeoff.

Mr. Garabedian replied that would come out through the permitting processes.

Ms. Krolewski said the permitting process is down the road and they have already made the decision about the costs and then we are stuck with a potential health problem which would cause us to spend more money installing controls. Wasn't there some trouble with the operation of a Middlebury biomass plant recently?

Mr. Garabedian replied the Middlebury plants had two problems. One is carbon monoxide and the other was a recent firing of backups. There will be designs for this and it will have an electric starter precipitator. He would direct those questions to the state. They are going to design that system and the city is going to operate the central distribution system. Right now that plant is operating with virtually no controls on it.

Ms. Krolewski said they are asking the voters to make a lot of decisions and it doesn't seem like everything about the plant has been flushed out.

City Manager Fraser said it is an extraordinary complex project and it is difficult to flush out everything and the timelines are controlled by the state. One of the other key elements of the project is the distinction that is if the sole purpose was to solely improve efficiency of our schools and buildings he doubts they would do it by running a pipe from the city's plant. The issue is to provide that opportunity also for the other folks in the district.

Ms. Krolewski asked how much it is going to cost for the buildings downtown to tie in per building.

Tim Maker said they don't have firm numbers on that but generally it would be like a sewer service with a connection charge. The connection charge would be set to be affordable. The idea is for building owners that don't have the ready cash to pay the connection charge that there would be a loan program in place that would assist them to do that. Their expectation is that the buildings that the owners are most likely to connect in the first stage are going to be those who already have hot water heat in their buildings because the connection becomes very simple. There is a meter and a heating exchange but it is a relatively inexpensive thing to do.

Ms. Krolewski said she thinks they should have an estimate for a downtown business owner of how much it will cost to connect their building before they vote.

Mayor Hooper said the state also made \$100,000 available to the city to help business owners connect. That was a program they set up two years ago so there will be some funds for the initial hook ups.

Mr. Garabedian said they have not spent a lot time looking at that. They didn't want to create an expectation in the community that this was going to happen all at once. By design they are focusing on a system that supports these five buildings, and once the system moves from that point then their focus will be looking at the issues associated with connecting numerous other buildings.

Elliott Curtin, a resident of Montpelier, said he has concerns about conservation. Conservation has never been brought up seriously. It seems that the biomass plant surfaced because there was a grant. Nothing has been done as far as energy audits on any of the buildings. He sees a lot of information but it doesn't seem like it is real numbers. It's not realistic. What they are basically looking at is a fuel swap. They are looking to take oil and switch to biomass. When you burn wood or burn oil it gives off the same amount of carbon dioxide. When people say it's good for global warming he has a hard time with that. The best form of heat is the heat that's not burned so if we tighten these buildings down that is fuel that is not released into the atmosphere at all. As a taxpayer he would rather see that money go towards conservation. When you spend money on conservation it keeps money local because you have to buy most of the supplies and materials locally. He hears a lot of talk about sustainability and efficiency. Where are all of the components coming from? Are they coming from different states? Are they coming from Vermont? Are we building jobs in Vermont or are we exporting these jobs?

He thinks a biomass plant overall would be something to look at once the buildings are tightened up because you are putting the cart before the horse by not tightening up the buildings first and then looking at reducing the heat loads on buildings. The overall goal of this project is not cheap fuel but to solve a problem. These buildings are obviously hemorrhaging heat.

The difference between conservation and what we are doing here is labor intensive versus machine intensive. We are looking at a machine and putting it in to provide heat. Whenever you take one distribution center and distribute it to various buildings you lose a lot of efficiency in the transportation system to each of the buildings. Once you are done with any kind of conservation work there is no variable cost on that work. Once it has been done nobody has to maintain the insulation or the foam. It's done and you walk away.

He wishes someone would say they had done audits on these buildings and this is what they have done after the audits. A biomass plant sounds good but it just doesn't seem efficient. They are looking to reduce the load on buildings and not to do a fuel swap or make a cheaper fuel source.

City Manager Fraser replied they have done audits on all of the city buildings and the schools did theirs too. They have already cut down on the consumption. They have taken conservation to a pretty serious level because if they can save taxpayer money on oil they can put the money into something that is more important to all of us. Having a cheaper source is a good idea and it prevents the more expensive costs. He imagines the contractors and builders who are working on the project will be local folks, more importantly, the wood chips for the fuel source are going to be coming from the Northeast region and would be solely from Vermont, Maine, New Hampshire and the Northeast as opposed to wherever they buy their oil from, which is from all over the world.

Mr. Garabedian said this project is part of a broader plan. The other big piece of this is the property assessed clean energy program that is geared directly to buildings making them more firmly insulated and giving them other choices for energy. Those improvements are funded by a bond off the property tax and paid back by an assessment on the property tax. This is a voluntary program which is designed to come on line in 2012. This was authorized by last November's community vote.

Bill Austrach, a local resident, has concerns because what happens in Montpelier is typically what happens with the other communities. We didn't really talk about CO2 emissions from the proposed biomass plant compared to the oil plants and that is a big contributor to global warming. We need to look at our overall

emissions and CO2 is something he didn't see in the graphs. What do those look like in terms of where we are today and where the biomass plant is going to be?

Tim Maker said it is important to think about where the fuel comes from. Part of the reason you see climate change in the paper and global warming is because of fossil fuel use. What happens with fossil fuels is taking carbon fuel that was locked underneath ground, bringing it up, combusting it and turning it into CO2 and it goes into the atmosphere. The carbon underground gets into the air. With biomass the carbon is already in the terrestrial site so it is going through the carbon cycle and when we combust it we create a separate pathway that does the same thing. The carbon just loops around between forest, biomass plant and atmosphere. We have just added another loop to it. There is an issue about how quickly a forest is being harvested for energy. That is something that doesn't happen immediately.

Bill Austrach said the source of the problem is we need to start using less fuel. The less money you are paying for that fuel the less impetus you will have to want to conserve. As a country we are gifted to cheap BTU's, and until we start getting this concept that it is all about reducing the number of BTU's we are burning instead of how to get cheaper BTU's the sooner we will have control over the whole situation. The other issue of keeping money in the local economy is not only is the equipment for a lot of the biomass coming from outside Vermont but because the weatherization energy efficiencies are so labor intensive that tends to keep that money a lot more in the local economy. Energy efficiency sometimes gets thought of as an after thought but to him it is the primary step before we start making some other decisions on how we are going to generate the BTU's. We should first take a real serious look at how many BTU's we are going to need in order to meet the needs of our buildings. On a global perspective municipal buildings, whether they be city, state or federal buildings, tend to be some of the most energy inefficient buildings we deal with, particularly in terms of thermal envelope.

Geoff Beyer, Director of Parks and a member of the Conservation Commission, said he has been following this for awhile and was very interested in the biomass plant for a number of reasons. He applauds the conservation interest. He thinks cheap energy is wasted and he would propose a cure for that. If the oil prices are going up increase the price of the biomass cost and rebates that in forms of conservation projects so you can meet both goals at the same time. He doesn't see it as a fuel swap because it takes a lot of energy to get the oil out of the ground and you have to transport it and it's not regional. With the fuel from the biomass it's from our area and we would notice a difference and it's a sustainable and responsible way to harvest local fuels that don't have to be transported so

far. As a person who uses the stump dump and sees a tremendous amount of energy that could be converted into wood chips and be used locally without much transport he sees that as another wonderful resource and extend the life of our own stump dump.

Tim Heney said he has been on the Montpelier Energy Advisory Committee and he hasn't been a majority voice of the committee. It's a really good concept and for all of the reasons in terms of energy future there is a lot of merit to this project. What is rough is we are being driven by timelines for the federal grant. There is an 8 million dollar carrot we don't want to lose; it's a lot of money. It's a pretty fast moving train because the nature and scope of the project just since the committee started meeting. He is hearing the School Board hasn't signed on yet, which is troubling and surprising, because those are two big properties out of only five.

City Manager Fraser said in the minutes of the School Board meeting of April 6th they voted unanimously to proceed. Ken Jones made the motion on April 6th. An individual member of the School Board has raised a question about whether they should continue and we have been talking to them. In fact, he has begun discussions with the superintendent about the contract agreement between the city and the school for the long term commitment. The schools are the high drivers of the use but they are also the most expensive connection. If they chose not to be involved the city would not bond for the full amount but only bond to cover the city's use. Between the various grants and other loans it would actually be as financially feasible to not include the schools. That was a key consideration by the Council in their decision.

Tim Heney said the capacity issue is another interesting subject. When Phase 1 comes on line and the state has all of their buildings on line and the Federal building or another good sized building came on line there really isn't a lot of capacity left and an additional bunch of money would have to be invested to create more capacity to hook up other downtown buildings. This package doesn't have the capacity to hook up a lot of downtown properties. If that is the case we should be honest with people about that.

City Manager Fraser said the system that is being constructed has ample capacity.

Mr. Heney said he is concerned about the infrastructure. Watching Barre tear up their whole downtown for their infrastructure is something we'll face with this. Since they are putting in new water lines they are putting hookups on those water lines for every major building because they want to encourage people to put in sprinkler systems and knowing what it costs to hook sprinkler systems up to city lines that hookup line is almost \$29,000. Hooking up is a big issue. If we believe

in this and want to tie this community into it are we going to put provision in these lines as we put them in with hookups for every building as we go through? It would make sense. It would encourage people to hook on and help control hookup costs, and it would prevent disruptions in the system every time somebody goes on line.

Mr. Maker said that provision is included.

Mr. Heney said there is a lot in front of us as a community and this is a big project. This is probably one of the biggest capital projects the city has ever looked at and it does deserve some good conversation. He isn't sure what lies ahead. With the range that communities typically bond we are at the top of that pile right now and to keep piling on top of that doesn't seem really responsible. Another concern he has is the operation of the system by the city in terms of the way things have gone with the water system and a few enterprise funds they manage. He is worried they don't have the capacity to do that. The water fund is in the hole and there have been a number of problems the last few years. He's not sure the city is ready for this and we could be stepping into a big mess. This is going to mean a lot digging and a lot of disruption for our merchants and properties.

City Manager Fraser said the city takes that very seriously. We won't be constructing this for another year and that is part of the plan and it is very critical. The water system had run perfectly fine for years until the water treatment plant was built. The EPA and the federal government dictated the size of that plant, and they actually wanted it a third larger than it was. The then city officials figured it out and said it wouldn't work and got them to reduce the size. That was as small as it could go.

Mayor Hooper said she wanted to talk about the disruption of the downtown because it is a very important issue and one they are really sensitive to. She would suggest that there have been a couple of good examples of management of downtown projects. Because the city worked very hard with retailers to make it work, in her experience was the reconstruction of the Langdon Street Bridge. They talked to the property owners who knew it had to happen. The city treated that project very well and kept that disruption to a minimum. The other one was when they did the sidewalks on the first block of State Street on both sides. She thinks retailers would agree that the city kept the disruption to a minimum and it didn't have as negative an impact as folks had feared.

Tim Heney said there was a neighborhood meeting he was invited to on College Street. That was the first public forum he had seen about this. Council Member Jarvis said she had struggled with this issue too and the vote is almost a trust vote

because there really are several more hurdles that have to be gone through including the Memorandum of Understanding with the State. The project still has to be bid because nobody knows what it is going to cost to bid out. That is what he is struggling with, the trust issue of will all these issues be resolved to his satisfaction before it moves on. We are just a week away from a vote. It is one of the worst publicized pieces he has ever seen in terms of the electorate knowing what they are really voting on. Montpelier voters are really generous people and have proven that. At some level he thinks the city is taking advantage of them because they really aren't informed on this issue. They are going to vote for a good concept and it feels like the right thing to do, but if the details aren't right and it doesn't play out it could also be a real disaster for us.

Daniel Stin, a local resident, said he has a couple of things to share. He brings a different sort of flavor to this hearing. The grant is the driving force of this project. He has watched the last six months and it hasn't seemed like a priority until very recently when this bond was noticed as being really detrimental to making it happen. Before then it was talked about, debated on, and this Council really has made it a priority, but he hasn't seen this room full since two months ago. If you are really interested in what happens with things like this be here, use your voice, talk to your community members and share that because that is the only way things are going to happen. Biomass versus oil – we know that wood comes from Vermont and oil comes from wherever it comes from. They both come from the earth but oil comes from very far away from Vermont. The war drives oil. War – the thing that scares us the most. Our families dying, friends leaving and never coming home – he doesn't care what anybody says about money. War drives oil!!! And he is a child and inherits this earth. He is tired of watching people die for oil. We need to be warm and can find a better way that isn't driven by war. It's not about money really. We can sit around and talk about how difficult it is financially. This is not about that. This is about trying in whatever way we can to move away from that which is killing us, and he is here to say that as a youth, as a child. His friends and family cannot stand it any more. The war has to end and the oil is at the forefront of it. The oil cost is what the bond cost. Why not? At that simple level we are already spending the money on oil.

Mayor Hooper closed the public hearing at 9:33 P.M. One of the most important messages she has if the Council approves the MOU tonight and if the voters approve the bond on Tuesday that is not the end of the thoughtful and careful analysis of whether this is a good deal for the city and the community of Montpelier. The Council is going to be looking at it very hard and carefully going forward to make sure that it is the best deal possible. It has been a hard project because it has been evolving rapidly and changing over time.

- 11-157. Consideration of a Necessity Resolution for the financing of a proposed District Heat System including heat generation, transmission and distribution improvements in an amount not to exceed \$2,750,000.

This is part of the process the city has to go through in asking our voters to consider issuing a bond.

Council Member Sherman moved the Council adopt the Necessity Resolution for the financing of a proposed District Heat System including heat generation, transmission and distribution improvements in an amount not to exceed \$2,750,000. Council Member Timpone seconded the motion.

Council Member Golonka said this vote isn't necessarily a vote for or against the project. His concern with the Necessity Resolution for this District Heat Project should be more revenue bonded.

The key to him voting no on this Necessity Resolution is he thinks this project if it does go forward should be a revenue project, and it's not. It goes back to the history of the project. In his mind months ago when they talked about this initially we always talked about this project being a revenue bond and not a general obligation bond, and it switched six months ago. That has always bothered him about this project.

Mayor Hooper called for a vote on the motion. The vote was 4-2, with Council Members Golonka and Weiss voting against the motion.

- 11-158. Consideration of the Memorandum of Understanding (MOU) for the proposed District Heat Project.

- a) Staff has been working with the State on this MOU which, as per the capital bill, must be signed on or before June 9th to secure the state funding.
- b) The MOU is not the final contract but lays out the main parameters for a final contract. It will address issues such as pricing, mechanism, capacity, future expansion, governance/responsibilities/liabilities, integration of engineering, etc.; it will serve as a blueprint for a more detailed contract to be completed and executed this year.
- c) Recommendation: Review and discuss MOU; direction to staff.

Mayor Hooper explained that the MOU was one of the hurdles that was set forth in the legislation that allowed the State to put \$7 million into this project.

They required that the City and State enter into a Memorandum of Understanding effective June 9th.

City Manager Fraser explained the State listed certain things in the capital bill that had to be addressed which lays out the ground work for the final contract. Ultimately, it ends up with the same budget distribution they have been working with all along and talks about the mechanism for the rates. It lays out a project schedule.

Council Member Hooper said on the bottom of the second page it lists the pieces of the proposed system which will be owned, operated and maintained by the City upon completion of the construction. Is that designed to apply only to the thermal conversion units?

City Manager Fraser replied yes.

Council Member Jarvis moved that the Council authorize the City Manager to sign the Memorandum of Understanding between the State of Vermont Department of Buildings and General Services and the City of Montpelier to provide district heat. Council Member Sherman seconded the motion.

Council Member Weiss said on page 3 under State and City Funds it says the city will contribute another \$1.64 million to the state for the balance of the city's portion of the heat plant costs. Is that part of the \$2,750,000 bond?

City Manager Fraser replied it is part of the budget he just presented. That's the purchase of the capacity. Obviously, the state is building the key plant larger with more capacity than they would need to build for themselves. It is really an allocation from the federal government to buy our capacity from the state.

Council Member Golonka said he has concerns about this project and he does understand the benefits of it. If you read the financial aspect of this project it shows a break even point 15 years out and he is concerned that gets glossed over in the analysis. Now with the possibility of losing the schools he is concerned that it pushes that level out further and we are trying to fit this square piece into a round hole. He sees the benefit to the state. He sees the state getting a great deal in the plan and all of the risks being borne by the City of Montpelier. He thinks the Memorandum of Understanding is really one sided and he is concerned that it is going to cause the city to do things quickly that will cause problems in the future that the city won't realize for 5, 10 or 15 years. He asked months ago if they could get an analysis of what are the alternatives if we took \$2,750,000 and just upgraded our five buildings, and we have never received a

straight answer about that. He needed that piece to make a real true comparison and because he doesn't have that he can't sign on to this at this point.

Council Member Hooper said the first he heard about not having the schools is when the City Manager mentioned something about if we weren't able to build all the way out there. Can he explain?

City Manager Fraser said over the weekend a School Board Member raised questions and sent an e-mail to the Energy Committee to say he might push to not have the schools included. It hasn't been debated by the School Board and the vote of the School Board still stands.

Council Member Hooper said that was important to him because it is 80 percent of the heat.

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

Attorney Richard Saudek said he is burdened with history on this kind of thing. He saw the State pass up the dams on the Connecticut River and he was involved with the Hydro Quebec deal. This is like a marriage; you're taking a plunge and have to play the odds. We don't have substantial hydro sources that are available to us right now. We don't have a lot of other choices. We don't have a natural gas pipeline down here. When you think about heat in New England you think about natural gas. Over the years and many decades Vermont has been trapped by oil for heat. And because of America's addiction to oil it is a very volatily priced commodity and is subject to huge fluctuations. One of the things about this or the dams on the Connecticut River was to try to break out of a certain mold or dependency. Just watching the economics of those deals his own personal view is that Harold Garabedian has done some very conservative forecasting and that is good. Just getting two sources to play with is important in the energy business.

11-159. Consideration of Vendors' use of parking spaces.

- a) Because of the type of vehicle used, Terry Murphy recently asked if he could use city parking space(s); he offered to pay for the use of the space(s) and to even set up after the meters are no longer enforced each day. The City's Vendor Ordinance does not allow this.

- b) Mr. Murphy explained his situation to the Council under “*General Business and Appearances*” at their May 25th meeting; Council chose to put this request on as agenda item for this meeting.
- c) Recommendation: Discussion; direction to staff.

There is a proposal to allow the use for some of our metered spaces for a vehicle from which food would be served.

Terry Murphy said he has been a Montpelier resident the past couple of years. He is a small businessman looking to enhance his work line with a gourmet food truck here in the city. He isn't looking to compete with anyone but just complement the city with locally grown fresh Vermont food. He seeks a variance to the parking restriction so he can vend from his vehicle in a given area. It's an opportunity to offer a unique product and service for the city and have some fun doing it.

Mayor Hooper said what he is proposing is from Tuesday through Sunday from 11:00 A.M. to 10:00 P.M. from mid March to December the vehicle would occupy what he is suggesting for three locations. One of the locations is in front of Christ Church on State Street; the second proposed location would be to use 2 spaces in front of City Hall on Main Street; or the third location suggested is 2 spaces across from the State House on State Street. The question to the City Council is whether or not we would care to consider this in general and if they do care to consider where the Council would suggest it go.

Council Member Weiss asked if it was within the power of the Council to further consider this or because it is an ordinance do they have to go through another procedure.

City Manager Fraser replied they would have to go through an ordinance changing procedure.

Council Member Golonka asked if their variance committee was authorized to look at issues like this.

Mayor Hooper said she has had the pleasure of visiting Austin, Texas and what she enjoyed about that community was there was lots of street food. People were vending from vehicles like this and it looked like they were frequently on private property. The city doesn't have meters on their parking spaces because we want to generate revenue from them but like to have turnover in our parking spaces for the businesses in downtown. It is really important to have that constant turnover. They seem to be giving up our parking spaces all of the time

and not seeing any new parking spaces. That is a concern. Secondly, last year there was a considerable discussion around vending and where they wanted to have it. This is adding another dimension to that. His proposal is a really large vending cart. She is loathe to permanently give up two more parking spaces for this sort of thing. There was a long conversation about the bus in front of City Hall where they gave up three parking spaces. She was comfortable with doing that because there was a large public good that was associated with that.

City Manager Fraser said if there is a desire of the Council to proceed with this we need to look at the options for how to proceed.

Council Member Weiss said under Article IVX, Section 9-1400 under definitions, "Vendors shall mean any person including employer or agent of another who sells or offers to sell food, beverages, personal services, good or merchandise on any street or sidewalk from a stand, motor vehicle...."

City Manager Fraser said the only question is whether there is a provision for a variance. If not that would require the ordinance be amended.

Council Member Sherman said she thinks the ordinance specifically says that vendors are not to be in parking spaces.

Mayor Hooper asked Council Members if they would like to change the ordinance so this kind of use can happen.

Council Member Sherman said the vendor ordinance has been very carefully negotiated. It's not a random document and had a lot of public input fairly recently. She thinks the issue about parking places and not having vendors in parking spaces was a critical component so she is not in favor of revisiting that to give an opportunity to a vendor to take over a parking space for a major amount of time, or for any amount of time. Our parking is a limited resource and we need to keep it for automobiles and for people to use the downtown. Vendors possibly in a non-parking area of the city, or possibly on private land, it might be possible but she isn't interested in revising the ordinance to allow a vendor to take up a parking place. She stands by the vendor ordinance as written.

Council Member Golonka said the Council had designated a certain number of spots and places throughout the town. Are there any left?

City Manager Fraser replied there are but not anything that would accommodate Mr. Murphy.

Mayor Hooper said she thinks they need to look at the larger public policies.

Council Member Golonka said he agreed with Council Member Sherman. The Council just had this debate and would be opening up a can of worms. He isn't up for revisiting the issue at this point.

Council Member Hooper said he has a strong emotional attachment to vendor food. Maybe if he could find a non-street parking place in downtown we could make a change in the acceptable vendor locations if it was at a reasonable distance from competing businesses.

Mr. Murphy said he has 10 downtown businesses that have said to him that they would back this proposal wholeheartedly and thought it would be great. This is what the city needs.

Police Chief Facos said thinking from a public safety standpoint he has general concerns for public safety when they are out in the street. Our parking is under a lot of pressure as it is. There would be some negative backlash parking wise.

11-160. Discussion or organizing Council work on their goal: *Identify barriers to new housing in the city.*

- a) The Council adopted their annual goals and priorities on April 27th.
- b) One of the goals under **Economic Security and Wealth Creation**, is to convene a "Housing Summit" to identify barriers and develop options for what the City can do to foster new housing.
- c) Recommendation: Convene the Housing Task Force (Angela Timpone is the Council rep to this board; and Planning Director Gwen Hallsmith and CD Specialist Garth Genge are the staff reps); select the date for the "Summit"; provide any additional direction to this committee; and set a report date for the September 28th Council Meeting.

Mayor Hooper said they would like to have a brief discussion about how to significantly move forward the notion of how do we support the development of housing in the community.

Jim Libby said Polly Nichol can give a brief summary of a meeting they pulled together a year ago where they actually asked the question and had folks like Tim Heney join us to answer what it feel like to be a residential developer in Montpelier. As far as how to proceed what they would like to avoid is their experience with the Council blowing them off in the past. For instance, there was a committee on regulations and how to change the regulatory structure in

Montpelier and the building codes. This Council and the city has been tremendously supportive of housing development, the Housing Trust Fund and provided great support for nonprofits. They want to do this in a way to include the Council and engage them in a way they can move together. He would like to see a couple Council Members join the Task Force and some staff from Planning in this gathering.

Polly Nichol presented Council Members a copy of the notes from the Montpelier Housing Task Force meeting with developers.

City Manager Fraser said a couple of years ago the Council set a goal to create 500 new housing units in the city and that found its way to the Master Plan and posed as a question to the citizens in the survey and received strong support. We are looking at zoning now so this might be a good time to be thinking about housing.

Jack McCullough said it is a good time to be having this discussion. The zoning ordinance is being revised at the same time, and even the way the zoning ordinance is written you still hear people say it doesn't matter what they do because nothing is going to get built. That is a frustrating thing for a housing advocate to hear because he thinks we have the resources to support additional housing and the resources to support additional population and it is in the interest of the city to have more housing and more population. We are developing a zoning ordinance and talked to developers and they say they think they can't get a project through no matter what, and that is problematic if that is the case. He isn't a zoning expert but his understanding of the concept is that once you have zoning there are some restrictions in what you can do with your property but if you have a proposal to do something with your property that is permitted by the zoning ordinance you should have some reasonable assurance that you are going to be able to do it. It doesn't seem that people have that assurance, and when they think of what their options are, whether it is Montpelier or one of the surrounding communities, they look elsewhere which isn't good for the City of Montpelier and not good for the region. Overall he doesn't think it is good public policy.

Council Member Jarvis said she thinks what happens is that a perception is created not just by the review process but by the reception an individual project has. There was a big one that just came before the DRB that just got smashed by the neighbors. A pretty good sized concept has now gone to a 2-unit subdivision. There needs to be a more balanced view presented in the context of review of the applications.

Mayor Hooper said what she is hearing is let's bring together a group of people to work on the particular issues have been identified to find some possible solutions. We need this group but also bring in the Planning Commission. She would think they would not need to draw the whole Housing Task Force together but take some key members and do some work in the next months and then the Council could consider it. The only reason she suggested a subcommittee is she thought there was some urgency in working on this during the summer.

Garth Genge said a summit is usually to accumulate ideas and possible actions which is a good idea to get feedback from everybody. Then, you need a working group that includes the City Council, the Housing Task Force and the Planning Commission to actually flush them out into active propositions that can be brought to the Council.

Jim Libby said the Housing Task Force usually doesn't meet in the summer and takes July and August off. If we could have a working group assembled and come up with a process proposal he actually likes the idea of the City Council having some kind of a hearing. He likes the proposal that Mayor Hooper made of having a working group consisting of representatives from the City Council, the Housing Task Force and the Planning Commission. That is not something they have done real well in the past of reaching out to the Planning Commission. It would be good to have an early collaboration.

Council Members Timpone and Sherman were the two Council Members appointed to the working group subcommittee on housing.

11-161. Discussion of organizing Council work on their goal: *Analyze census data and begin district reapportionment, as appropriate.*

- a) The Council adopted their annual goals and priorities on April 27th.
- b) One of the goals under **Good Governance** is the review of the voting districts.
- c) Recommendation: Discussion; select Council Member(s) to work with the Planning Department on this analysis, provide any additional direction to the committee and set a report date for the September 28th Council meeting.

Council Member Weiss said he would volunteer to serve as Council Member. He has already had conversation with William Sawyer who is the Manager of the Vermont State Data Center out of Burlington. He has a couple of good ideas as

to how not only how you can get Montpelier's data but we can get Montpelier data almost broken down by streets. He would be happy to work on this. He has spoken with the Zoning Administrator who is quite conversant about this as well. We have some resources right here that we can use.

City Council accepted Council Member Weiss' suggestion to volunteer.

11-162. Council Reports

Council Member Sherman reported that the GMTA Board is in the process of dissolving and merging into the Champlain Valley Transit Authority so she has been to her last GMTA Board meeting. GMTA is extremely grateful to the city because city folks drove buses from the bus depot up to National Life. The Transportation Advisory Committee at their last meeting on May 31st they allocated lots more money to culvert inventory.

Council Member Golonka reported they are having their regional meeting tomorrow and they are discussing the funding allocation.

Council Member Jarvis said she would like to be kept apprised of Old Country Club Road. She thinks before any potential money is spent on that road we need to have a conversation about it. We have had money issues in the past, and it is a concern of hers. She wants to congratulate the folks last Saturday for putting on the Farmer's Market.

11-163. Mayor's Report

Mayor Hooper said in the City Manager's weekly report that the Community Justice Center wanted a Council rep for their Re-Entry Advisory Panel.

She would like to add Gidney Road to the list of streets to pay attention to in terms of the major work that may or may not need to be done and what is the cost return on it.

The Wood Art Gallery has been working very hard in rather impressive ways this past year to get on to much sounder financial shape and has put together a really decent business plan. As part of their planning process they are considering a plan to lease the collection. One of the problems of the Gallery is that the community has been extraordinarily generous to it over time and sometimes people just clean out their art attic and there are some wonderful pieces that are quite valuable that have nothing to do with the Wood itself.

11-164. Report by the City Clerk-Treasurer.

City Clerk-Treasurer Charlotte Hoyt reminded everyone ballots were available for anyone who wanted to vote early. The Special Election would be held on June 14th and the polls would be open from 7:00 A.M. to 7:00 P.M. She also reminded members of the viewing public that utility bills were due on June 15th.

11-165. Status Reports by the City Manager.

City Manager Fraser reminded people about the vote next Tuesday. It's a real important issue. He thanked the staff for all of their work over the last couple of weeks. He thanked the team for all of their hard work and support they provided for the District Heat Project.

11-166. Agenda Reports by the City Manager

- a) Request for an Executive Session in accordance with Title 1 V.S.A. §313, Executive Sessions, (a) (1) "*Contracts, labor relations agreements with employees, arbitration, mediation, grievances, civil actions, or prosecutions by the state where premature general public knowledge would clearly place the state, municipality or other public body, or person involved at a substantial disadvantage.*" (The City Manager would like to update Council Members on union negotiations, and possibly the civil rights issue.)

Council Member Jarvis moved that the Council go into Executive Session at 10:51 P.M., in accordance with 1 V.S.A. §313 (a) (1) relating to contracts, labor relations agreements with employees, arbitration, mediation, grievances, civil actions, or prosecutions by the state where premature general public knowledge would clearly place the state, municipality or other public body, or person involved at a substantial disadvantage. Council Member Weiss seconded the motion. The vote was 6-0, motion carried unanimously.

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

Motion was made by Council Member Jarvis, seconded by Council Member Weiss to come out of executive session in accordance with Title I, V.S.A. Section 313 (a) (1) whereby the City Manager had updated the council on union negotiations, and the civil rights issue. The vote was 6-0, motion carried unanimously.

Adjournment:

After motion was duly made and seconded by Council Members Jarvis and Weiss, the council meeting adjourned.

Transcribed by Joan Clack

Attest: _____
Charlotte L. Hoyt, City Clerk