

**Minutes of the Montpelier City Council Meeting
October 24, 2012
City Council Chambers, Montpelier City Hall**

In attendance: Mayor John Hollar (presiding), City Manager Bill Fraser, City Councilors Andy Hooper, Thierry Guerlain, Alan Weiss, Angela Timpone, Anne Watson, and Tom Golonka. City Clerk John Odum acted as Secretary of the Meeting.

12-261. The Mayor called the meeting to order at 6:06PM, introducing the roundtable budget discussion that was first on the agenda.

The conversation ranged organically and widely. Councilor Guerlain directed the discussion towards tax bills, rather than tax rates – the former’s percentage having risen higher than the latter’s in recent years. He then compared both to the consumer price index and the median household income in Vermont. Councilor Timpone suggested that the median income in Montpelier would be a more appropriate point of comparison.

The Council agreed that more money should be targeted to infrastructure, even as they acknowledged there would be disagreements on program funding. Disagreements arose over whether bonding would be necessary, with Councilor Golonka disputing Finance Director Sandra Gallup’s projections that indicated the City would remain under its debt policy limit (he believed the projections assumed tax increases, while the Mayor felt that the limit stayed unbreached even with lower revenue projections). Golonka added that the debt policy should be interpreted more broadly, and that its intent was to bring overall debt well below its defined upper limit. Mayor Hollar argued that the limit should be considered a ceiling that the Council could work under.

Councilor Weiss indicated he would not approve any further indebtedness, while Councilor Timpone wondered where major infrastructure improvement funds would come from if not bonding. Weiss cited his proposal from the Council surveys circulated and completed prior to the meeting to free up \$600,000 for infrastructure improvements by cutting funding for many city programs and adding a three cent tax increase.

Councilor Golonka called for a review of the city’s “core assets” such as the water treatment plant to see if any could be sold. Councilors Timpone and Weiss noted hidden and unique-to-Montpelier demands on city budgets that make fiscal sustainability challenging.

The Council then discussed what their personal budgetary increase ceilings might be for the next fiscal year. Mayor Hollar indicated he would be open to 0-2%. Councilor Guerlain indicated he was not open to any increase. Councilor Golonka said he’d like to see it held to the CPI adjustment value. Councilor Timpone asked Councilors if they were ready to cut jobs in the city to meet

these goals. Councilor Hooper also expressed a preference for increases tied to the Consumer Price Index. Councilor Watson concurred.

The Council returned to a discussion of the pros and cons of bonding before discussing staff levels and increases in recent years. Concerns over pension costs were also raised.

Mayor Hollar indicated that the topic of cuts would need to be tackled at the next meeting. Councilor Golonka indicated he preferred not to talk about specific cuts, but the Mayor countered that it would be necessary. City Manager Fraser indicated the Council would need to relate their spending priorities so he could make a budget that met expectations.

At 7:11PM, the Mayor called for a five minute recess.

12-262. At 7:18, the meeting reconvened. Under General Business, Jane Kast called on the Council to concern itself less with what specific programs voters want or don't want, saying that voters simply wanted budgets down, and it was their job to comply.

12-263. At 7:20, Councilor Timpone moved the approval of the Consent Agenda, minus items a and e. The motion passed unanimously.

12-264. At 7:21, Councilor Weiss made a motion that the Council appoint Elizabeth Dodge, Nancy Sherman and Page Guertin to the Charter Revision Committee. Councilor Hooper seconded and the motion was unanimously agreed to.

12-265. Conservation Commission candidate Jeanette Williams introduced herself and reviewed her qualifications for the position, and answered generally a question from Councilor Golonka on balancing the need for more housing. Councilor Watson moved her appointment, and was seconded by Councilor Guerlain. The motion passed unanimously at 7:24.

12-266. Planning and Development Director Gwen Hallsmith addressed the Council, reviewing the department's budget and activities (with accompanying materials) and engaging in a detailed question and answer period with the Council, focusing in particular on what the department's core mission was, and whether or not the city's zoning regulations were too burdensome. The Council also had extensive questions about staffing levels, and whether or not current levels were necessary for the department to perform its duties.

Director Hallsmith spoke in detail about the challenges presented by the historic district, about points of disagreements with the Matrix reports critique of the department, and about the role of the department in serving as a conduit for federal grants and loans.

Mayor Hollar expressed concerns about the number of city committees that departmental staff were attached to, characterizing the number as "excessive."

Hallsmith countered that many of the committees met infrequently or irregularly, and that the economic development committee she had proposed at the previous meeting could consolidate some of those functions. Hollar expressed concerns that such a committee might generate policy, and would further complicate the Council's policy responsibilities.

Councilor Guerlain and Golonka engaged with Director Hallsmith on zoning regulations, with the Councilors arguing that the regulatory environment inhibited development. Hallsmith countered that regulations had not stopped development, and that citizen mobilization had often halted such projects (such as in the case of Sabin's Pasture) and was at the heart of the city's reputation in that regard. Councilor Guerlain suggested that individual councilor members should consider getting involved in such citizen movements and promote worthwhile projects.

The Council members and Hallsmith generally agreed that "community development" and "economic development" were different things, and that the Council (and staff) should approach them differently when priorities are being set.

- 12-267. Director Hallsmith continued to address the Council, addressing the goal of promoting and encouraging single and multi-family residential growth.

Hallsmith indicated that the recently attained growth center designation from the state was a big step by changing Act 250 triggers and enabling "tax increment financing" district designation which would aid in expanding city infrastructure to support new growth.

Hallsmith and Golonka debated the merits of "in-fill housing," with Golonka seeing larger scale development as preferable, and Hallsmith citing the Sabin's Pasture debate as evidence that the Montpelier citizenry may not accept it, hence her push for in-fill. Councilor Guerlain noted that increased density would allow for larger scale commercial developments in the limited available land.

The sprinkler ordinance was briefly touched on; with Hallsmith pointing out that it presents a challenge for single to multifamily conversions, rather than new housing. The Mayor indicated that the topic was expected to be discussed further in the future.

- 12-268. Hallsmith provided a list of actions she had identified that could help promote business growth, as per the Council's stated goal, focusing specifically on promoting the "creative economy." Councilor Weiss expressed his view that the value of the city's colleges was being overlooked in promoting business. He also expressed frustration that business development was overly focused on downtown, and his frustration was echoed by Councilor Guerlain. The limits of Montpelier's downtown business organization, Montpelier Alive, were touched on in this context.

An expansion of the business loan program was touched upon, as was targeting specific sectors such as the insurance industry. Councilor Weiss that state workers temporarily housed in the city should be targeted for city promotion.

Budget Committee member Jane Kast rose again to indicate she was concerned at what she perceived as the conflation of community and economic development. A difference of opinion between the Mayor and Councilor Guerlain as to which category the bike path fell into followed.

- 12-269. The city's application for a \$35,000 FEMA grant to help community resilience. Efforts and emergency preparedness for different crises was reviewed. Councilor Weiss moved the Council authorize the staff to move forward on the grant application process and Councilor Timpone seconded. The motion was approved unanimously at 9:04.

The Mayor called for a five minute recess. At 9:11, the meeting was reconvened.

- 12-269. City Manager Fraser reviewed the history of the discussion surrounding the Recreation Department budget, and the pros and cons of having it under the School Board's budgetary jurisdiction, rather than the City's. He indicated that the working group had determined that there were no compelling reasons why it should be changed relating to the function of the department, but that its appropriate placement as a matter of organizational principle was clearly a different matter. He indicated that it wouldn't be an easy transition, but that that wasn't a reason not to pursue it. The potential transition was likened to the similar process with the Senior Center.

Councilor Timpone suggested that if the Council was going to make substantial cuts to core services, then the only way to do that is to have the Rec Department under the city, citing its \$800,000 budget.

Councilor Weiss moved that the Council receive the report from the City Manager and the Superintendent. Councilor Hooper seconded. The motion passed unanimously at 9:17.

Councilor Weiss moved that the Council authorize the City Manager to call a meeting with the school board and the recreation board to discuss options for authorizing a transition. The motion died for lack of a second. Councilor Golonka indicated he was a proponent of the city taking over the recreation budget. He also noted that the city would need control over the building so it can be part of the capitol improvement plan. Mayor Hollar worried about the timing of the additional work pursuing such reorganization would put on staff. Councilor Guerlain shared the concern. He also noted that the recreation department had lowered its budget.

Councilor Timpone questioned the value of the budget decrease against the commensurate rate increase for services, while Councilor Guerlain felt that this represented a laudable cost shift on to users of the services.

City Manager Fraser apologized to the Council for not getting them this report sooner, so that it would not compete for staff time with budget discussions. Councilor Golonka expressed his preference that the topic be pursued as soon as possible, as it had been pending for some time. Mayor Hollar indicated he did not see it as an immediate priority.

After some discussion of the appropriate wording of a motion, Councilor Guerlain ultimately moved "That the City Manager develop a preliminary feasibility study with a due date of the second City Council meeting in March with the goal of actively considering the transition of the recreation department to the city budget in order to achieve efficiencies with Parks, Cemetery, Trees, and possibly the Justice Center." Councilor Timpone seconded. The motion passed unanimously at 9:46PM.

- 12-271. Councilor Golonka noted (and expressed his concerns) about the upcoming meeting on the regionalization of emergency services among nearby towns. (November 15, 7:00PM).

Councilor Guerlain congratulated the City of Barre on its new Main Street. He then inquired about the new vendor cart in the Montpelier downtown. The City Clerk responded that he was having some challenges getting the vendor to follow the guidelines laid out for vendors, but that he expected it to be worked out shortly.

Guerlain briefly recited his discussion from the beginning of the meeting comparing tax bill increases to Vermont median income rates, and argued that the comparison was relevant insofar as it gauged the potential for Vermonters from outside Montpelier to be able to afford to move into the city.

Councilor Weiss wondered if the city should provide more information to the public on the upcoming redistricting vote. City Manager Fraser indicated he would do so.

- 12-272. Mayor Hollar presented City Manager Fraser with a plaque from the international city manager's professional association in recognition of "significant contributions and achievements in the field. The Mayor then made note of the upcoming November 7th meeting on the bike summit.

- 12-273. The City Clerk indicated that early voting for the November General Election was robust.

- 12-274. The City Manager indicated he was working hard on the city's ongoing projects, such as the bike path and district heat. He restated his need for clear direction on budget priorities.

Councilor Guerlain indicated that library authorities want to know who to talk to about district heat. The City Manager directed them to the Planning and Development Department staff.

Councilor Weiss moved that the Council table the minutes from the previous two meetings until the first meeting in November. Councilor Hooper seconded. The motion passed unanimously at 9:55.

Councilor Timpone moved for adjournment at 9:56. Councilor Hooper seconded the motion, which passed unanimously at 9:56.PM.