

On Wednesday evening, September 28, 2011, the City Council Members met in the Council Chamber.

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

Call to Order by the Mayor:

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

11-229. General Business and Appearances

Seth Collins from Berlin spoke against the policy of obtaining tasers for the Montpelier Police Department. He left some e-mails from Laura Ziegler with the Council.

Casey Wallace from Barre spoke about how he had been treated by different state and local law enforcement agencies and he didn't believe the Montpelier Police Department deserved to have tasers.

11-230. Consideration of the Consent Agenda:

- 1) Consideration of Minutes from the September 14th, 2011 Meeting.
- 2) Consideration of awarding a contract for the reconstruction of the Gallison Hill Road Bridge (Bridge #7) and ratification of an email poll conducted on September 16th for the advance award of a purchase order for the purchase of a pre-cast concrete bridge structure for Gallison Hill Road:

The 30 ± year old Gallison Hill Road culvert located at the base of the hill was severely damaged as a result of the May 26-27 flash flood event. A temporary one-lane detour has been in place since that time. The Vermont Agency of Transportation (VTrans) provided a hydraulics analysis revealing that the old culvert was too small and a box culvert or bridge was recommended as the replacement. The Public Works Department selected the services of Stantec Consulting Services which is a consulting engineering firm having a retainer contract with VTrans for these types of events. A reconstruction design has now been completed, including contract bid documents.

To expedite the project, considering the lateness of the construction season, a pre-cast bridge structure was designed and the pre-cast vendor was selected through a competitive proposal process for immediate order. The recommendation to purchase the pre-cast bridge was presented for City Council approval by email poll and approved by a majority of Council members. This order has now been submitted to Concrete Systems, Inc. with delivery expected during the second week of November.

The contract for the reconstruction of the damaged roadway, installation of the new bridge and related work was publicly advertised for competitive bids. Bids are scheduled to be received and opened on Friday, September 23rd. A tabulation of bids received and the recommendation from the Public Works Department and the consultant will be presented at the City Council meeting following completion of a bid analysis.

Funding for this project, including construction of the temporary detour and engineering services, is anticipated to be primarily from the Federal Highway Administration (FHWA) through the Federal Disaster Relief Fund because Gallison Hill Road is classified as a Federal Aid connector highway. The total project cost estimate is approximately \$475,179. Federal Disaster Relief participation is anticipated to be 100% for all expenses except the permanent roadway surface which is funded at a ratio of 80% Federal - 20% City. Therefore, the preliminary local share is estimated to be in the range of \$15,000 - \$20,000. The cost estimate was submitted to FHWA via a VTrans representative.

Recommendation: Ratification of the City Council approval to purchase the pre-cast bridge structure from Concrete Systems, Inc. in the amount of \$73,608.00. Award of the construction contract to the VTrans pre-qualified bidder submitting the lowest unit price bid, as recommended by the City's engineering consultant and the Director of Public Works, which will be presented at meeting time. Designation of the City Manager as the duly authorized agent to execute the contract documents and change orders if applicable.

- 3) Consideration of awarding a contract for the reconstruction of concrete sidewalks on State Street in designated locations and construction of accessible parking spaces on Main Street at the corner of School Street.

The Public Works Department identified several sidewalk locations on State Street between Main Street & Elm Street which are in very poor condition and require replacement. Additionally, accessible on-street parking spaces for the disabled were designed by Public Works staff and recently approved by the City Council. This work was combined in a single construction contract which was

advertised for competitive unit price bids. Bids are scheduled to be received and opened on Friday, September 23rd. A tabulation of bids received and the award recommendation from the Public Works Department will be presented at the City Council meeting following completion of a bid analysis and provided the cost is considered reasonable and within the available budget.

Funding for this project is provided by the Public Works Operating Budget (concrete sidewalk reconstruction) and the FY12 Capital Improvement Program, ADA line item in the amount of \$10,000 for the accessible parking.

Recommendation: ***NO BIDS RECEIVED***

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

Ratification of the issuance of a Catering Permit to Vermont Hospitality Management, Inc., d/b/a New England Culinary Institute, for a Reception and Dinner to be held on Sunday, September 25th, from 5:30 to 8:30 P.M. at the National Life Guest House.

Additional Catering Permits

Catering Permit Application from Valley Bowl, Inc., for a Reception and Dinner to be held on Saturday, October 1st, from 4:00 to 10:00 P.M. at the Vermont College of Fine Arts' Library and Chapel.

Catering Permit to Vermont Hospitality Management, Inc., d/b/a New England Culinary Institute, for October 7, 2011 from 5:30 to 9:30 P.M. at the Vermont College of Fine Arts.

Catering Permit to Vermont Hospitality Management, Inc., d/b/a New England Culinary Institute, for a reception and dinner at the National Life Guest House on October 9, 2011 from 5:30 to 9:00 P.M.

- 5) Payroll and Bills

General Fund Warrant dated September 21, 2011, in the amount of \$1,218.40, \$625,524.51 and \$1,373,856.27.

Payroll Warrant dated September 29, 2011, in the amount of \$116,533.42 and \$24,371.37.

The item awarding a contract for the reconstruction of concrete sidewalks was removed from the consent agenda as no bids were received.

Motion was made by Council Member Hooper, seconded by Council Member Sherman to approve the consent agenda with the additional catering permit requests. The vote was 6-0, motion carried unanimously.

11-231. Appointments to Planning Commission.

At their February 20th, 2008 meeting, the Montpelier City Council voted to approve the Planning Commission's recommendation to allow two ex-officio youth members (15-18) to the Planning Commission for renewable one-year terms.

Staff advertised and received the attached two letters of interest: one from Emily Campbell; the other from Reed Bingham.

Recommendation: Appoint Emily and Reed as ex-officio youth members to Montpelier's Planning Commission; both are one-year terms.

Emily Campbell and Reed Bingham were present and spoke of their interest in serving as youth members on the Planning Commission.

Motion was made by Council Member Jarvis, seconded by Council Member Timpone to appoint Emily Campbell and Reed Bingham as youth members on the Planning Commission for a one year term. The vote was 6-0, motion carried unanimously.

It was pointed out that these were not an ex-officio position, but a non-voting position.

11-232. Second Public Hearing to consider an Application for Tax Stabilization from Connor Brothers Stonecutters, LLC, for their property at 575 Stone Cutters Way.

Council conducted the First Public Hearing on September 14th. The Connors are requesting that the City Council enter into a Tax Stabilization Contract with them to discount the subject property's value on the Montpelier Grand List by one-half (1/2) for a term of ten (10) years.

This application is being made after the issuance of their Zoning Permit (and associated permits) from the Development Review Board, and prior to the

issuance of their Building Permit.

The applicants understand that the City Council must make specific findings of fact that the subject project meets the required eligibility criteria of the Tax Stabilization Policy; the City Manager has provided a memorandum to the City Council with the Recommended Findings and Decision.

Recommendation: Conduct the second Public Hearing to consider the Tax Stabilization Application from Connor Brothers Stonecutters, LLC.; approve Tax Stabilization based on City Manager's recommendation.

Mayor Hooper opened the Public Hearing 7:11 P.M. City Manager Fraser had provided the Council with an analysis, recommendation on findings and a decision for their consideration.

Mayor Hooper closed the Public Hearing at 7:12 P.M.

City Manager Fraser stated he shared the draft with Mr. Connor and it was acceptable with him.

Council Member Weiss said it states that the project can demonstrate to the satisfaction of the City Council for tax stabilization and would not choose to locate or expand in Montpelier. The finding says that it is a very difficult standard to establish. The applicant stated this is the case and there is no contrary evidence. The applicant previously has sold five parking spaces to the city for a waiver of the parking fee. The building plans appear to be complete and they have representations of the building as well as the internal structure. The applicant has provided easements for the riverfront walkways. The applicant has agreed to allow the city snow removal equipment to enter and exit the property. The applicant agrees to create sidewalk and landscaping improvements to the bike path, Stone Cutters Way, and Turntable Park. The applicant has removed the Salt Shed and the applicant has already started some construction. He thinks the finding excluded some important factors. The applicant can demonstrate to the satisfaction of the City Council in terms of the net of tax stabilization and for all foreseeable tax impacts it will provide a property tax benefit to the city. The finding is depending upon the level of tax stabilization awarded the project will generate \$3,600 to \$5,000 in new renewable annual municipal tax revenue over the life of the contract and \$7,500 per year thereafter. The applicant has already received \$50,000 as a parking fee waiver and using the finding figures and the \$50,000 it will take about 13 years before the city will see any positive property tax benefit. The waiver that is being requested came out to much more than 3 percent of the building valued at over a million dollars. If there were no waiver of the additional money that the applicant would pay it

probably would be a business expense and subject to federal and state tax benefits. He believes through the parking fee waiver and the city acquiring 10 parking spaces and the permitting of snow removal equipment on the property the city is going to provide he doesn't believe the findings have taken into account all of the information. He does not find the findings valid.

City Manager Fraser replied the purpose for that being in the policy is the project is one where there is no extraordinary generation of city services being generated. With regard to the parking fee it isn't a property tax. The parking fee program actually requires people to provide parking spaces or buy their way out. His findings were based on the fact there were two public hearings and no one raised any issues or testimony.

Council Member Golonka moved acceptance of the City Manager's recommendations with Council Member Sherman seconding the motion.

Council Member Weiss requested an understanding of the motion and what is being approved.

Council Member Golonka said the motion is to approve the Manager's recommended actions on the last page of the memo dated September 23, 2011 in regards to the Connor Tax Stabilization Application and accepting the findings.

Mayor Hooper called for a vote on the motion. The vote was 5-1, with Council Member Weiss voting against the motion.

11-235. "Infrastructure Capital Projects: Committee Report.

This committee was formed for the same reason as mentioned in the previous agenda item. Its membership included Mayor Hooper; City Council Members Angela Timpone and Andy Hooper; Jesse Moorman, Planning Commission Chair; Finance Director Sandy Gallup; and Public Works Director Todd Law.

The charge for this group was to *"conduct an infrastructure needs assessment; begin development of water and infrastructure options; and adopt a funding plan for paving/upgrading streets and sidewalks"*.

Recommendation: Receive update; discussion; possible direction to the committee and/or staff.

Mayor Hooper said the Council received a memo from the committee members.

The memo laid out the information they gathered, what their thought process was and what they were recommending to the Council. This was a recommendation in policy guidance about how we should think about funding these costs. In the next three years in order to significantly rehabilitate our streets we need to replace twelve percent of the street infrastructure annually for three years to get it back to a proper place.

Council Member Timpone added there was significant discussion about the city's infrastructure needs and how we fund it. We need to get our infrastructure back in order.

Council Member Hooper said every budget cycle he expected they were dramatically underfunding our fleet, buildings, roads and water lines, and this was a good affirmation of that fear.

Mayor Hooper said another thing that became abundantly clear as they talked about the maintenance of our infrastructure was also tied to the annual spending plan and in an effort to manage expenditures and the impact on our tax rates that we had also been squeaking down too hard on what our annual maintenance was. By not doing the maintenance we are seeing a premature degradation of our road infrastructure. We need to support and get together a storm water management plan. The Public Works Department is working away at that in its capacity and we need to do a needs assessment. It is going to have deep implications to the budget. Parking was not part of the charge but in fact parking issues come up within the capital budget. We have to really figure out a plan for this because expenditures are being made not looking forward to see how we should manage the parking. It really is not appropriate for the Police Chief to be the sole person responsible for thinking about the parking.

They didn't solve any problems but tried to shed some light on what would give us a way to think about our infrastructure.

Council Member Golonka said they brought up the issue about the "pay as you go" mentality versus some type of longer term capital plan as an alternative. Did the committee look at something like that? Looking at the policy, are we setting ourselves up to fail every year because you are talking about millions and millions of dollars in annual expenses if we are planning on rehabilitating twelve percent of all streets and provide funding for the deterioration of all streets, incorporate sidewalks, crosswalks and all the other little projects he thinks they are setting themselves up for failure. He is concerned about that.

Mayor Hooper said to hit the twelve percent we should be spending \$450,000 in the next three years.

Council Member Timpone said the committee talked about different funding options.

City Manager Fraser said they are seeing \$9 million over 10 years in the general fund, which is approximately a million a year. That is only the capital budget.

Council Member Weiss said he added all of the numbers divided by the 10 years they could bond for everything listed and it would only be a tax increase of about 30 cents. In that respect it doesn't scare him.

Mayor Hooper said just as the Debt Committee was trying to give some guidelines for thinking about managing that side of the budget the Infrastructure Committee is trying to give guidelines for how to manage the other side of the budget. This isn't asking you to adopt a budget. It is just saying if we are serious about maintaining our infrastructure we need guidance.

City Manager Fraser said at the next meeting they will have some sense of some numbers and options. Do you want to bond? Do you have a tolerance for putting a certain amount of money on a ballot item?

Mayor Hooper asked if the preference of the Council was to table this. Her only concern is that Council Member Sherman won't be present at their next meeting.

Motion was made by Council Member Hooper, seconded by Council Member Timpone to table this agenda item. The vote was 6-0, motion carried unanimously.

11-233. Continued review of MATRIX recommendations.

As a result of the Final "Management Assessment" Report from the MATRIX Consulting Group, various departments began implementing, or at least working on, the recommendations outlined in this report.

The City Council began receiving reports/updates from department heads at their August 10th meeting.

To date, Council has heard from the Fire Chief, Police Chief, Assessor, Assistant City Manager/Tax Collector, Finance Director, City Manager, Clerk-Treasurer, and Cemetery Superintendent. This evening they will hear from the Planning Director.

Recommendation: Receive report; discussion.

Planning recommendations are on page 82 of the report.

Planning Director Hallsmith said the bigger recommendations in terms of restructuring are moving the Building Inspector into the Planning Department and changing the IT and Web functions. They are all in agreement they will move the Building Inspector into Planning on January 1st. This requires they move their GIS/web person into the IT area. There is a lot of mapping the city needs to have done on a regular basis, for assessing, the Department of Public Works, planning, parks, etc. Like anything that tends to be technology driven and somehow that became a planning function. They use the maps every day to get the information people need to do their development proposals. There is an increasing need for good mapping of the city. This requires some level of interdepartmental coordination.

One of her concerns about the MATRIX report is they didn't do much at all with the community development function and it is actually a big part of the department. The community development function is what brings the money into the city and what does a lot of the projects. If it had just been Director of Planning she probably wouldn't have applied for the job because she thinks the community development function is a very important part of what the city does. It is why they do housing, neighborhood organization and the district energy project. One of the recommendations is they do a job prioritizing in planning and every years she presents the Council with a set of annual goals and follows up with that in the City Report. In the era of stimulus funding they have been busier than usual, partially because grant writing is one of the functions of the department.

They spoke a lot about the need to automate our systems better. They made a major effort in 2007 to automate a lot of their systems and that is why they are able to get most of their zoning permits out the door in a day while it used to take a couple of weeks. If you come in with something that requires administrative approval you are done in a day. That is all because of the automated system they put in. The Building Inspector subsequently used their system to automate some of the building permits. They have been working with all of the departments that issue permits to draft an RFP to improve the automation so the Assessor can see what building and zoning permits have been given and they can see some of the updates the Assessor has made to the files because they change the property lines from time to time.

She found their recommendations on fees interesting. They did an update on fees back in 2007. One of the fees they did at that time was to scale the fees with the cost of the project. That was her attempt to keep up with inflation. Right now the Planning Department is in the middle of a major zoning project

and some of their other recommendations are related to changes they could make in the way they communicate the zoning to the public and the way the public interacts with the zoning documents and decisions.

Council Members felt it would be helpful to hold a workshop on the different functions of the planning department and where the council felt the city should be headed.

11-234. Continued discussion of Tax Increment Financing (TIF) Districts:

The Council has previously considered, but not acted upon, grant applications for TIF creation.

As requested by Mayor Hooper, City Council began this discussion at their September 14th meeting.

Recommendation: Further discussion; direction to staff about whether to pursue future TIF opportunities.

Planning Director Hallsmith explained TIFs are tough and hard to understand because you start to think of them as a source of money for things you can't do now. What a lot of people don't recognize is how hard it is to get that money and it isn't an easy source of money. There are a lot of hoops the state has set up for municipalities to access TIFs that make it what is already a difficult source of revenue even more difficult. They work best if you have a development planned for an area and a concrete idea of what is going in and all the properties that are going to be affected and benefit, and then you have all of the information you need to make the application. Without that you have to hire consultants to formulate possibilities that are hypothetical. The city actually has to vote a bond for the improvements they want to access with these instruments and it is a hard sell if you don't have a concrete development project to pursue.

Mayor Hooper said they have always talked about speculative deals and it might be worth doing a TIF that would cover a portion of Main Street, portion of Barre Street and the Carr Lot. The speculation on the potential for development there is less speculative. They know the Catholic Diocese has a property they are trying to see something happen with. We know the Dickey Block is looking to redevelop.

Planning Director Hallsmith said one of the tricky things about using a TIF to fix the Barre and Main Intersection is going back to the application process and tell them what properties that improved intersection actually increases in value

and draw a line around them, and tell them exactly how much they will be improved in value and how much revenue it will return to the city to pay for the bonding to fix the intersection.

Council Member Weiss said they have had a great discussion but there are 3 or 4 pages of criteria required elements such as location, project criteria, and finances. What the Council needs to discuss is can we meet each of the criteria and if we can't let's wait.

Planning Director Hallsmith said Alan's suggestion about project criteria is important because one of the requirements is it has to meet three project criteria. The first is the development within the district clearly requires substantial public investment over and above the normal municipal operating and bonded debt expenditures. That is a big new investment and not just putting in a traffic light. The development includes housing that is affordable to the majority of residents living in the municipality. The project will affect a mitigation and development of a brown field so if used the Carr Lot would qualify. The development will include at least one entirely new business or business operation or expansion of an existing business within the district that will provide new quality full-time jobs that will receive the prevailing wage. It will enhance transportation by creating improved traffic patterns. At the Barre and Main Intersection you have the improved transportation. If you were using it to renovate the Dickey Block for affordable housing that would be included. It is difficult to use TIFs.

City Manager Fraser said they could designate a district and get TIF approval and not do the work until we have a development. That is an option.

Discussion continued it was decided that the city did not have a project at this time.

11-236. Further consideration of the report and recommendations from the Debt and Fund Balance Committee.

City Council addressed this report at their September 14th meeting but chose to table further discussion until this meeting.

The Council Committee on Debt and Fund Balance met over the summer; the committee has prepared draft policies for debt load and fund balance use.

Recommendation: Further discussion; adopt policies as proposed by the committee.

Motion was made by Council Members Weiss, seconded by Council Member Jarvis to remove this agenda item off the table. The vote was 6-0, motion carried unanimously.

Motion was made by Council Member Sherman, seconded by Council Member Weiss to adopt the policies as proposed by the committee. The vote was 6-0, motion carried unanimously.

Council Member Hooper left the meeting.

Agenda Reports by the City Manager:

11-244. Discussion of the FY'13 Budget Schedule

City Manager Fraser reviewed the FY '13 Budget Schedule with the City Council members. We split some of the departmental analysis out last year and it worked well.

Mayor Hooper said she is assuming they are talking about having a budget hearing on the 16th of November and receive the department reports on the 9th.

Council Member Weiss said you aren't going to get the taser report in an hour because there will be people in the audience and they will all want to speak.

City Manager Fraser said the Taser Committee has held two public hearings, several open meetings and ample opportunity for people to come to the committee. The Taser Committee is going to make a public report to the City Council. City Council members can ask questions and the public is welcomed to listen to it, and the following week the Council will hold a full open public hearing and discussion.

Mayor Hooper said that includes having a CIP Report by December 7th.

Council members would like the Recreation Department and Schools come to a council meeting to present their budgets.

Consensus of the council was the budget schedule was acceptable.

11-245. Discussion of the FY'13 Outside Agency Policy

Finance Director Gallup provided Council Members with a copy of what they did for the last few years. If you don't ask for more money and you were in last year you are in at that amount for FY'13.

Council Member Weiss requested they bring this back for discussion in February. There are a lot of suggestions for changes. He would like to discuss the principal of the practice of a number of items, and February would be a nice time to do that.

Council Member Sherman said she thinks they should approve the letter as it stands.

The Kellogg Hubbard Library appropriation was discussed.

Motion was made by Council Member Sherman, seconded by Council Member Jarvis to accept the outside agency policy. The vote was 5-0, motion carried unanimously.

11-237. "Housing Barriers" Committee Update.

Back in the spring, Council Members chose different "Summer Study Committees" to serve on; this was an effort to follow up on their 2011-2012 Priorities. Council Members Angela Timpone and Nancy Sherman, along with Planning Director Gwen Hallsmith and members of Montpelier's Housing Task Force and Planning Commission, have participated.

The actual Goal/Priority that this committee was assigned to was the **"Economic Security and Wealth Creation"**; their assignment was to *"identify barriers to new housing in the city; select a date to convene a "Housing Summit" to identify barriers; and develop options for what the city can do to foster new housing"*.

Recommendation: Receive update; discussion; possible direction to the committee and/or staff.

Council Member Timpone said they have two Vermont Law students who are working with them. They provided an updated memo to Council Members outlining what they were discussing.

11-238. Consideration of the Vermont League of Cities and Towns' (VLCT) Municipal Policy.

The VLCT's Annual Meeting, known as "Town Fair", is scheduled for October 6th in Killington.

Council Member Angela Timpone will be the City's voting delegate at the meeting; this proposed VLCT Municipal Policy has been included on this agenda in the event that City Councilors wish to provide Angela with any voting direction.

Recommendation: Review and discuss the proposed policy; possible direction to Council Member Timpone.

Motion was made by Council Member Weiss, seconded by Council Member Golonka that the City's delegate go to the meeting unrestricted. The vote was 5-0, motion carried unanimously.

11-239. Discussion regarding the upcoming "Community Dinner".

City Council Members have opted to have a "Community Dinner" on Wednesday, October 26th (prior to their regularly scheduled meeting).

Staff feels that the general topic of budget and priorities might be a good issue for the agenda that evening.

City Councilor Angela Timpone volunteered to organize this event; she requested that this item be included on this evening's agenda so that she can get some direction from the other Council Members on the following:

- 1) Individual Roles
- 2) Start Time
- 3) Format
- 4) Agenda

Recommendation: Discussion; direction from Council

The dinner will be held at Montpelier High School with two support staff and a custodian.

Mayor Hooper suggested a couple of Council Members help Council Member Timpone organize the dinner. They can also ask the Onion River Exchange to see if they can get volunteers to help. They discussed the agenda and format of the community dinner. It was suggested that the National Citizens Survey which was recently done gave a lot feedback tied to budget priorities.

11-240. Council Reports

Council Member Timpone reported she is now an aunt for the first time.

Council Member Sherman reported they all attended a wonderful ribbon cutting yesterday for Turntable Park. Our recently retired employee Garth Genge attended. This park was one of the many projects he saw through.

11-241. Mayor's Report

Mayor Hooper reported some folks had asked her about some of the debris hanging from some of the city's bridges and the city is working on getting that removed.

There is always the conversation about why aren't we dredging and removing material in the river. There is some pretty incredible dredging work that is going on in the Dog River in Berlin. That is significant to Montpelier because any sort of river activities there has a potential for impacting everything downstream including our waste water treatment plant. She thinks they should request from the Agency of Natural Resources some statement about what the policies are and get some written guidance. There is a lot of confusion in the community.

Harris Webster asked to meet with her this week as a follow up regarding the walkability of the city's streets. They also passed a resolution saying they wanted to do certain things associated with trip hazards. He reminded her that it is now state policy in terms of how you address the complete street. Also our Master Plan talks about complete streets.

11-242. Report by the City Clerk-Treasurer.

City Clerk & Treasurer Hoyt had nothing to report this evening.

11-243. Status Reports by the City Manager.

City Manager Fraser addressed a question asked about why there hadn't been any bids on the reconstruction of concrete sidewalks.

Adjournment:

After motion duly made and seconded by Council Members Weiss and Jarvis, the council meeting adjourned at 10:05 P.M.

Transcribed by Joan Clack

Attest: _____
Charlotte L. Hoyt, City Clerk