

CITY COUNCIL MEETING SPECIAL MEETING & PUBLIC HEARING JANUARY 5, 2009

On Monday evening, January 5, 2009, the City Council Members met in the Council Chamber for a Special Meeting to discuss the FY'10 budget.

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

Call to Order by the Mayor:

Mayor Hooper called the special meeting of the City Council to order at 7:00 P.M.

09-001. General Business and Appearances

Mayor Hooper introduced her sister Stacy Lamberton and brother in law David Lamberton from Kansas, as well as her sister Jean Hnylka and brother in law John Hnylka from Montpelier who were attending the council meeting tonight.

09-002. Consideration of the Consent Agenda: V.A.

Consideration of accepting the bid submitted by E.W. Sleeper, Inc. of Concord, NH, for the purchase of a dump truck body and related equipment for the Public Works Department, and authorize the City Manager to make this purchase in the amount of \$21,600.

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

An Application for a Catering Permit from Vermont Hospitality, d/b/a New England Culinary Institute, for a **Graduation** to be held on Wednesday, January 7th, from 4:00 to 6:00 P.M. at the Vermont College Chapel.

An Application for a Catering Permit from Robert J. Sambel, d/b/a Sambels Restaurant, Inc., for a **Legislative Reception** to be held on Tuesday, January 20th, from 5:00 to 7:00 P.M. at the VSEA Office, 155 State Street.

An Application for a Catering Permit from Julio's Cantina for an **Inauguration Celebration** to be held on Tuesday, January 20th, from 4:30 P.M. to 12:00 midnight in the Lost Nation Theater space, City Hall.

It was noted that the minutes for the December 17th Council Meeting was not on this agenda or the agenda for Wednesday night. Upon motion by Council Members Weiss, seconded by Council Member Sheridan, the minutes for the December 17th Council Meeting were added to the consent agenda. The vote was 6-0, motion carried unanimously.

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

09-003. City Council Members will continue their review of the City Manager's recommended FY '10 Budget for operating the functions of the City ... the General Fund and all proprietary funds (Water, Sewer, Parking, Capital, Cemetery and Parks) are included V.A.

This meeting is being held to prepare for the first budget hearing scheduled for Wednesday, January 7th.

Recommendation: Review and discussion; decisions for staff to work with in preparation for the first budget hearing on January 7th.

City Council met to finalize what they are going to present to the voters for the first budget public hearing on January 7, 2009. There were a number of questions about different portions of the agenda, but one of the things that haven't come up in a City Council meeting is to consider the County Budget, which is one of the items in the budget. Judge Bloom was in attendance this evening to answer any questions on the county budget.

Judge Bloom on a separate note wanted to speak about something that had happened in the last century when he was on the Montpelier Parks Commission. The steps in the Hubbard Park Tower have gotten to the point where they had to be replaced because they hadn't been maintained. Twenty years ago they put in new steps which cost \$40,000. The steps they put in some 20 years ago need painting and maintenance which will save the city \$40,000 to \$50,000. The first time they rusted. That tower is one of the gems of Montpelier. He had performed a couple of weddings on the top of the tower and weddings at the base. He spoke of the wonderful view in the fall when the foliage is at its peak Central Vermont.

Mayor Hooper said the Council would like to hear an overview of the County budget. They have gone from the 12 to the 17 month and back to a 12 month budget.

Judge Bloom said about a year ago they moved their fiscal year, which used to start on February 1, to July 1. What that produced was a 17 month budget, they are now back to a twelve month budget.

Personnel costs went up about \$25,000. The Sheriff's Department went up about \$20,000. Repairs were done on the clock tower on the court house, which is also a gem and the columns in the front have started to peel and need to be scraped and painted. The bricks need to be pointed up, which is routine maintenance on the court house. They are doing the street sides, the State Street side and the Elm Street side. They expect this to cost between \$40,000 and \$45,000. They can pay for part of it out of this year's budget because over the years they have had some savings. They hope to start the project in the spring. What they need to do when they look at the budget is to look from the first column to the last column and skip the 17 months.

Council Member Weiss pointed out that the county budget has increased by more than \$100,000 in comparable years. Montpelier's County assessment is going to be close to \$16,000. On the budget for building expense for the proposed year the number is \$80,000 and Judge Bloom said it would be less than that.

Judge Bloom said the general maintenance is one part of that. The other part of it is they are making it large so they can spread it over two years. The big part of it is the painting, re-pointing the bricks and taking care of the column out front. The eaves have started to crumble.

Council Member Weiss said of the \$80,000, how much of it is going into refurbishing the building.

Judge Bloom replied it may be as much as \$50,000 but they hope to keep it under \$40,000 in the next year.

Council Member Weiss said in terms of the budget as presented, what is revenue carry over?

Judge Bloom said part of that are things they bill for in one fiscal year and they don't collect until the next fiscal year. Passport fees and small claims fees sometimes don't get paid until after the hearing is held.

Council Member Weiss asked if the carry over could be classified as a reserve fund.

Mr. Bloom replied yes.

Council Member Weiss asked in addition to that how much more does the county have in reserve.

Judge Bloom said that is all they have carried over from the last year.

Council Member Weiss asked how much does the county have some place in a checking account, safe deposit box in addition to the \$40,000.

Mr. Bloom said he couldn't answer that question because it varies. It varies depending upon when the state sends small claims fees that are paid into the county. The Washington County Court is the court of record for the state and that money goes up and down.

Council Member Weiss asked if it would be possible to take some of that money to reduce the budget.

Judge Bloom replied no because they can't count on it.

Council Member Weiss said it is rumored that the county has at least \$35,000 cash on hand over and above the budget.

Judge Bloom said he would have to check with the Treasurer.

Council Member Weiss said if they have that money then why not reduce the budget and then Montpelier's assessment would come down.

Beverlee Hill, County Treasurer, said they do have \$35,000 in cash reserve right now.

Council Member Weiss asked if it was accurate that the county expects the 20 communities in Washington County to turn over the tax money that is collected in early July.

Judge Bloom said not only expects but they are required by law to do that. It is due by statute on July 5th. The County is not going to send the Sheriff to put a lien on City Hall. Last year a couple of towns asked to have it spread over a longer time because of the 17 month period. Waterbury's fiscal year starts on January 1, so sometimes it does stretch out. By statute it is due on July 5th. The city collects it and passes it on to the county and they run the courts and the Sheriff's Department. When the city sends out a tax bill the city is collecting the city taxes and county taxes. It is a warrant, and the warrant and taxes are passed through to the county. He suggested they put on the tax bill what is town tax and county tax the taxpayers will know that part of what they are sending in is coming to the county.

Council Member Weiss said he took the opportunity this afternoon to visit with the City Clerk who said it was feasible to take out of the budget the amount of money we have to pay for the county tax and include it as a separate line on next year's tax bill.

Judge Bloom said the County would welcome this because it lets people know the county is doing something for them.

Council Member Weiss said for the record the County is holding a final hearing on its budget on January 22, 2009 at 2:00 P.M.

Mayor Hooper said the Council has a memo from the City Manager outlining some new information and a list of some of the issues the Council has talked about. The additional information is there is additional dispatch revenue of \$17,000. The worker's compensation and property casualty insurance expenses have decreased by about \$20,000. That has a net budget impact of \$37,000.

The City Council has heard presentations of all of the budgets and have had an opportunity to ask members of the staff questions they had about the budget. Now the Council needs to make a decision as to what they are going to present at their first public hearing on January 7th. The question in her mind is what increase, if any, is the overall increase the City Council wants to live with? What are we spending it on? In those areas the Council flagged there are some issues with the capital budget that includes the flood study and are we sufficiently investing in infrastructure? There is the Library issue that we need to resolve. There is the Housing Trust Fund, the Senior Center and how it is going to be presented to the people. How are we handling equipment? Those are some of the large policy questions. Some of the things included in the City Manager's memo to the Council deals with equipment, the Parks, membership in the Chamber of Commerce, the DPW position and the Justice Center discussion.

Present were members of the Housing Task Force, MDCA, Parks, the Cemetery and the Justice Center. Department heads were also present for the meeting.

Housing Trust Fund - The Housing Trust Fund appropriation has been an item outside budget and they are thinking about managing this differently for this budget cycle. She has asked some of the members of the Housing Task Force if they thought it would be good policy given they are carrying forward about \$33,000 from the current fiscal year if the city only added about \$20,000 to the fund and create another pot of \$50,000.

Jim Libby said a couple of weeks ago the Housing Task Force asked the Council to continue the process of asking the voters to decide whether or not to approve an appropriation of \$52,000 which has been approved for four years now. In the meantime, a number of members of the Housing Task Force have had conversations with Council Members individually. What Mayor Hooper proposed was in lieu of asking the voters to vote on it to put it in the budget, and they are open to that suggestion. In his conversations with colleagues on the Housing Task Force they really would prefer to have enough new money to do more units and they would support having \$35,000 in the budget, which would be about two-thirds of the amount that the voters have approved annually over the last four years.

Mr. Libby said he is also a member of the Housing Trust Fund Advisory Committee and they have had conversations about making the process more flexible and do different types of transactions with the money. Polly Nichol is here tonight and serves on the Advisory Committee. Jack McCullough and Garth Genge are present tonight who are members of the Task Force.

There is about \$35,000 uncommitted in the Trust Fund and that would put them in a solid position for FY'10. The other advantage for including it in the budget by action of the City Council is they would then have more flexibility with respect to the new money. The existing funds are still governed by the prior ballot item, but any new money added tonight

could be used more flexibly. One idea that city staff has come up with is really trying to improve the One More Home Campaign

by using Trust Fund dollars to support the development of accessory apartments, which makes a lot of sense for the community but because of the limitations of funding and the CDCG restrictions it wasn't totally successful. The Housing Trust Fund Advisory Committee has a meeting next Tuesday to see if there are other modifications to the program to make it more effective. They also plan to come back to the Council to make some suggested changes to the guidelines.

The one request is to send it to the voters and ask them to approve \$52,000, but they are certainly open to taking two thirds of that amount if it is the pleasure of the Council to include it in the budget.

The city should be very proud of having a Housing Trust Fund. There are only two communities in the state that do this, Burlington and Montpelier. They have helped 11 families, 3 homeowners and 8 tenants through the program. There were three purchases of condominiums at River Station Apartments and the occupants and residents of the Bianchi building. The Community Land Trust hopes to help five additional homeowners with the grant they approved in December. Even though we have tough economic times this is a very good time to invest in home ownership and to invest in residential property. Interest rates are very low, so it is kind of crazy that in economic times one of the best things you can do is to say we should invest. In addition to the social benefits, it is important to continue funding for the Trust Fund.

Mr. Libby said Bill Fraser received a copy of an e-mail from Doris Oatley who is a homeowner who has been assisted by the Community Land Trust through the Homeland Program. He read the e-mail into the record:

"I'm writing to express my support for the City of Montpelier to continue to financially support the Montpelier Housing Trust Fund. I am unable to attend tonight's special meeting, but was aware there may be discussion on the \$52,000 of the budget slated for the Trust Fund. I own a home in Montpelier, and it is because of the Homeland Grant that I own this home. As a single parent working for a non-profit full-time, and then some, there is not any way that I could have managed to afford a home in Montpelier without the assistance of this trust. It is imperative, especially in fiscally difficult times, to support people in their housing units. Affordable housing is essential to our community. owning a home creates an investment in the community, a willingness to contribute to that community and stability for the family owning the home. I'm unable to attend this meeting, but please know that I support continued funding for the Montpelier Housing Trust Fund. Doris Oatley."

Council Member Sherman said they have \$35,000 and \$30,000, and she wonders if they can figure out where they council stood.

Mayor Hooper said she had suggested \$20,000 in the budget, and they are recommending \$35,000.

City Manager Fraser said currently the budget they have in front of them doesn't have any. There is \$33,000 carried over and Mayor Hooper is suggesting \$20,000 to make that \$53,000. They are asking for \$35,000.

Mayor Hooper said in their packets they have some suggested language that mirrors what they have done in the past, and that is what they would be holding the hearing on Wednesday night.

City Manager Fraser said with regard to the Library the issue that wasn't clear they had agreement on was how to word the ballot item. The number they came up with was pretty clear. The issue was whether the Council says they don't recommend this or not.

Council Member Jarvis said she certainly like the idea of using that language.

Council Member Hooper said the General Fund budget includes within it money represents money for the Library and the Council recommends voting against it.

Council Member Sheridan said he didn't want his name included on it.

Council Member Sherman said she agrees with Jim. It is important to say what is included in the budget but she would not say they don't recommend it.

Mayor Hooper said they could come back to the language when they know what the total amount of the budget. The big issue out there is what the taxpayers are actually going to pay. She believes the Council needs to give guidance to the voters. We need to let them know the Council's position. The city is cutting city positions and we are not funding infrastructure because we are funding other things.

Council Member Sherman said she agrees with the educational process and they need to get the message that the tax increase is based on the budget without the additional things.

Mayor Hooper said she believes they should be telling the public more forcefully what is not being funded because other things are being funded.

Council Member Sheridan said he thought it was a good idea to put together a Justice Center meeting talking with Richard Shier about the Senior Citizens Center budget. The following had attended that meeting: Mayor Hooper, Council Member Sheridan, Bill Doelger, Richard Shier, Assistant City Manager Hill and Yvonne Byrd. Richard Shier came up with some good ideas, and one is how they are going to proportion that building. Right now it is all put on the seniors even though they don't use it all. He agrees they should find a way to proportion its use, especially if they want to rent the upper floors, so they can come up with a rental figure. We should assign what is fairly a part of the Senior Citizen Center budge and find some other way to deal with the rest of the building.

Mayor Hooper said the thought it that as a separate ballot item we would show the seniors the way they are traditionally shown, but right now we have put \$60,000 into the Senior Center budget because that is the total cost of the building. We would take that out and put the \$60,000 into the city budget, charge the Senior Center rent on their portion of the building and that would partially offset the \$60,000 cost.

City Manager Fraser said even in advance of the meeting that Jim referred to, after the last hearing when we heard concerns from the Senior Center Board and Richard Shier we began looking at that suggestion to do that. The full operating cost of that building had always been in the school budget with the revenue cost, even though it was taxpayer money, from the Senior Center.

Bev Hill said a concern of Richard Shier was that some portion of the endowment fund be used as part of the operating budget each year, which is a normal process. Tom Golonka had requested it. Richard was very clear that he doesn't want the Senior Center budget within the city budget and wants them separated. He thought it was only fair to take the building cost out and put rent cost back in. The other thing that came out of that meeting was the fact that Richard Shier really wanted some date certain, and really quite soon, for

when we would do certain things. We told him that until we got the report back from Gossens Bachman it wasn't something they could make definite decisions on. He agreed that we are probably looking at closer to two years before we would make a

firm decision on whether they are going to stay there as it is, stay there with renovations or whether we will continue to look for another place.

Mayor Hooper spoke of the endowment and asked Assistant City Manager Hill if that hadn't already been obligated with the purchase of the van.

Assistant City Manager Hill said there are possibly two issues here, that there would be an amount used for the operating costs. They aren't sure when the van is going to come. They could also use the endowment fund for that additional special purchase based on Council approval at the time.

Council Member Golonka said the Council had questions about the Justice Center at the last meeting whether or not we wanted to continue it or if we wanted to increase their budget because it looked like it was increasing by \$30,000.

Mayor Hooper said the staff has recommended an increase in the funding and treating the Justice Center as a full-time city department.

City Manager Fraser said they are showing full expenses in the budget. It requires \$46,000 of city money, which is a \$26,000 increase from the \$20,000 that was included last year. The total budget is \$147,449. \$82,500 comes in from the state. The net property tax city money required to fund the operation as it currently operates would be \$46,000 total. There was \$20,000 last year, so it would be another \$26,000 this year.

Council Member Golonka said he didn't understand the figures. Total expenditures are \$147,449, with revenue of \$85,000 from the State of Vermont. This leaves \$62,000. In his mind he can't understand how they get it down to \$26,000.

City Manager Fraser said it is \$46,000. He went on to explain that it has to do with the way we allocate benefits. There are certain costs that just get distributed to other budgets if they weren't there at all. If you were to see zero in the Justice Center there would be \$15,000 redistributed to other departments. The \$46,000 is the net increase; it was \$20,000 last year so we increased it by \$26,000.

Council Member Weiss said he wouldn't give them any city money at all, and certainly he would never want to see them be a department within the City of Montpelier. The reasons why is because of the \$147,449 they propose to spend \$137,000 for personnel and a mere \$9,000 for program operations. There is no agency that should exist along those lines. Secondly, they gave us some data and once again we have the proverbial question how much Montpelier tax money should go into supporting those people who do not live in Montpelier who take advantage of this particular program. He just doesn't think this program is worthy of Montpelier tax money.

City Manager Fraser said this has been a city department or function since the day it started, and we may not have looked at it that way at the Council policy level. In fact, it was the city that applied for the monies, the city accepted the monies, there have been city employees on city payroll and city benefits and the offices are in City Hall which have been run by the city and overseen by the City Manager. They are in fact a city department. That is how we offered to set this up when we started this program. If we opt to do something with it, we could talk about the options. Those are conversations that conceivably could be had, but it is a city department now and a city function. Whether it is its own department or

a division, that distinction you can argue. But it is a city function in the same way that the Finance Office is and the other offices are. The policy question is, is this where we want to spend tax money? Clearly, the issue of out of town use and services is a big one, but he reminds the Council again that \$80,000 of the \$140,000 is funded by the State of

Vermont to buy those services for the nonresidents. That money pays for the nonresidential services. The question is, is Montpelier getting the \$46,000 or \$26,000 worth?

Council Member Hooper asked if the net cost to the city for the Community Justice Center \$46,000 or \$60,000.

City Manager Fraser replied \$46,000.

Council Member Hooper said they had increased it \$26,000 from last year.

Council Member Sherman said the fact that most of the cost is personnel means that those people are doing services. They are not buying stuff and giving it away. They are not hiring consultants. They are face to face with their people who are getting the services. The endorsement of this program by two Corrections Commissioners speaks a lot, along with the former Chief of Police. The issue of what is the value of prevention, what is the value of crimes that aren't committed and people who are straightened out and gotten back close to the straight and narrow after having been off track for awhile. What is the value of that to Montpelier? She supports this in the budget.

Council Member Sheridan said he isn't for throwing it out. He believes there is a definite value there. What did the state's appropriation increase from last year? Are they giving the Justice Center this coming year what they gave last year?

Yvonne Byrd, the Director of the Justice Center, said as far as she knows that is what is in the budget.

Council Member Sheridan asked if they were giving them an increase.

Ms. Byrd replied no.

Council Member Sheridan said he was one of the people involved in building the Justice Center from the ground up. The intension was not that this was to be a cost that was going to be eventually dumped on Montpelier. This was set up to save the state. Their idea was to get us to give some in-kind services, a home and volunteers for it, to take the load off their Corrections people and save the state money. What bothers him is that the city is being asked to increase and the state isn't stepping up to the plate and increasing their contribution. The main idea of the Justice Center was to benefit State Corrections by trying to get some work done by volunteers rather than paid employees. He is bothered that the city is being asked to pick up the increase. They need to go to the other towns that are included and get some money from them. He is bothered because they are being hit by a \$26,000 increase and the state is level funding.

Yvonne Byrd said in the last two school years there have been significant increases. First they went from \$55,000 to \$67,000. They didn't know they were going to have an increase for this fiscal year until last April or May at the very end of the legislative session. Could it happen this legislative session? Last year they said no way. They have also had additional funding from other grants, some of which have been passed through the Department of Corrections. There has actually been this lag funding on the Re-Entry Program which helped offset basic operating expenses. They have reason to believe that money is no longer held up in Congress and they are putting out RFPs to the states in March with decisions to be made in May. If that all comes through in the next fiscal year, they are going to have that

grant again which would make a difference in terms of the city's contribution. There have been other small grants along the way. Right now we are talking about a year that starts next July and goes 18 months from now. Historically, they haven't had that kind of advance commitment of money so they can say now what they will have for next year. Just last week the

Justice Center was part of a grant application with the Barre/Montpelier Justice Center and the Community Action Council for transitional housing.

Mayor Hooper said she believes the state's expectations were that the federal grant was going to continue coming in.

Council Member Jarvis said she wanted to echo what Nancy said in terms of the salaries and programs that Alan raised. Yvonne and Judy are the ones who do all of the programming. They are the ones who do the mediations. They are the ones who organize all of the volunteers to do the boards and they don't hire outside services or consultants. They, themselves, are the experts and they provide the services. Kudos to them for having such a low programming budget because they are able to do it themselves. From a law enforcement perspective from her time in the State's Attorney's Office that community justice programs really provide such an important service for our community. Ideally, would Corrections be funding it? Absolutely, but they are not. We, the City Council, who are in charge of safeguarding our community needs to step up to this role, and it's a really important one. It's not one that we can really afford to just push away onto someone else because no one else is going to take it. She spoke of the Re-Entry Program for offenders coming out of jail back into Montpelier. They provide a circle of support to help these people reengage in the community, help them get jobs and realize what a stake they have in the community and how they can be useful and productive members of Montpelier. It is incredibly important, and in a lot of ways it comes down to public safety. It would really be irresponsible for the Council not fund the Justice Center.

Council Member Hooper asked Yvonne how many COSAs they had created in the city.

Ms. Byrd replied ten.

Mayor Hooper said one of the other things to consider as they move forward is that given the economic times that we are in, and will be in for some period of time, we know that folks are more likely to be under stress and have closer brushes with law enforcement and she would suggest that an investment in the Community Justice Center can help us prevent the burden that the Chief spoke about. The Police Department is feeling that they are very closely budgeting and any more additional work to their workload is going to create problems for them. An investment in the Community Justice Center is probably a much cheaper investment in the safety of the community than an investment in the Police Department. We need to have both and fund them both properly. She is concerned that this is going to be hard times for people and the services that the Justice Center presents can help us avoid those hard times.

Council Member Jarvis said undoubtedly the cuts that the state is making to mental health services is going to have a huge impact on our Police Department, and that is another area where the Justice Center may be able to take the burden off our Police Department in dealing with these cases.

Council Member Weiss said he respects what is being said, but the taxpayers also pay dearly for the School Resource Officer and the School Officer performs some of the identical functions and prevention. Therefore, we need to consider both of those together and can the taxpayers afford to support each of those and their requests. He doesn't think so.

Mayor Hooper said she thinks the School Resource Officer deals with a population that historically the Community Justice Center has not. There may be some close relationship, but the Community Justice Center is really looking at a different population.

Council Member Golonka said he feels it is a bait and switch with the state. They have a program they want, but they don't want to pay for it. These little programs just add up, and now they are asking the taxpayers of Montpelier to pay over 100% more for a program they are not willing to pay for. It's just not right. They will suggest that if we are not willing to fund it at this higher level we shouldn't be willing to fund it at all, so he is more inclined to agree with Alan. If they could say they could right size this to offer a service for \$82,000 or \$85,000, which is what the state is paying, and then he could go along with that. But the City Manager is recommending that it is either bump up 130% or drop it down to nothing, there is no in-between there. What does it look like if they just take the state money and use it for that?

City Manager Fraser said he would defer some of that to Yvonne. Their goal in putting together the budget was as much as possible to keep the services looking like they do now. Obviously, they trimmed in places here and there. In order to keep the service the way it operates now, and they only have one full-time and one 85% person, so in order to continue the range of services they are doing they needed to be funded at this level. Like Jim, he was very concerned at the increase and he knew it would generate this kind of conversation. He reached the conclusion that if we wanted the Justice Center to do what it is doing now, this is what it takes to do it. If we cut it back to last year's \$20,000, then you are setting the Justice Center up for failure. Either do it right, or don't do it at all. Yvonne may want to offer her observations about what would happen.

Council Member Golonka said he is more inclined to say it is not a core essential service to the City of Montpelier, but if there is some medium he would be willing to talk about it. He doesn't think it justifies that the city consistently bump them up 100%. This is two years in a row where we have bumped up the budget over 100%, and he doesn't think that is sustainable.

Mayor Hooper said she would presume they would not see a similar sort of increase.

Council Member Golonka asked what if they lose the state grant.

Council Member Sheridan said he was in between. He is bothered again that all of the increase is on the city. Not the other towns around us, not the state, but once again it all falls on Montpelier. If they cut \$20,000 would that come out of one of the positions?

Ms. Byrd said yes because there is nowhere else to cut. They have an operating budget of \$10,000 and about half of that is for things they have no choice about, such as building and allocations from the city. It would come from personnel. There is a good chance they will see a Re-Entry grant for the coming fiscal year.

Mayor Hooper said if they saw the Re-Entry grant the city would reduce its support, or that would be the assumption. Or, would that be on top of the city's budget?

Ms. Byrd said in the past it was in lieu of. Basically, the reason they need more money this year is because they lost that money. They haven't had Re-Entry money for this fiscal year at all. When they had the Re-Entry grant it funded part of her salary plus another part-time position. They hope that will come back.

Council Member Sheridan said he knows the state is watching how the city is handling this. He is thinking about the Department of Corrections. They are watching to see if the city will pick this up. He thinks they are going to level fund figuring the city will assume the increases from now on. This is their program and benefitting the Corrections Department. The city is providing volunteers and space but now they want to make it look like the city are the beneficiaries of the program.

Ms. Byrd said their funding increases have come from the Legislature the last two years in appropriations. Over the last two years the Justice Centers around the state have gone to the Legislature and told them what we do, the value of it and asked them to increase their funding. Among the Justice Centers directors this year there was not agreement about making that request because some people feel they would be embarrassed about asking for money given the economy. Their citizen advisory board says to ask because there is no shame in asking.

Mayor Hooper said she totally appreciates the sentiment that this is one of those programs where the city is picking up the burden of what was a federal and state grant. The policy question for the City of Montpelier is how does it benefit this community? She is hearing most of the Council Members say it benefits us. We see the value of it. She would argue that the city needs to keep investing in it. She is of the position that the city either does it properly, because it is good for Montpelier, or they don't do it. If you think about the times they have had conversations about the Montpelier Community Justice Center we have been happy with their interactions around Vermont College and mixed results with Vermont Compost. All of those are Montpelier based issues. It is a much better use of the Council's time for the Justice Center employees to be talking with people who are in disputes than sending police officers who have a different set of resources they can bring to bear. When the dispute is kids throwing rocks at a housing development, or dogs and chickens running at large, it is a much better use of the city's resources. She would urge the Council to fund it.

Council Member Sherman told the Mayor she was with her 100%.

Mayor Hooper said Council Member Weiss is a no vote. Council Member Golonka said he would vote not to fund it.

Mayor Hooper said the Corrections Department is not watching the City of Montpelier. They are trying to figure out how they are going to fill huge holes.

Council Member Golonka said it isn't the city's responsibility to solve their problem.

Council Member Jarvis said we keep referring to their problem. It's not their problem. It's our community.

Council Member Golonka said it is the state's program they started. As a small town we don't have the resources to initiate something of the magnitude they are talking about. It can't be another department of the City of Montpelier in his opinion.

Council Member Sherman said a one and a quarter person she calls a department. It is a function that happens because it supports the city.

Council Member Golonka said it is a function they could incorporate into the Police Department to some extent he would imagine.

Council Member Sherman said they have different approaches.

Council Member Jarvis replied it wouldn't work to bring people in to do mediations and reparative boards with the Police Department.

Council Member Golonka said there could be some compromise where \$85,000 or fees are raised to get that number higher to solve what they are looking to do. He hasn't heard that response yet, and that is his concern. It's either all or nothing in this discussion.

Mayor Hooper said there is a third way.

City Manager Fraser said his third way is to use the \$83,000 and do what we can.

Council Member Hooper said he had served on reparative boards prior to the existence of the Justice Center when it was done out of Barre by the Probation Board. It's a great program. He would be surprised if they don't get \$67,000 from the state for this and the state will go back to the 2007 level. He can't vote for a \$26,000 increase.

Council Member Sheridan said that is where he is hung up, too.

Mayor Hooper said she thinks Yvonne Byrd and City Manager Fraser need to have a good conversation and try to get some insight from Corrections. The Council isn't behind this 100%.

Council Member Sheridan said he would be okay if they cut \$15,000 out of the budget increase and only add \$11,000, which is still a higher increase than other departments are going to get.

Council Member Hooper said percentage wise it is a 15 percent increase, which is more than the Library is getting this year.

Council Member Sheridan said he wants to send a message to the state and the Department of Corrections that they aren't going to dump this all on the city, and the same is true with the other towns. The Council is always saying they are tired of paying for everything for other towns.

Mayor Hooper said they should note that the Council gave the Senior Center a year to figure out how to bring in the other towns to help support them. She believes they all value the work of the Justice Center and this isn't about not wanting to support it. We are just concerned about how we distribute the costs.

Mayor Hooper said folks from the Cemetery Commission are present, representatives from the Parks Department and the MDCA.

Council Member Jarvis asked if they could talk about the Cemetery/Public Works position.

Mayor Hooper said one of their conversations was about the consequence of reducing the part-time position in Public Works and what it did to the cemetery.

Council Member Jarvis said she would support putting this position back in because if there is anything the Council has heard recently over the last year from the voters of Montpelier is winter maintenance and plowing sidewalks. The thought of losing a part-time person in the face of such discontent is not appetizing at all.

City Manager Fraser said this is a domino effect. Originally, there was a person who worked part-time for the cemetery and during the winter months worked for the city. For a couple of years the cemetery made that person full-time year around so the city hired their own

part-time person. Independent decision the cemetery in this year's budget to reflect their reductions they took that part-time position out assuming it would go back to Public Works. In the meantime Public Works took their part-time position out saying it was a place they could cut and the water and sewer people would have to pick up the load and fill in that extra slot. The result was that it ended up with the cemetery with a three-quarter position and no winter person, nor would that individual fill in the part-time. He's an experienced person and a good person to have. The issue is that it was one area where there was one less person available to plow, and that meant the water and sewer person is on

the truck resulting in one less water and sewer person available. Is that the end of the world? No. Does that mean the roads aren't going to get plowed? No. But it does reduce their capacity.

Council Member Sheridan said he thought the whole point with Public Works is that we are trying to get everybody to do everything. Unless we have five storms in a row he doesn't think they are losing any plowing power.

City Manager Fraser said they are losing a full person in the winter. It reduces the city's capacity somewhat.

Council Member Sheridan said through the average part of the winter it's not really going to hurt us. It will hurt if we get a pile of storms.

Todd Law, Director of Public Works, said it will reduce the level of service throughout. They will have to pull water and sewer employees who have to clean out fire hydrants, so that capacity will be diminished somewhat. They are already doing this right now. The water and sewer personnel are filling in for snow removal, plowing, and when their crews are up all night doing snow removal the water and sewer personnel have filled in on plow trucks when there are storms the following day. Even when they are not in that five day stretch it does diminish some of their capacity. He was extremely happy when the cemetery employee came back, because it is somebody who knows our streets. With the changes they have made with their equipment, etc. they want to make sure they are out there, and if they pull somebody out of water and sewer who could be in the sidewalk plow it will reduce that level of service. The water and sewer personnel are a very valuable asset, but during the winter removing snow from the hydrants could be the difference between life and death. The other side of the reduction is the maintenance function. We are moving somebody from full-time to part-time on the maintenance side which will affect police, fire and public works. She is the person who inputs all of the service logs, parts, repairs, maintenance. That is why they didn't want to reduce her to zero. We could take the other administrative functions away from her and give them to somebody at City Hall, but that function is specific to the Public Works garage.

Council Member Sheridan said this is happening in the business world all over.

City Manager Fraser said that is what they put in the budget. The issue got raised and the cemetery asked the city to look at it. When they were adding small amounts of money back in after other reductions he would look at it again because it isn't a huge amount and it does have a service impact. All of the reductions make a difference.

Council Member Sheridan said they know they could add people all over the place and have a perfect city, but nobody could afford to live here. If we keep putting everybody we took out back in, then we are in trouble.

Council Member Weiss said talking about this half-time position as it relates to Public Works. What is the impact, if any, on the cemetery itself?

City Manager Fraser said the cemetery had proposed eliminating four months of the year. It was their assumption that he would be able to go back to the Department of Public Works. The biggest impact on them is the fact they have had this returning employee who knows what they are doing.

Council Member Weiss asked Patrick Healy what was the loss to his department?

Patrick Healy, Green Mount Cemetery Superintendent replied they would have to go back and see what they could do to reduce their budget so they could meet that need. The cemetery isn't asking for any more money.

Council Member Weiss suggested they are talking about \$14,400 and he thinks they should put it back.

Mayor Hooper said there were Parks and Trees representatives present. They are going to increase the Parks budget by \$4,000 for removal of tree service. Geoff gave up \$1,500 in maintenance. The Council has heard the discussion about why the position should be retained.

Aaron Brondyke, representing the Parks Commission, said the last time they were before the Council they talked about this position and there were some questions about overhead associated with that person. Geoff has done some additional research on the budget impact of the removal or retention of this position.

Geoff Beyer said they tried to break down some of what they talked about at the last meeting. One of the things that were possibly playing into the factor was health benefits. Dave presently has health benefits, and if he continued at 20 hours per week by city policy he was supposed to be offered it. If you are earning a half-time wage, you can't afford to pay the other half of the health benefits? That would be a challenge for the average person so many people would have to decline it because they can't afford it.

Parks Superintendent Beyer said he look a little more closely at how much they have generated in revenue with cord wood, which is \$3,000 in the last ten months. He has looked at money that has been saved in equipment repair, and this year it is over \$4,000. You need to factor in the \$4,000 they would need to pay tree companies.

Council Member Sheridan asked if the cord wood revenue was about the same every year?

Parks Superintendent Beyer said they have only been doing it for one year. They have a home-made splitter. The wood is coming partly from the parks but mostly from city trees they have taken down. Some years the amount could be a little less, and for some years it could be more.

Mayor Hooper said the memo question is different than how they are looking at the allocation of employee costs. What they have been trying to do is treat each expense area equivalently. She understands his dispute with how he sees the figures, these are real costs that are there and it still an increase to the city in the budget.

City Manager Fraser said the original position when they first started was temporary part-time so they didn't assign that person benefits and that was how they budgeted for it. It became apparent over the last year this individual was here for more than 12 months and working regularly more than 20 hours a week, and because the city does try to be a good employer and because we do have a city policy that says if you are working 20 hours you are

eligible for benefits. In doing the budget this year they allocated this position for half benefit costs just like they do for every other position in the budget, which has greatly increased. That was a reason why they looked at the cost of the employee. In addition, as they were going through the services they had they reviewed all of the newer employees rather than long standing practices. There is no doubt that this is a reduction of services.

City Manager Fraser said when they are dealing with their health and benefits they take the total cost for the city and divide by the number of full-time employees. It is city wide savings they are allocating. The Mayor is correct that we ought not to show those benefits for this employee this way,

but those costs are still going to be picked up. If the employee is below 20 hours a week and the city isn't offering benefits, then the total cost will be reduced by the benefit package because it won't be available. They could look at raising the threshold for offering benefits as a matter of policy, so maybe it would have to be 25 hours. There are four or five positions that are 25 hours.

Parks Superintendent Beyer said it is commendable that City Manager Fraser and the City of Montpelier offer benefits at half-time, and he thinks offering instead of forcing people would be strategic.

Mr. Brondyke asked Sandy Gallup, Finance Director to tell them how much the half-time benefits would increase the Parks budget.

Finance Director Gallup said the average cost of an employee's benefits package is a little over \$14,000, so if she takes one-half of Tree Warden they get \$7,000 whether they take the insurance or not. The city has had very few part-time employees until recently. There were whole people and the FTE system worked quite a bit better. Community Justice is in the same position. They keep their benefit package down, but when she nails them with their 1.875 FTE that is where they get the increase they are struggling with. It is the same with the Senior Centers and the Parks. They get nailed because of the way the city allocates benefits.

Mr. Brondyke said the way they are viewing it on the Parks Commission is that if you look at Geoff's analysis the net cost of the position, with or without the employee, is basically the same because of the cost savings the employee provides. Therefore, it seems to them that the Council is considering eliminating the position for \$7,000 at best. To them it seems like a pretty insignificant impact on the taxpayer given the amount of leverage that this position offers to the Parks Department. This position doesn't only cut down trees that are dead and diseased, but this person also provides .25 FTE to the Parks Department and oversees the volunteer crews that keep the parks running. They think that provides a tremendous amount of leverage to their sole employee in the Parks Department. They would strongly encourage the Council to reconsider this.

Mayor Hooper said she thinks they heard that loud and clear the last time they were here and they know there is huge value thanks to Geoff's leadership.

City Manager Fraser said the Council actually approves the amount of money that goes into the budget. He provides them an explanation of how the savings is derived, but the Council doesn't actually allocate the number of positions. If they say they can do this with the same amount of money. The City could look at different options to see how they can make it happen with that amount of money. Maybe there is some place else they could cut \$7,000.

Mayor Hooper said they are potentially approving a budget of \$122,592 for the Parks.

Mayor Hooper said representatives from the MDCA were present for the Council tonight.

Council Member Weiss asked Suzanne Hechmer when will the MDCA consider and implement an expansion. There are merchants and businesses on the Barre-Montpelier Road. They should be included as part of the city's expenditure for downtown. There are a couple of businesses on Elm Street that should be included. He is uncomfortable with not being inclusive despite whatever the definitions may be of downtown. When was MDCA going to expand?

Suzanne Hechmer, Director of the Montpelier Downtown Community Association, said that the MDCA has never considered an expansion. There is a definition of the downtown that they adhere to that went through the state process long before she arrived, and there is a reason for that

definition. However, it doesn't mean that they don't occasionally work with businesses outside of the downtown, but their core mission is towards the downtown. It is to maintain a core downtown or traditional downtown, which is something that has died in many parts of this country. You don't find them in the Midwest any more. The downtown we have is key to the whole city, whether or not your business is located in the downtown or not. For example, we all acknowledge that National Life is pretty important to Montpelier. How does a company like that attract employees? What makes a community desirable to live in? One of the things that Montpelier has that is really unique is a downtown. There are a lot of communities that have spread out shopping areas but not very many with a core downtown. The MDCA works hard to maintain that because in a lot of places that has died.

Ms. Hechmer said there are ways they support businesses that are outside of the downtown on a more one-on-one occasional basis. The downtown supports a lot of businesses beyond those in the downtown by what they bring to Montpelier as a community. First Night is a Central Vermont celebration and brings in people and groups from beyond just the downtown.

Linn Syz, MDCA President agreed with what Suzanne said. The whole focus of the Montpelier Downtown Community Association is to get people into downtown Montpelier and not to get them out on the Barre-Montpelier Road. That's a strip, and that is what a lot of the United States looks like. Morse Farm is not downtown, but the MDCA works very closely with the Morse Farm and they support each other. They advertise with MDCA and support our events because they know when people come to downtown Montpelier they are going to go out to Morse Farms. The focus is to get people to come to downtown Montpelier. A lot of First Night supporters were businesses outside of the downtown because they do know that people do come from all around Central Vermont. As an organization working throughout most of the year it is focusing on the downtown.

City Manager Fraser said they are on the Enhancements page right in front of the General Fund revenue section.

Mayor Hooper said perhaps there is another question or point inclusive in Alan's statement which is a desire to support other businesses. Is there a way that other businesses outside of just the core downtown can be involved? That is an interesting policy question. The City Council set the ball in motion that created the MDCA because we said there is a value here and something important here we want to make sure continues. Similarly, maybe they should be having a conversation about what we are doing for other businesses rather than saying MDCA should be doing this. How do we make sure that the city of Montpelier is making sure that all of her businesses thrive?

Council Member Weiss said that was his intent.

Ms. Syz said Mayor Hooper has been working with Berlin, Barre and Montpelier which is more of a business end of things. The MDCA is starting to work also with the Barre Downtown Partnership to try to do more things as two downtowns rather than always feel like they have to compete with one another. They have their own unique reasons for being.

Council Member Golonka inquired what the total budget was for MDCA.

Ms. Hechmer said when you include First Night and Independence Day it is \$170,000.

Council Member Golonka said businesses must support the remainder. Are they generating \$150,000 from businesses in the area? The city contributes \$20,000.

Ms. Hechmer said they also get a little bit for First Night and Independence Day and holiday lights.

Council Member Sherman said First Night was an incredible success.

Ms. Syz said it is always a fun event. It was a little cool this year and their numbers were down a little bit because of the cold. People were very excited about what was going on.

Mayor Hooper said when she went down the list of possible places to find money we spend \$2,000 for First Night and \$3,000 for Independence Day. She was thinking because the city contributes so much to these events through the services of the police, fire and public works this would be a place to look for cuts. She is looking for \$100,000 to cut. The city spends a tremendous amount in police, fire and public works in supporting both of those events and she was wondering if they also needed to contribute money.

Council Member Sheridan said these are bonding events for the community.

City Council took a short break from 9:25 P.M. and reconvened the meeting at 9:40 P.M.

Mayor Hooper said with the exception of talking about the road grader, which is a large budget number, they worked their way through all of the larger specific questions they had. What is the overall spending level that the Council is willing to commit to? City Manager Fraser presented the Council with a budget that saw a 3.6% increase. With an increase from dispatch and the decrease in expenses from workmen's compensation and other insurances, there is \$37,000 which effectively brings us below a 3% increase in our budget. We haven't dealt with all of the requests that could be added back in. There are a number of those.

Council Member Hooper said the largest part of that difference is the reduction of \$60,000 in the library funding.

Finance Director Gallup said it was \$99,071 they knew they could take off the budget.

Mayor Hooper asked the Council what was the goal they wanted to meet.

Council Member Sheridan said he would like to see the budget down to 3%, but he is looking at the stuff that will stay out. We can put the Library in at a certain figure, but it will probably be put back in by the voters. The \$37,000 looks like a guaranteed savings.

Finance Director Gallup said since they started the meeting they added Barre Street, which is \$60,000. Then, they added some rent for \$25,000. We added the Washington County tax which is more than she budgeted and cut Community Justice Center to \$15,000, which is a total of \$63,000 more.

Mayor Hooper said regardless of where it is on the warning, if it is our goal to see the property taxes only go up by 3% then it is not a wash.

Council Member Sheridan said 3% is a cap for him. He doesn't want to go above it and he would go lower.

Mayor Hooper asked Sandy to tell the Council what they added back in.

Finance Director Gallup said there is additional dispatch revenue of \$17,000. The Worker's Compensation and property insurance adjustment of \$20,000. The Library contribution was increased to \$59,308. Under the Parks equipment they took out the snow blower for \$1,400.

Mayor Hooper asked Council Member Sheridan what was the magic about the 3% number.

Council Member Sheridan said he wasn't going to vote for the budget if it is over 3%. If it is under that, there is no problem.

Council Member Sherman said she thought 3% was a reasonable increase.

Council Member Golonka said he would prefer zero because there is a \$1.5 million bond issue.

City Manager Fraser said that was factored into the capital budget.

Council Member Golonka said he would like to see less than 3%.

Council Member Hooper said he would like to see 2%.

Council Member Weiss said he would like to see 2.5%.

Council Member Jarvis said she wasn't wedded to a number.

Mayor Hooper said one of her problems with this is they haven't talked about the fact that they aren't spending enough on the capital budget. She is sure there is a possible reduction in the PILOT payments and highway aid.

Council Member Weiss said he is looking at the proposed warning with the articles and all of the articles that say requested by the City Council. Some time back there is a City of Montpelier funding policy for outside service agencies. It says for number 4 any agency that makes a written request for funding that is equal to or less than funding in the FY'08 city's general fund will be included in the FY'10 city's general fund budget. Every one of these had requested the same as they did for the previous year.

Council Member Hooper added that was for FY'09. They have to go back to the FY'08 figure to be included.

Mayor Hooper said that is one of the questions. The Council is recommending our budget, but all of the other items the Council can say they don't recommend them.

Council Member Golonka said with Crime Stoppers by putting requested by the City Council it implies they are endorsing them. He prefers not to endorse the outside agencies. By putting the Community Land Trust on the ballot the Council is endorsing them to some extent. He would rather leave them blank.

Mayor Hooper said there is the next step of using the language to tell the voters that the Council doesn't support it. If the Council isn't funding the Library in its budget at the amount they requested, and it is on the ballot, does the Council want to say they don't support it? Are there other items the Council feels that way about?

Council Member Weiss said he doesn't want to be in the position of publicly stating we don't support something or somebody. His preference is to leave it blank.

Council Member Golonka said with the ones the Council puts on they could say supported by the City Council.

Council Member Sheridan said if they put nothing on there it says to the voters it is up to them.

Council Member Hooper said he thinks the Council chose a good number in the budget for the Library and beyond that he suggests they don't fund it this year.

Mayor Hooper said in the Town Report they could talk about the budget. There has always been the Mayor's section and the Council could do a strong statement about the budget and offer guidance to the community. They aren't going to carry it into the voting booth with them. Leave them blank and let people vote. The issue is communicating with the members of this community about the conversations the Council has had and why we ended up where we are.

City Manager Fraser said he could do a letter to the paper, too.

Council Member Sheridan said he liked that because the Councilors who want to sign it can. That is what happened when they discussed the options taxes.

Council Member Sherman asked if for some of them they could say supported by City Council.

Council Member Golonka said he would like that.

Council Member Sherman said for the Library they could say included in the city budget and supported by City Council.

City Manager Fraser said they need to be careful with the ballot items. It is meant to provide a neutral vote to the voters and present the question. They could get in trouble if they editorialize too much. He would recommend keeping the ballot as pure as possible because they will run into challenges.

Mayor Hooper said they can say supported by City Council where they do, no language where they don't, and use the City Report, *The Bridge* and other ways to be clear about their position.

Council Member Sherman said if they do have a target percent they need to identify the items that are beyond the Council's goal.

Mayor Hooper said if the Council's overall goal is an increase of 3% she would assume with not dealing with the Library presenting a petition for \$70,000 it would get voted in. If the overall goal is 3% and we believe some of the articles will get voted in, we will be over the 3%. One of those is the Housing Trust Fund which is \$52,000. If they put it in the budget at a different number, then it won't be on the ballot.

Council Member Golonka said he serves on the Housing Trust Fund Advisory Committee and they are meeting next week in terms of the ballot item. His concern is that it seems to be very weighted towards the Community Land Trust, and it seems to be just a grant for the Land Trust year in and year out. The second problem he has with it is that they are calling it a trust fund, but it isn't a trust fund. A trust fund would be a perpetual fund they are using the interest off and it is misleading to the public to assume we have a trust fund. If we aren't creating a trust fund we should be building it up each year instead of spending it down to zero. Those are his two concerns with this program. It should be called a housing grant fund. Also, one of the guidelines is to have the money paid back into it, but every grant they receive becomes a grant and not a loan. The problem with it is they wed the money with the property instead of wedding it with the applicant, and because of that it becomes very static and we don't get turnover into the trust fund itself.

Council Member Weiss asked Council Member Golonka if he had any idea what guidelines would be recommended to the Council. Mr. Libby said they were coming back to the Council.

Mayor Hooper said it is an opportunity for private property owners to access these funds rather than nonprofits. For example, with the One More Home Campaign which hasn't been taken advantage of as much as we thought, these funds could be used for that. Do you want to risk having a \$52,000 ticket item on the ballot or control it with \$30,000?

Council Member Golonka said he would rather have the ballot item.

Council Member Sheridan said if they put it in at \$30,000 they would probably save \$22,000 knowing how people in this town vote. Or, they could put half, which is \$26,000, into the budget with full discretion of the budget.

Council Member Sheridan said this doesn't have the \$15,000 for the Justice Center but the larger figure.

Mayor Hooper asked they resolved the capital budget.

City Manager Fraser said this increases the budget by \$70,000. They proposed bonding the study which makes the least amount of sense. If you put that back in at the full amount you are basically raising the capital budget by \$70,000. He realizes that doesn't get any more paving done this year. Once the reappraisal is out of the budget and the study is out of the budget, it will free up some more money to do some other things.

Mayor Hooper said this is just back to deferring costs. We have to deal with this at some point.

Public Works Director Law said some of the things they can think about are extending the lease. They just paid \$2,500 for a week because the grader broke down again. Last year the city paid \$5,500 or \$6,000 for a month. That can be a pretty substantial lease payment on a grader, especially on one they have kept for almost 30 years.

City Manager Fraser said the grader and vector are the two biggest ticket items.

Mayor Hooper said they keep deferring the hard questions, and they can't just keep doing that. We are either going to have to give up on things that we value and make this community really special or raise the tax rate. Those are the two responsible things to do. Continuing to not adequately invest in infrastructure and equipment is just passing this problem on to future years. She doesn't feel that is responsible.

Mayor Hooper said there is the Community Justice Center and all of the community enhancements. That is \$100,000 right there. Those are things that make this community important and valuable.

Council Member Sheridan said they need the grader.

Mayor Hooper said they could also talk about a 4% tax rate increase.

Chief Facos said they went through their 29 parade permits and removed from those the number that actually created overtime. The bulk of them have no impact on their time at all. There is \$14,000 budgeted for overtime. They would have to look at the event policy regarding a fee and it would probably only be a token fee. It works out to 249 hours of overtime. For the veterans parade on

Memorial Day he has officers who say the show will go on because it is the right thing to do. Fortunately or unfortunately, they come to Montpelier because they don't have a downtown.

Council Member Weiss said when he added up all of the increases of the various programs, such as Finance, Technology, Property Assessment, Planning, they came to \$526,000. Let's take 5 percent across the board from every one of them and that will give you the \$25,000.

City Manager Fraser said there are a lot of things they want to do, including all of those services.

Mayor Hooper said in her mind to get to a realistic 3% is to spread the grader payment out over time.

City Manager Fraser said in the 1980's a lot of communities took out a lot of street lights. To say we are going to cut x number of lights without some process where you send notices to the neighborhoods, that is what gets people mad at city government.

Council Member Weiss said if they take the county out of the budget and make it a special tax, what does that do?

City Manager Fraser said it would lower the city budget, but the tax rate doesn't get reduced.

Council Member Golonka said if they can't go to Alan's argument about an across the board 5% cut, it looks like we are coming down to a fund balance issue. Why don't we pay for the flood study out of the fund balance because it is a one-time event?

Mayor Hooper said her concern is that we have annually seen an increase in our PILOT payments for the past x years because the sales tax revenue was going up. It's not going to this year. They are going to see a decrease in state aid to highways. They are going to see other decreases in state aid to the city.

Council Member Golonka said he thinks the flood study should be paid for. It is a one-time event.

City Manager Fraser said one of the problems with using a huge amount of fund balance is that in next year's budget you are that much in the hole. At some point you have to put out a budget that you can recommend to the voters, and there are things you can't control. You can't control group petitions and how the people vote. All you can do is say this is what the Council thinks it takes to run the city this year to do the services included in the budget. If

they are that concerned about the voters passing \$70,000 for the Library, then put it in the city's budget and we'll start cutting to accommodate for it.

Council Member Golonka said you have to look at it in totality with the school, and that is going to be up 10%. Taxpayers are going to face a huge increase this year.

Council Member Weiss said he would like to see the Council find the \$27,000, adopt the budget tonight which would not exceed 3%. This budget does not take effect until July 1st. We don't know what the voters are going to do in March. They can accept it or reject it. We also don't know what the new federal administration is going to do in terms of billions of dollars, some of which are going to be available to the City of Montpelier to do some of the things included in our budget. Even if the federal government is slow and we don't get some of this money until after the 1st of July it is still a benefit, and he thinks the city can survive with 3%. Let's pass a budget tonight that we can look at on Wednesday.

Mayor Hooper said they could take that out of the fund balance.

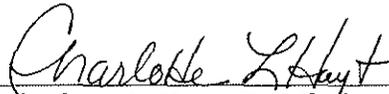
Council Member Sheridan told the City Manager to look at the budget and tell the Council what would have to come out of the fund budget to bring it down to 3%.

Council Member Sherman said she thinks they are satisfied with the reduced service and we are ready to take those comments and complaints.

Adjournment:

After motion duly made and seconded by Council Members Weiss and Sherman, the council meeting adjourned at 10:50 P.M.

Transcribed by Joan Clack

Attest: 
Charlotte L. Hoyt, City Clerk