

On Wednesday evening, December 21, 2011, the City Council Members met in the Council Chamber.

Present: Mayor Hooper; Council Members Golonka, Hooper, Jarvis, Timpone and Weiss; also City Manager Fraser. Council Member Sherman arrived at 7:00 P.M.

Call to Order by the Mayor:

Mayor Hooper called the meeting to order at 6:35 P.M.

11-320. General Business and Appearances

None.

11-321. Consideration of the Consent Agenda:

- a) Summary Budget Reports by Department for General Fund and Detailed Budget Status Reports for General Fund, Water Fund, Sewer Fund, Cemetery Fund, Parks Fund, Parking Fund and Senior Center for a 4-month period beginning July 1, 2011 and ending October 3, 2011.
- b) Consideration of becoming the Liquor Control Commission for the purpose of acting on the following:
  1. None as of “press time”
- c) Payroll and Bills

Payroll Warrant dated December 8, 2011, in the amount of \$129,331.90 and \$27,126.05.

General Fund Warrant dated December 14, 2011, in the amount of \$343,450.19 and \$636,967.14.

Payroll Warrant dated December 22, 2011, in the amount of \$120,093.37 and \$25,711.40.

Motion was made by Council Member Weiss, seconded by Council Member Hooper to approve the consent agenda. The vote was 5-0, motion carried unanimously.

11-322. Setting of “approximate times” for the following agenda items.

The Council reviewed the agenda and set times for each item.

11-323. Update from representatives of the Wood Art Gallery on the Gallery’s collection as it was bequeathed by Thomas W. Wood.

Representatives of the Wood Art Gallery were not available this evening. Motion was made by Council Member Jarvis, seconded by Council Member Weiss to table this agenda item until January 4<sup>th</sup>. The vote was 5-0, motion carried unanimously.

11-324. Complete review of Operating Budgets for Administration, Fire and Police Departments.

#### **Finance Management & Administrative Services:**

City Manager Fraser reviewed a working organization chart for the City of Montpelier which is what the budget is basically based on with possible modifications on job tasks and duties. She had the elected clerk position budgeted salary range of \$50,000 to \$55,000. The council sets the compensation for the clerk.

Finance Director Gallup provided a handout with some of the city clerk duties and responsibilities. She had the elected clerk position budgeted salary range of \$50,000 to \$55,000. She had the clerk’s office portion in the budget for one full time elected clerk and 1 full time assistant clerk. That is what the MATRIX report recommended.

Finance Director Gallup provided a memorandum on the Finance Department reviewing the financial management, administrative services and technological services.

Council Member Weiss asked if in their deliberations the Council should consider transition money. It’s a brand new clerk in a very complicated job. Should they ask somebody who has experience to stay on for a couple of weeks or month to help with that transition?

Finance Director Gallup said Charlotte and she have a plan. Charlotte is staying on full-time through the end of the fiscal year and she will be very busy training and continuing her treasurer duties. They have had a reduction in force because of that situation.

Finance Director Gallup noted that the FY11 Financial Statements were prepared in house and is at the CPA level of record production required for the audit. A new goal is to reorganize the Finance Department to include the Treasurer's responsibilities. We are planning on January 1, 2012 to begin reassigning responsibilities in preparation of transitioning the Treasurer's duties to the Finance Department.

Council Member Weiss asked if there is enough physical space.

Finance Director Gallup said they are doing job responsibilities first and once the tasks are reassigned and they know who is doing what, they can decide where the employee should be located. There are spaces in City Hall that need to be developed.

She reviewed the budget document with the council. The Finance Office budget is up \$144,000 due to the reorganization with the Treasurer's duties. It includes \$20,000 for human resources consulting services that are part of the matrix plan. The finance staff increases from 3.6 FTEs to 6.8 FTEs.

Finance Director Gallup continued by reviewing the duties of the three staff members presently in her department.

Council Member Weiss said he understands that Human Resources is often a full time position. He asked if the City's HR person has enough time to adequately do the job.

City Manager Fraser explained that basic HR functions are handled adequately, but the City feels they need more work in the more advanced HR functions. The City has gotten advice from the League of Cities of Towns. They cannot add this position now, but perhaps over time it will be possible. In the budget is a fee for the consulting from the League to assist with those things and to update policies, procedures, practices and provide internal training.

Discussion followed on the billing done at the Fire Department. The long term plan was to shift that billing and collection to the finance department.

Finance Director Gallup went on to review the performance measurements for the finance department and technology.

**Assessor's Office**

City Manager Fraser said the Assessor is basically the same operation they have had, a contract Assessor with a full time Assistant. Reappraisal costs are no longer there. The level of service remains the same. A copy of the performance indicators is attached to the minutes.

**Police Department:**

Referencing Proposed Budget p. 15-31. Police Chief Facos handed out a sample schedule for January/February to give Council a visual of how resources are allocated with 17 officers. Cleveland is out until February with a broken foot. Overall statistics are similar to last year. Big change this year is drug activity. Drug arrests are up and at a record high. Vermont is seeing armed robberies on the rise and are becoming common. The Montpelier Police Department has been involved with the Bureau of Alcohol, Firearms and Tobacco and referred several cases to the U.S. Attorney's Office.

Police Chief Facos said two significant challenges in 2011 to the City of Montpelier included the May and August flooding events which tested the staff's capacity and capability. The department received two lifesaving commendations. In the proposed budget there are increases to salary to beef up the middle range to retain experienced police officers. There are 17 positions. A Cops Grant is partially paying for one position and the City will assume payment for this position in the future.

Police Chief Facos noted a substantial change in Police Tuition and Fitness Testing and said this reflects a reallocation of the payment of physical fitness reimbursements. He went on to say the School Resource Officer is eligible to retire next November, but is planning on leaving at the end of the school year in June of 2013.

Police Chief Facos reviewed Police communications, dispatch and regionalization of communications and contractual dispatching services. The city of Montpeoier presently dispatches for the Capital West users group which is made up of sixteen towns.

Discussion followed on staffing of the three shifts, prioritizing responses and investigations. Overtime use was discussed. Overtime was used for shift coverage, court appearances and mandatory training.

Police Chief Facos reviewed the parking budget. There are three new parking vending machines which take credit cards and are solar powered. He believes when the city accepts credit cards to pay tickets that revenue will go up.

Finance Director Gallup noted that the holiday parking had been taken out of the budget.

Council Member Jarvis asked him to provide information on how schedules, prioritizing responses and investigations would change if an officer was cut.

### **Fire & Ambulance Department:**

Fire Chief Gowans said Montpelier serves Worcester, Middlesex and part of Moretown (about 350 residents). The contracts that just went out include a 3.5% increase and a 3.5% increase for next year. Out of the actual operating budget, 26% is from ambulance revenue and 74% is from property taxes. The ambulance revenues are looking stronger than anticipated.

Response times were reviewed. Based on past and current numbers, it is expected that call volumes will increase in the next few years. One hundred percent of the City's firefighters are certified at the level of Firefighter Level 1 and EMT. Fifty-six percent are or will have training to become Firefighter Level 2, the highest level of fire certification in the state. Eighty-three percent are certified at the EMT intermediate level.

The budget starts on page 21, includes a slight dip in wages and salaries. Based on a MATRIX recommendation, a couple positions were not filled or modified. The budget proposal includes a \$757 increase over last year.

Mutual aid was discussed at length.

Council Member Sherman asked why two vehicles go on a call.

Fire Chief Gowans explained with two vehicles and three people, one person could be free to go to another call, if necessary. It does happen when the second vehicle has been a "break away" vehicle to go to the next call directly from the scene.

The City has three on-call firefighters. They look every day for call fire fighter.

Emergency Management and the river gauges were discussed.

Tim Heney asked about the option in the budget process and if the Council had looked at the budget at 3% or 5% below last year's budget and what would that scenario look like?

Fire Chief Gowans said that would mean cutting equipment and personnel. .

Mayor Hooper explained that the reduction of one firefighter was contemplated, but it is very far down on the list of possible cuts. The budget information gathering stage has been a 5-6 meeting process.


Peter Nielsen reminded the Council of the letter that was submitted asking the Council to take a look at the 3% reduction from the municipal budget last year and what are essential services with the Police, Fire and Department of Public Works. When most of the cuts Fraser recommended came from outside of the essential services, it didn't give the opportunity to look at what would cuts look like department by department for essential services?

Council Member Jarvis explained City Manager Fraser protected the core services and then looked at possible cuts.

City Manager Fraser had a list of scenarios of very deep cuts, including eliminating two firefighters. The options are there for people to talk about.

Mayor Hooper reminded the audience that the Council met last week to discuss their definition of core services and agreed that included police and fire services.

Fire Chief Gowans said they had a presentation of staffing levels and would like to make the presentation at a future meeting.

- 11-325. Consideration of amendments to the City's Charter which would change the percentage of registered voters needed from 5% to 10% for petitions requesting that articles be placed on City Meeting Warnings (§5-501); for a Special City Meeting to be called or rescinded (§5-503); and for the reconsideration or rescission of action taken on a warned article at an Annual or Special Meeting (§5-513). 

Council Member Golonka said this is his request because he believes it is difficult to manage a ballot with 30 or so items. He thinks 10% is a more meaningful number, or Council could waive that requirement at their discretion.

Council Member Sherman asked about which groups would need to gather 10%, not 5%, effective 2013. Five percent would be approximately 325 that would increase to 650.

Council Member Weiss noted the impetus for the possible charter change is to reduce the list of items on the ballot that voters are asked to approve.


City Manager Fraser said technically the only items that need to be on the ballot are ones that relate to the business of city government, but this has been a gray area when non-financially related issues are requested to be on the ballot. He went on to explained because this is a charter change, it would have to be warned, have hearings, be approved by the legislature and go into effect the following election.

Motion was made by Council Member Golonka to direct the City Manager to file this language with the City Clerk and set a public hearing. The motion was seconded by Council Member Timpone.

Discussion: Question was raised to ask VLCT to see what other communities have done this. Council Member Weiss suggested for financial matters it be 10%, but for matters relating to City government it stays at 5%. Golonka noted person or group could ask Council for a waiver.

City Manager Fraser suggested getting more information and options for the next Council meeting because once the paperwork has been submitted, a change cannot be made.

Council Member Golonka and Timpone withdrew the motion.

11-326. Consideration of two amendements to the City's Charter to allow for the collection of a local options tax. 

- a) A rooms/meals/alcohol tax which would be dedicated to infrastructure improvements.
- b) A sales tax, a portion of which would go to property tax reduction and a portion to supporting economic development.
- a) Recommendation: Review and discuss information; vote as to whether or not Council wishes to pursue.

Mayor Hooper explained the Council packet included language for the amendment is different than what is on the agenda – the rooms/meals/alcohol tax would be 100% dedicated to infrastructure improvements and maintenance and separately a 20% portion of the 1% sales tax would be allocated to support economic development and business promotion.

Discussion about whether these figures would be outside or inside of budgeted income, whether this is binding, and the allocations and language.

Public comments:

Bill Snyder, a local business retailer, spoke to the Council about his concerns. He said adding taxing local retailers gives a disadvantage compared to internet retailers and box stores. He cautioned that unless Council members are living the life of a local retailer, they could not understand the impact this additional tax would have on local retailers' businesses and ability to compete in the marketplace. He suggested the Council put this issue on hold until the economy gets better.

Phil Dodd said that Burlington and other towns have gone to local tax options and that non-Montpelier folks work, shop and travel here. He has been looking at this issue for a long time. He thinks rooms and meals is a stronger argument than sales but they both should be on the ballot. Twenty years ago Burlington was the only one who had these taxes and since then all of these other towns are going this route. It is a way for towns to task others to help pay for their services. There are residents from other towns coming to Montpelier and using its services. More than half the accidents in Montpelier are nonresidents. This is one way we could bring in some revenue. He is fully supportive of putting some of this money back into the business community to help promote those businesses. The language talks about dedicating funds for economic development and/or business promotion. He understands economic development might include downtown housing and he isn't sure that is what we should be doing with this money that is raised from businesses in town.

Bob Gross spoke to the local options tax. As a consumer he wouldn't have any problem paying 50 cents more on a toy he bought. The last time he bought mail order he purchased some tires and had to pay sales tax. The businesses in town and the people who come to the businesses cost the taxpayers in Montpelier money. The City of Burlington assesses business property at 120 percent of fair market value and the City of Burlington has a 2 percent meals tax and a sales tax. There is another way if we need to raise money because it costs us more when outsiders come into town in addition to the sales tax. If the city is raising its revenue it should also reduce the tax rate.



George Malek from the Central Vermont Chamber of Commerce said they have had this discussion before and not much has changed. We have a state program that protects the property tax payer and caps property taxes with income sensitivity. It is incredibly inefficient in this environment to use the local options tax as a means of raising money. When we tax through local options the state takes 30 percent. If the city raised property taxes by \$750,000 the state would take a minimum of \$150,000. The difference is taking from the market in one case \$1 million of purchasing power and taking \$600,000 out of the market; that is a significant difference of 40 percent.

Peter Neilsen said he has been a big supporter of local options taxes because they begin to shift the thinking of Montpelier just working on Montpelier's issues and has some creative solutions to acting as a regional hub. We aren't taxing the same community. When you raise money from property taxes you are raising it from approximately 2,000 tax paying entities and when you put a 1 percent tax on the \$100 million spent in Montpelier you are taxing a much larger population. The savings on the average home is about \$222. With consumer habits people won't be concerned about one percent.

Mayor Hooper said they need to be thinking about the timing and will have it on the agenda again on January 4<sup>th</sup>. There was a suggestion for a change in the language making it business development instead of economic development.

Council Member Weiss said the only language that would satisfy him is if 100 percent of every dollar collected goes into infrastructure which is the greatest need the city has.

Council Member Jarvis said if they want to insure another revenue stream of local options then you want to do what you can to make that event which is to promote Montpelier as a place to spend your money. Most of us have come to the conclusion that it is time to acknowledge local options because the residents are seeing the budget as killing us. Do we raise the additional money for infrastructure on residents or try to spread it around?

Council Member Golonka reminded the Council they are talking about putting it on the agenda. He doesn't have a problem with the language.

Motion was made by Council Member Golonka, seconded by Council Member Timpone to place the amendment on the agenda. The vote was 5-1, with Council Member Weiss voting against the motion.

- a) Council Member Tom Golonka asked that this be included on this evening's agenda; he is concerned about the finance piece in the short term
- b) Based on the MATRIX Report, the current desire of the City Council to explore potential synergies between multiple city departments, the aging demographics of the town as well as our fiduciary responsibility as the legislative body of the community, the following motion is proposed:
  - 1) In accordance with Title VIII, Section 7, of the Montpelier City Charter, we hereby request the City Manager to resume oversight and control, in concert with this body, of the Recreation Department effective July 1, 2012.
- c) Recommendation: Discussion; possible direction to staff.

Council Member Golonka said we have a city shared responsibility over the Recreation Department and it is a large budget. Each year we have delegated authority to the School Board and we should have a discussion about the city's role.

Council Member Hooper said he inquired if there was a line item transfer between the Recreation Department and the school for maintenance of fields, etc. They didn't so it seems there isn't the financial oversight being recommended in the charter.

Council Member Timpone said she would like the process to be to form a committee with the Recreation Department, Recreation Board, School Board, City Council and city staff. It would be beneficial for the Council in making decisions in the future.

Brian Murphy from the Recreation Board said the idea of having a committee is a fine idea and he thinks the other board members would support that. The item he doesn't like that is lingering out there is the idea they aren't providing fiduciary responsibility. What is implied is there is no oversight. The budget this year was only 1.8 percent higher than it was in 2007. This year they are cutting the budget by 5 percent.

Council Member Golonka added that the City Council has the responsibility ultimately over any of these departments. He feels the Council hasn't been doing their job.

Mayor Hooper said she doesn't think there is a foregone conclusion as to the outcome of this with the exception of the City Council being better informed.

Council Member Golonka moved that a subcommittee to explore the options with two Council Members, two School Board Members and two Recreation Board Member with city staff to coordinate this and come back to the Council with a report. Council Member Timpone seconded the motion.

Council Member Weiss indicated he wanted to serve on the committee.

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

- 11-329 Reports by City Council.
- 11-330. Mayor's Report.
- 11-331. Report by the City Clerk-Treasurer.
- 11-332. Status Report by the City Manager .
- 11-333. Agenda Reports by the City Manager.

There was no action on the above items.

- 11-328. Update on District Heat with possible voting on agreements with the State.
  - a) City officials have been negotiating an energy purchase agreement and a procurement agreement with the State Department of Buildings and General Services for the District Heat Project.
  - b) Manager will update Council on status of negotiations.
  - c) If tentative agreements have been reached in advance, possible draft agreements will be presented to the Council for consideration.
  - d) Recommendation: Receive up0date; review documents, if available; take action as necessary.

City Manager Fraser reported the city and state have been working diligently on three separate agreements with the main one being called a master power purchase agreement which lays out the business arrangement between the city and the state. The second is a procurement agreement which talks about the city transfer of \$1 million of heat to the state for what it buys. The third is the recipient agreement which talks about how the federal grant which comes through the city and pays the state to manage and handle. Most of the real work has been done on the power purchase agreement. There is a summary of the elements of the agreement. He explained the parts of the agreement to the

Council as well as how the metering will work. He should be in the position to have a full contract to the Council by the end of the week.

Attorney Dick Saudek asked the Council if they were going to go into Executive Session.

Mayor Hooper said the Council needs to be briefed on the elements of the negotiation.

Upon a motion duly made by Council Member Sherman, seconded by Council Member Weiss the Council went into Executive Session at 11:06 P.M., in accordance with Title I § 313(a) (1) to consider contracts where premature general public knowledge would clearly place the municipality at a substantial disadvantage. Attorney Saudek was invited to attend. The vote was 6-0, motion carried unanimously.

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

After proper motion the council came out of executive session in accordance with Title I, Section 313(a)(1) where premature general public knowledge would clearly place the municipality at a substantial disadvantage.

Adjournment:

After proper motion the council meeting was adjourned.

Transcribed by Joan Clack and Patricia Tedesco

Attest: \_\_\_\_\_  
Charlotte L. Hoyt, City Clerk