

## **SPECIAL ELECTION ON NOVEMBER 6<sup>th</sup>. FOUR CITY QUESTIONS.**

By William Fraser, City Manager

For *Montpelier Bridge*, October 18, 2018

The State of Vermont is holding its biennial general election on Tuesday, November 6<sup>th</sup>. Polls will be open at City Hall from 7 AM to 7 PM and early voting is available from now to election day. The state's election is for US Senator, Representative to Congress, Governor, Lieutenant Governor, Treasurer, Secretary of State, Auditor of Accounts, Attorney General, three State Senators, State Representative, Probate Judge, Assistant Judge, State's Attorney, Sheriff and High Bailiff.

In addition to the State election, the City of Montpelier is conducting a special election with four local ballot items. Two bonds – one for a parking garage and one for upgrades to the Water Resource Recovery Facility (WRRF) – and two Charter amendments – one to allow non US citizens to vote in local elections and one to authorize the city to regulate single use plastics.

Most of the attention has gone, understandably, to the two bond issues which total \$27.25 Million dollars. That is certainly a lot of money. None of it, however, comes from general fund property taxes. About half of the WRRF comes from external revenues and energy efficiencies. The remainder comes from sewer fees. The parking garage is completely financed with Tax Increment Financing (TIF) property taxes from the new hotel and user fees.

A public informational hearing will be held on Monday, October 29<sup>th</sup> at City Hall to review all four ballot items.

**Article 1:** \$10.5 Million from TIF and user fees for a Parking Garage. This project was outlined in the September 20<sup>th</sup> edition of the Bridge.

Without repeating everything, key points are:

- 348 space parking garage located behind Christ Church. Most of the land donated by the Capitol Plaza, The remainder is part of a 49 year lease between the City and the Heney Trust.
- The project is paid for solely from tax revenues (TIF) from the proposed new Hampton Inn and user/permit fees for the garage use. There is no general taxation used. Similarly, funds for this project are unique to this project and not available for other use.
- The total project will result in 160 net new parking spaces in downtown Montpelier.

- The City's Economic Development Strategic Plan (EDSP) places a new hotel, parking and housing as the top priorities for Montpelier. This project will help address all three.

More detailed information about the garage project can be found on the city's webpage at <https://www.montpelier-vt.org/1057/Proposed-City-Parking-Garage>

**Article 2:** \$16.75 Million for upgrades to the Water Resource Recovery Facility.

The city's WRRF – also known as the Wastewater Plant or the Sewer Treatment Plant – is badly in need of an upgrade due to aging and failing infrastructure. Obviously, the ability to effectively treat wastewater and discharge clean water to the river is a top priority.

A straight forward Aging Infrastructure (AI) project will cost around \$9 million. Why, then, are we proposing a \$16.75 million project? The expanded project – called organics to energy - is a more expansive overhaul and will allow the plant to treat commercial organic wastes and create energy for use at the plant. The revenues from the new materials and the energy savings will cover the difference between the \$16.75 and \$9 million projects. The OE project, in fact, will be less expensive on an annual basis. This work is also consistent with the City's Net Zero and Environmental Stewardship goals.

### ***Budget Background Information***

The City hired an engineering firm for the first of three portions of facility upgrade, referred to as a preliminary engineering report. The report evaluates facility equipment and compares life cycle cost of various replacement options. During the study, additional upgrade needs were identified bringing the initial construction cost to \$9M. With a subsequent upgrade needed in 10 years estimated at \$5M. These are essential plant infrastructure needs referred to as Aging Infrastructure (AI) work.

WRRF Staff has been able to do many projects including energy efficiency and aging infrastructure upgrades to maintain the plant functions and reduce operating costs. Current needs exceed in-house capabilities.

### ***The Opportunity***

Montpelier WRRF gained recognition as a leader in energy efficiency and was featured in a trade magazine. This was noted by Energy System Group (ESG) and prompted them to reach out to the City. An Energy Services Contract allows a Not-

To-Exceed (NTE) contract with financial guarantees as opposed to traditional design build where all contract overrun risk is on the owner.

Changing the scope of the upgrade to \$16.75M allows for up to 22,000gpd of additional liquid organic capacity with associated tipping fees along with energy savings which results in no additional impact to rate payers as compared to the AI work.

Organic waste and digester improvements will increase gas production creating an opportunity for an energy neutral facility. The City anticipates a phase 2 project after a methane production monitoring period. The three primary options are Electricity Production, Solids Drying and compressed gas wholesale.

Guarantees and increased tipping fees result in reduced financial risk to the City.

### ***Funding Opportunities***

Pollution Control Grant – Funding has been allocated by State Legislature for this project. The City will apply for a grant for over \$2M for the digester improvements associated with this project.

Organics Infrastructure Grant – City plans to apply for this grant which includes digester improvements. Maximum award amount is \$500,000

USDA Disposal Loan & Grant Program – City staff will be meeting with USDA Rural development in late October to discuss funding opportunities. They offer low interest rates and a range of 0%-45% grant funding.

### ***Environmental Benefits***

#### ***Climate Protection Benefits-***

By implementing these infrastructure and energy related measures, The City will reduce the WRRF's greenhouse gas emissions by 115 metric tons of carbon dioxide, which is equivalent to planting 135 acres of forest or removing the emissions from 25 passenger vehicles. This will be primarily accomplished by expanding the heating system to include additional building served by methane fueled boiler. After methane gas energy conversion, the emissions will be reduced by an additional 2,000 metric tons annually, which is equivalent to planting 2,400 acres of forest or removing the emissions from 450 passenger cars.

#### ***Water Quality Benefits-***

The OE project will have a positive impact on water quality in Lake Champlain and its watershed as the WRRF will process and remove phosphorus from high strength wastes would otherwise be discharged to the ground as a non-point source. This would include food wastes that are either land applied or placed into commercial digesters whose digestate is land applied as fertilizer, septage which contributes phosphorus to the ground water flowing into the Lake. Additionally, the improved sludge digestion and dewatering systems will reduce the amount of sludge that is transported and disposed of in a landfill.

**Article 3** – Charter Change for non-Citizen voting.

This proposed change, submitted by petition, would allow non US citizens living in the US legally to vote in municipal elections. They would not be able to vote in State or Federal elections.

**Article 4** – Authority for Sustainability Actions.

The City Council has proposed a charter change which would authorize the City to regulate single use plastics such as plastic bags, straws, etc. The key provision is:

**§ 5-301. Powers and duties of City Council**

(9) Regulate, license, or prohibit, within the boundaries of the City, point of sale distribution of non-reusable plastic bags, non-reusable plastic straws and similar plastic products that are not reusable, and to define what constitutes reusable in this context.

The full text of both proposed charter amendments is on the city's website. If passed by local voters, both of these charter amendments would require approval of the State Legislature to become effective.

These are all important issues for the City. Please have your voice heard by casting your ballot on or before November 6<sup>th</sup>.

As always , thank you for your interest in Montpelier city government and for reading this page. Please contact me at 802-223-9502 or [wfraser@montpelier-vt.org](mailto:wfraser@montpelier-vt.org) with any questions or comments.

