

**St. Albans City Council
Minutes of Meeting
Monday, December 9, 2019
City Hall, Council Chambers**

A regular meeting of the St. Albans City Council was held on Monday, December 9, 2019, at 6:30 pm in the City Hall Council Chambers.

Council Present: Mayor Tim Smith; Aldermen: Michael McCarthy, Jim Pelkey and Tim Hawkins & Alderwomen: Marie Bessette and Kate Laddison.

Council Absent: Alderman Spooner.

Alderman Pelkey joined the meeting at 7:10 pm.

Staff Present: Dominic Cloud, City Manager; Chip Sawyer, Director of Planning & Development; Tom Leitz, Director of Administration; Curry Galloway, City Clerk & Marty Manahan, Director of Public Works, Operations & Business Development.

Visitors: See attached sign-in sheet.

1. Executive Session Re: Contract Negotiations.
 - a. The Council finds that premature disclosure of contract terms would compromise the City or person involved (D&V).

A motion was made by Alderman Hawkins; seconded by Alderman McCarthy to find that premature disclosure of the above matters would compromise the City or person involved. Vote was unanimous, 5-0.
 - b. The Council moves to enter Executive Session for purposes of discussing contract negotiations (D&V).

A motion was made by Alderman Hawkins; seconded by Alderman McCarthy to enter Executive Session for purposes of discussing contract negotiations. Vote was unanimous, 5-0.

A motion was made by Alderwoman Laddison; seconded by Alderman Hawkins to exit Executive Session. Vote was unanimous, 5-0.
2. Convene Open Session with Pledge of Allegiance.

Mayor Smith called the meeting to order at 6:30 pm and led the pledge of allegiance.
3. Motion to approve revised agenda with addition of Items F and G under City Manager's Report (D&V).

A motion as made by Alderman McCarthy; seconded by Alderwoman Laddison to approve revised agenda with additions of items F and G under City Manager's Report. Vote was unanimous, 5-0.
4. Public Comment on items not on agenda.

Sharon Holcomb, owner of Bayberry Cottage, introduced herself. She asked for an update on the license plate reader. Mayor Smith responded that the reader is being utilized and many tickets were distributed last week. Mr. Cloud added that 50 tickets were issued last week. Ms. Holcomb stated that she had heard that signage needed to go up before the license reader could be used. Mr. Cloud responded that there is no signage requirement and follows the same ordinance that's been in place. Staff is accomplishing the education objective by the waiver of tickets on a case by case basis. Ms. Holcomb noted that the parking spaces in the downtown are occupied before 10 am when the retail businesses

open and is hopeful that the license plate reader will help alleviate that problem. Mr. Cloud suggested waiting a month to see how it works out and stated that the City has invested \$50,000 into this new system which is paired with 2 hours of free parking in the garage.

5. Planning Report

a. Public Hearing / First Reading of amendment to height regulations in Service-Industrial District.

Mr. Sawyer recalled that there is one manufacturer in the Service-Industrial District that will need future storage requiring silos. Currently, the DRB allows a structure to be up to 40 feet in height but would require DRB approval to build up to 85 feet in height. The Dairy Farmers of America and St. Albans Creamery are in need of future silos that will be up to 105 feet in height. Mr. Sawyer recalled that this was presented to the City Council a couple of months ago at which time it was referred to the Planning Commission to make an amendment to allow a DRB permission to go up to 105 feet. The Planning Commission discussed the matter over two meetings and made a couple of recommendations. One recommendation added is that if an applicant wanted to go above the current waiver allowance of 85 feet, the structure must be for storage and processing only. They also added that the structure must be set back a certain distance from the boundary of the Service-Industrial District based on how tall they get up to the 105 foot limit. Section 513 was rewritten specifically for this new proposed limit allowance.

Mayor Smith asked Kiersten Bourgeois of the St. Albans Creamery what the timeline would be for the new silos. She responded that permitting should be completed in March and construction would begin shortly thereafter. Mr. Hawkins asked how much extra storage capacity they will be receiving by having the extra footage. A representative of the co-op responded that it would take their capacity from 50,000 to 70,000 gallons of milk. Mr. Hawkins noted the structure on top of the proposed facility in a handout and asked if that was a cooling fan. He responded that it is a cooling tower. Mr. Hawkins asked how high that would be. He responded that it would be within the 85 feet. Mr. Hawkins asked if there will be 3 silos. He responded that initially in this phase there will be one 70,000 gallon silo added but would potentially purchase 2-3 additional silos in the next several years to replace existing silos.

b. Consider acceptance of First Reading of amendment to height regulations in SI District (D&V).

A motion was made by Alderman McCarthy; seconded by Alderwoman Laddison to accept first reading of amendment to height regulations in SI District. Vote was unanimous, 5-0.

c. Public hearing to review the VCDP grant activities for the CHT Home Repair Loan Program.

Mr. Sawyer recalled that in 2017, the City became the sponsor of the CHT Home Repair Loan Program. The 2017 round is coming to an end and there is a required public hearing. Ms. Faour of CHT stated that they projected completing 50 projects for low and moderate income homeowners. They currently have 46 completed projects and expect a few more to be completed in the next few weeks. Six of the projects completed were in the City. Over 50 different contractors were hired totaling over \$370,000 in rehab work. Mr. Cloud asked if the property has to be owner occupied to be eligible. Ms. Faour responded negatively and said the income requirement would have to be met by the tenants. Mr. Cloud asked what the requirements are. Ms. Faour responded that the landlord has to agree to market rent for the term of the loan and must continue to rent to the same tenant or tenants that meet the same income guidelines. Mr. Cloud asked if his recollection is correct that there are very competitive terms. Ms. Faour responded affirmatively and range from 1% - 3% and the closing costs are much lower than a bank or credit union. Mr. Hawkins asked if the market rate based requirement would prevent a landlord from using the program to evict someone in an effort to get a higher rent. Ms. Faour responded affirmatively. Mr. Hawkins asked Mr. Sawyer what this costs the City. Mr. Sawyer responded that staff budgets for assisting opportunities like this and

there is a line in the P&D budget called, "grant match." He stated that it probably consists of \$1,000 of his time over the course of a year. Ms. Laddison asked Ms. Faour if she could speak more on the projects that were completed in the City. Ms. Faour responded that many of them were for roofs and hot water heaters. She added that this year they started to offer \$2,500 grants to homeowners as well. Mayor Smith asked if the household income limits were the same as VCDP. Ms. Faour responded affirmatively.

d. Consider establishment of a 2020 Census Complete Count Committee (D&V).

Mr. Sawyer recalled that council expressed interest to count as many City residents as possible for next year. The Census bureau encourages municipalities to establish a Complete Count Committee and is wondering if council would authorize the assembly of a committee. He explained that this year is the first year you can fill out census info online and thought it would be a great idea to set up stations with pamphlets and information on the census bureau with access to a computer. He suggested one of these stations could be at the library. Mr. Sawyer recommends that the City participate so it gets represented as strongly as it can in Montpelier. Mr. McCarthy expressed support for the committee and stated that it's very important for the representation and allocation of resources. He added that the City is unique to Franklin County with a more transient population that is potentially getting undercounted. Mayor Smith that Adult Learning is putting in a computer lab and might allow individuals to participate. Mayor Smith asked if this would be a short term committee. Mr. Sawyer responded affirmatively and stated it would end at the end of 2020.

A motion was made by Alderman McCarthy; seconded by Alderwoman Bessette to establish a 2020 Census Complete Count Committee. Vote was unanimous, 5-0.

e. Consider motion to authorize acceptance of an ACCD brownfields grant for Congress and Main (D&V).

Mr. Sawyer stated that this is a resolution to accept the grant for the brownfield remediation across the street specific to the Maiden Lane housing buildings. The grant is from the State's Brownfield Revitalization Fund and is paired with a loan that the City Council has already authorized acceptance of. It will help fund the urban soil remediation cost on the site.

A motion was made by Alderman McCarthy; seconded by Alderwoman Laddison to approve acceptance of an ACCD brownfields grant for Congress and Main. Vote was unanimous, 5-0.

6. Local Option Tax: Additional Information from Economist Jeff Carr, Economic and Policy Resources.

Mayor Smith introduced Jeff Carr of Economic and Policy Resources. Mr. Carr thanked the council for welcoming him back. He stated that he has done some more work since the November meeting and proceeded to present to council. (See Attached Local Option Tax slides).

Mayor Smith stated that some of the councilors have had discussions with vendors concerned about the tax not covering services. Mr. Carr responded that whatever is covered by the State sales tax would apply and does include some services. Mr. McCarthy asked if there anything that is not currently charging the State sales tax that would suddenly be taxed. Mr. Carr responded that it mirrors the State tax and if the State changes, the local option tax would change. Mayor Smith asked if the use tax is applicable to ecommerce. Mr. Carr responded negatively. Mr. McCarthy noted the scenario where the local option tax is being charged by ecommerce providers based on the zip code of the customer and if so, some City residents are already paying the St. Albans Town local option tax and not coming back to the City. Mr. Carr stated that in the scenario, the City is missing the revenue. He further stated that that is part of the reasoning for providing the State with the list of businesses in the City to give them clarity. He added that the experience is that the local option tax hasn't been enough to motivate purchasing behavior. Mayor Smith asked Mr. Carr how many municipalities have imposed a local option tax in the State. Mr. Carr responded that 15 have imposed a local option sales and use tax, 7 have imposed only a

meals and room tax with alcohol only and 15 have both. He mentioned that other municipalities that have the local option tax include South Burlington, the City of Burlington, Winooski, Colchester, Williston, Montpelier, Brattleboro, Barre City, Stratton and Stowe.

Mayor Smith asked what one penny on the tax rate equates to. Mr. Cloud responded that it is \$45,000.

Mr. Carr stated that this is the next logical step to maintaining the momentum that was generated with the TIF program. Mayor Smith stated that his belief is that the burden isn't just shared by those visiting but is shared by renters as well. Mr. Carr added that the day population is very large in the City as well.

Ms. Laddison asked if there is extra administrative burden on the business owner who is having to charge the tax. Mr. Carr responded that they would have to program their computers to include the 1% local tax and will ultimately just change the amount of money they collect. Ms. Laddison stated that she has been hearing that it presents some onerous burden on a small business owner to charge this tax. Mr. Carr responded that that is not true since the municipality is piggybacking on the State. Mr. Hawkins asked if anyone has ever retreated from charging a local option tax. Mr. Carr responded that the only municipality he is aware that has done that is Killington.

Mayor Smith stated that if council decides to move forward with this, he would like Mr. Carr to come back for a public workshop.

7. City Manager Report

a. Review of Town Meeting Day potential ballot items.

Mr. Cloud read aloud the Town Meeting Day Ballot Items Memo in the packet (See Attached Memo).

b. Introduction of Local Option Tax Policy.

Mr. Cloud read aloud the Local Option Tax Draft Policy Memo in the packet. (See Attached Memo). Mayor Smith stated that Mr. Spooner who is absent this evening would like at least 7.5% of annual local option revenues to be utilized to reduce the cost and increase access to recreation programming for the disadvantaged and those on fixed incomes.

c. Consider request to schedule hearing(s) for Charter Amendment re Local Option Tax (D&V).

Mr. Cloud stated that procedurally, there must be two hearings on a charter change and it has to be warned between December 24th and January 3rd. Mr. McCarthy asked if it's correct that the hearings can be warned and input from the public can be taken at the hearings and then a final decision can be made to put the local option tax on the ballot in March. Mr. Cloud responded affirmatively. Mr. Cloud suggested having one of the workshops that Mr. Carr was proposing, be one of the two hearings.

Mr. Cloud stated that there might also be an opportunity to redevelop a portion of the Fonda site with a local employer who is interested in expanding onsite. There may be an additional warning item to do the environmental remediation to the Fonda site. He added that it is a TIF funded project.

Mayor Smith stated that he and council believe that's a lot to be presented at Town Meeting Day but at the same time, understand the urgency based on timing. Mr. Cloud agreed.

A motion was made by Alderman Pelkey; seconded by Alderman McCarthy to authorize the City Manager to schedule two hearings for Charter Amendment re: Local Option Tax. Mr. Cloud asked if council can circle back to the draft policy and discuss further. Mr. Hawkins stated that council also has to factor in that the City may or may not have a partner with the pool. **Vote was unanimous, 6-0.**

Mr. Cloud asked what council's consensus is on increasing the 5% to 7.5% as suggested by Mr. Spooner. Mr. McCarthy stated that 7.5% puts it more in line with what the City has been doing to subsidize the pool. Mr. Cloud stated that historically the vision has been that Recreation be funded by user fees to the greatest extent possible. The City puts in \$100,000 to Recreation across the board. He doesn't believe Mr. Spooner meant to have the 7.5% replace the \$100,000. Mr. McCarthy stated that if the voters approve the local option tax, he believes buying down the property tax rate and getting it stable for the next several years is a huge motivator to reduce that pressure. Mr. Cloud stated that he wouldn't be surprised to see \$1 million flowing in from a local option tax in the next few years.

Mayor Smith stated that his concern when talking about the stabilization of the budget, is the increase caused by the State Education Tax and educating voters to know the difference between the two.

A motion was made by Alderman McCarthy; seconded by Alderman Pelkey to adopt the policy guidelines as the first presentation for the first hearing of the uses for the local option tax as presented with the amendment of 7.5% of the local option tax revenues for reducing the cost and increasing access to recreation programming for the disadvantaged and those on fixed incomes. Vote was unanimous, 6-0.

d. Consider Greg Brown Lodge financing request (D&V).

Mr. Cloud recalled that Hard'ack is leading the fundraising charge for the Greg Brown Lodge. The total budget for the project is \$750,000 with \$400,000 in hand and committed to raising the difference. They have asked the City to finance the \$350,000 for 3 years while the fundraising efforts continue. That will allow the lodge to be finished and be in use for programming. Hard'ack will pay interest at 3% and ultimately retire the debt. Mr. Cloud added that the City is able to cover the \$350,000 through internal borrowing and the City's short term credit relationships with the bank.

A motion was made by Alderman Hawkins; seconded by Alderman McCarthy to approve the Greg Brown Lodge financing request as outlined in the memorandum. Vote was unanimous, 6-0.

e. Consider amendment to loan for Pudvah / Vickery and ballet studio redevelopment (D&V).

Mr. Cloud stated that the ballet studio is seeking to amend their existing loan of \$100,000 with the City by adding an additional \$50,000 and lengthening the term by one year. Mr. Hawkins stated that this is the building that was on Stebbins Street that was recently torn down and rebuilt.

A motion was made by Alderman Hawkins; seconded by Alderman Pelkey to authorize the City Manager to draw up the appropriate documents to amend the loan for Troy Pudvah and Mary Ellen Vickery and ballet studio redevelopment to \$150,000 with a term through 2024. Vote was unanimous, 5-0 with Alderman McCarthy abstaining.

f. Resolution authorizing mortgage on land at Congress and Main for \$150,000 VHCB grant (D&V).

Mr. Cloud explained that this item is the resolution authorizing the recording of a mortgage on land at Congress and Main for \$150,000 which is a condition of a grant from the VHCB.

A motion was made by Alderman McCarthy; seconded by Alderman Pelkey to authorize a mortgage on land at Congress and Main for a \$150,000 VHCB grant. Vote was unanimous, 6-0.

g. Resolution authorizing declaration of official intent for pool project (D&V).

Mr. Cloud stated that there is a notion in public finance called a declaration of official intent that allows for a 60 day look back period to grab any expenses from the previous 60 days. The bond issuer requires adoption of a declaration of official intent.

A motion was made by Alderman Pelkey; seconded by Alderwoman Besette to authorize the declaration of official intent for the pool project. Vote was unanimous, 6-0.

8. Mayor's Report

a. Re-appointment of Michael Gawne to Planning Commission (D&V).

Mayor Smith stated that Mr. Sawyer contacted him with a number of reappointments. Mike Gawne has already been on the Planning Commission.

A motion was made by Alderman Pelkey; seconded by Alderwoman Besette to reappoint Michael Gawne to the Planning Commission. Vote was unanimous, 6-0.

b. Promote Tanner MCCuin from alternate to full seat on DRB (D&V).

Mayor Smith stated that he and Mr. Hawkins interviewed Tanner McCuin and Denise Smith a couple of months ago and have had alternate seats. They are both seeing full time seats.

A motion was made by Alderman Pelkey; seconded by Alderwoman Laddison to appoint Tanner McCuin from alternate to full seat on the DRB. Vote was unanimous, 6-0.

c. Promote Denise Smith from alternate to full seat on Planning Commission (D&V).

d. **A motion was made by Alderman Pelkey; seconded by Alderwoman Besette to appoint Denise Smith from alternate to full seat on the Planning Commission. Vote was unanimous, 5-0 with Mayor Smith abstaining.**

Mayor Smith stated he met with Mr. Sawyer to discuss the Historic Preservation Commission. He noted that there has been a tremendous response and have 7 individuals interested. They will hold a coffee hour with the group, bring in the State representative to provide an overview and welcomed council members to attend.

Mayor Smith stated that he's been in contact with a group who's doing a lot of work with bulk buying with the community as a first step for a co-op scenario. They would like to sit down with staff and will possibly bring them in for the January meeting.

9. Other Business.

Mr. Pelkey thanked Mr. Manahan and his crew for the work on the courthouse driveway and said it's a great improvement. He asked for an update with the trash ordinance. Mr. Cloud responded that it goes into effect on January 1st.

Ms. Besette stated that the tree lighting in the park was beautiful and well attended. She asked if the parking ban is in effect. Mr. Manahan responded that the regular parking ban went into effect on December 1st and haven't moved forward with the beacons yet. He added that a notice will go out on social media and front porch forum if snow needs to be moved. Mayor Smith stated that he would like to have a conversation with the high school regarding their illuminated sign to coincide with the parking ban. Ms. Besette stated that a constituent noted that Federal Street is very dark in the residential portion.

Mayor Smith thanked Pam Cross, Donna Howard, Judy Szoldos and all of the volunteers for their participation with the Festival of Trees. He stated that the money raised will be donated to Martha's Kitchen.

Mr. McCarthy stated that he received a couple of calls when a truck got stuck at Red Stone Villa and wondered if staff could reach out to management. Mr. Manahan responded that they have and might consider signage.

Mayor Smith stated that he spoke with Chief Taylor regarding the truck traffic on Upper Welden and 162 trucks that have been stopped on Upper Welden this year.

Mr. Hawkins asked if Kingman Street is on schedule. Mr. Cloud responded that with voter support, it is on schedule for 2020. He noted that people are still going through the 4-way stop at Lake and Federal. He was in Ft. Lauderdale and noticed a solar panel that made the stop sign blink red and wondered if something like that could work here. He asked what the ordinance is for the distance you can park from a stop sign. Mayor Smith responded that he spoke with Chief Taylor and there's an initiative to give people warnings. Mr. Hawkins stated that it's very dangerous on Brainerd Street. Mr. Manahan stated that he believes its 20 feet from a stop sign. Mr. Hawkins stated that he's received a lot of positive feedback about the operations of the Clerk's office.

Ms. Bessette noted that the two trees on Lake Sreet closest to Main Street has Christmas lights but they haven't been lit.

Council discussion ensued about meeting for the Finance Committee meeting.

10. Warrants and Minutes

a. Minutes: Regular Mtg. 11/11/19 (D&V).

A motion was made by Alderman Hawkins; seconded by Alderwoman Laddison to approve 11/11/19 regular meeting minutes. Vote was unanimous, 5-0 with Alderman Pelkey abstaining.

b. Warrants: 11/15/19 & 11/29/19 (D&V).

A motion was made by Alderman Hawkins; seconded by Alderman McCarthy to approve 11/15/19 warrants. Vote was unanimous, 6-0.

A motion was made by Alderman Hawkins; seconded by Alderman McCarthy to approve 11/29/19 warrants. Vote was unanimous, 6-0.

11. Adjourn

A motion was made by Alderman Hawkins; seconded by Alderman Pelkey to adjourn meeting at 8:37 pm. Vote was unanimous, 6-0.

Respectfully Submitted,

Kristen Smith

Community Relations Coordinator