CITY OF MONTPELIER MONTPELIER, VERMONT

Agenda for City Council Meeting
Wednesday, April 18, 2012
7:00 P.M.

1) Call to Order by the Mayor

2) 12-108. General Business and Appearances

3) 12-109. Consideration of the Consent Agenda:

   a) Consideration of Minutes from the April 11, 2012 City Council Meeting.

   b) Approve and adopt a declaration of official intent to reimburse certain expenditures from the proceeds of indebtedness to be issued for the Carr Lot improvements authorized on March 1, 2002; authorize the City Clerk to sign the document as well. (At the request of City Councilor Alan H. Weiss, this item was tabled from the April 11th meeting, pending clarification of certain wording. The response from City Attorney is attached.)

   c) Acknowledgment, and signing by the Mayor, of a Proclamation for "Earth Day", April 22, 2012.

   d) Approve a "Special Event" Permit Application submitted by Craig Royce for the "Earth Day Celebration" scheduled to be held on Sunday, April 22nd, from 10:00 A.M. to 3:00 P.M. on Governor Aiken Avenue.

   e) Approve an Application for a Vendor's License from Tyler Strange, doing business for Edward Jones, to do door-to-door financial consulting.

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

1. Annual renewal of Liquor Licenses (City Clerk will distribute list of applications at the meeting.)

2. Annual renewal of Tobacco Licenses (City Clerk will distribute list of applications at the meeting.)

g) Payroll and Bills

4) 12-110. Conduct the second of a two-part public hearing process, required by the City's Charter, to consider six amendments to the City's Code of Ordinances, Chapter 10, Article VII, "PARKING AND PARKING METER ZONES", Section 10-716, "PARKING PROHIBITED".

a) Initially, the areas affected by these proposed amendments were 1) Bailey and Clarendon Avenues; 2) Barre Street/Nelson Street Intersection; 3) Liberty Street (Loomis Street - Hubbard Street); 4) State Street; and 5) Towne Hill Road; and 6) College Street/Arsenal Drive Intersection.

b) As a result of the first public hearing on March 28th, the first reading of the Liberty Street amendment was not approved. Further review was conducted of the Clarendon Avenue (Site 1) and the College Street/Arsenal Drive intersection (Site 6). A revised ordinance is presented for Clarendon Avenue with input from the residents. No change is recommended for the College Street/Arsenal Drive intersection ordinance. See memorandums (2) from Tom McArdle, Assistant Director of Public Works

c) The residents and property owners located within, or adjoining, the areas of the proposed parking ordinances were provided a copy of a memo from Todd Law, Director of Public Works and Traffic Committee Chairman, together with the ordinance proposal for the respective location, prior to the March 28th public hearing.

d) At least one of the Traffic Committee members will again be in attendance to answer questions.

e) Recommendation: Conduct the second and final public hearing, incorporating any further changes. These amendments will take effect six

(6) days from the date of publication in a local newspaper.

5) 12-111. Consideration of update and project plan for the District Heat Project.

a) At the March 14th meeting, the City Council reviewed project cost estimates which put the project costs as proposed $900,000 over available funds.

b) The Council directed the City Manager to develop a plan for addressing the project's finances.

c) The Manager will present a summary of the project including various options for proceeding.

d) Recommendation: Receive the Manager's report. Authorize City Manager to proceed with the project as outlined.

5) 12-111. Consideration of update and project plan for the District Heat Project.

6) 12-112. Reports by City Council

7) 12-113. Mayor's Report

8) 12-114. Report by the City Clerk

9) 12-115. Status Reports by the City Manager

10) 12-116. Agenda Reports by the City Manager

Adjournment

CITY OF MONTPELIER
MONTPELIER, VERMONT

Addendum to Agenda for Regular City Council Meeting

April 18, 2012

Additional Items …

12-109. Consent Agenda:

h) Approve and sign the Annual Financial Plan for Town Highways. This is requested by the VT Agency of Transportation District 6 Operations Division, and is necessary in order for the City to receive State Aid from VTRANS.

i) Authorize and approve a professional design/build services agreement between DeWolfe Engineering Associates and Renaud Brothers, Inc. (contractor) and the City of Montpelier for the **rehabilitation of the Memorial Drive Pedestrian Bridge** in the amount of **$126,285.00** and to authorize the City Manager to execute the agreement on behalf of the governing body.

1) The Department of Public Works received and reviewed four proposals from design/build teams. A more in-depth analysis of the proposals and funding source is attached. The project was bid as a design/build to expedite the project's completion. The design/build team has indicated they may be able to complete the project before the July 4th holiday if the contact can be awarded this week.

2) Recommendation: Authorize the City Manager to sign the Design/Build Professional Services Agreement with DeWolfe Engineering Associates and Renaud Brothers.

City of Montpelier

Department of Public Works

MEMORANDUM

TO: William J. Fraser, City Manager

FROM: Todd C. Law, PE, Director

DATE: April 16, 2012

SUBJECT: Annual Financial Plan for Town Highways

Attached is the original of the Annual Financial Plan for Town Highways, requested by the VT Agency of Transportation District 6 Operations Division. We ask that this matter be placed on the City Council Consent Agenda for signature. Suggested wording follows:

> *Consideration for the City Council to approve and sign the Annual Financial Plan for Town Highways. This is requested by the VT Agency of Transportation District 6 Operations Division, and is necessary in order for the City to receive State Aid from VTRANS.*

If you have any questions or would like further information, please do not hesitate to contact me.

Attachment

C: Sandy Pitonyak, Admin Assistant

John Odum, City Clerk

ANNUAL FINANCIAL PLAN - TOWN HIGHWAYS
19 V.S.A. Section 306(j)

~~Town, Village~~, City of Montpelier Fiscal Year 13 Begin July 1, 2012 End June 30, 2013

INCOME

DESCRIPTION	ESTIMATED	ACTUAL
State Funds - 19 V.S.A. Section 306(a):	$ 113,354.99	
Class 1	$ 33,029.09	
Class 2	$ 48,109.43	
Class 3	$ 194,493.51	
Total	$ 2,100,483.49	
Town Tax Funds – 19 V.S.A. Section 307		
Special Funds:		
a.	$ 15,577.00	
b.		
Total	$ 15,577.00	
GRAND TOTAL	$ 2,310,554.00	

EXPENSES

DESCRIPTION	ESTIMATED	ACTUAL
Winter Maintenance	$ 1,047,270.00	
General Maintenance	$ 400,102.00	
Bridges	$ 20,000.00	
Retreatment	$ 89,424.00	
Sidewalks	$ 20,200.00	
Bicycle Facilities	$ 30,000.00	
Construction	$ 703,558.00	
TOTAL	$ 2,310,554.00	

LOCATION & DESCRIPTION OF MAJOR PROJECTS

TH NO.	LENGTH	DESCRIPTION	ESTIMATED COST	ACTUAL COST
13	0.63 Miles	Towne Hill Road Rehabilitation	$475,000.00	
158	0.3 Miles	Dover Road/ Phillips Road Resurfacing	$ 90,000.00	
194	0.27 Miles	Liberty Street/ Lague Avenue Slope	$ 78,558.00	
175/192		Hill Street/ Lague Drive Slope Stabilization	$ 125,000.00	
12		Terrace Street Culvert Replacement	$ 217,120.00	

This form shall be signed by the appropriate town officials and forwarded to the District Transportation Administrator.
TA-60 Rev 03-03

TOWN PLAN (Page 2)

We, the Legislative Body of the Municipality of The City of Montpelier certify that funds raised by municipal taxes are equivalent to or greater than a sum of at least **$300.00** per mile for each mile of Class 1, 2, and 3 Town Highway in the municipality. (19 V.S.A. 307)

_______________________ Date: April 25, 2012

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(Duly Authorized Representatives)

The submitted Town Plan meets the requirements of Title 19, Section 306(j).

_______________________ Date: _______________
District Transportation Administrator

City of Montpelier
Department of Public Works
Memorandum

To: **Todd Law, P.E., Director of Public Works**

From: **Kurt Motyka, P.E., Project Engineer**

Date: **April 16, 2012**

Subject: **Memorial Drive Pedestrian Bridge Rehabilitation / Replacement Professional Design / Build Services RFP - Selection of Project Team**

This memorandum serves as a recommendation for the selection of a consulting engineer and bridge contractor team to design and construct the rehabilitation of the Memorial Drive Pedestrian Bridge. We ask that review of this recommendation and award of a Design / Build services contract be approved on the April 18th, 2012 Council agenda.

The Memorial Drive Pedestrian Bridge has been deteriorating due to corrosion over the past several years. Last winter during an inspection by a consulting engineer, the bridge was determined to be unsafe for public use and was abruptly closed. Funding for this bridge is allocated in the capital improvements plan for $97,000 and additional funds are remaining from the previous bridge bond in the amount of $119,891.85 for a total of $216,891.85 in available funds. The selected consultant will develop a rehabilitation solution for the existing bridge with an effort to salvage the existing steel trusses and repair the bridge in place.

The consultant selection recommendation was arrived at by a "Request for Proposals" (RFP) process consisting of separately sealed technical and cost proposals. RFPs were mailed to area consultants and also listed on "VT Bid System.com", on the City of Montpelier website and advertised in the Times Argus newspaper. A total of four proposals were received, reviewed and analyzed independently by Todd, Tom, Zach and myself. Two of the proposals were deemed incomplete as key components of the RFP requirements were not included. The evaluation review is summarized as follows:

Technical Proposal Average Score (105 possible points)

Hoyle Tanner & Contactors Crane Service	DeWolfe Engineering & Renaud Brothers	Contech Prefab & Blow & Cote Construction	Calderwood Engineering & T-Buck Construction
89.5 points	**81 points**	**51 points**	**48 points**

Cost Proposal Comparison

Upon completion of the technical proposal scoring, the cost proposals were then opened and reviewed. Costs are based on the total of the engineering design fees and the cost of the actual construction of the new or rehabilitated bridge. An additional cost per pound of reinforcing steel was also provided in the event that the existing trusses need to be rehabilitated, but are not shown in the below costs.

Proposal Type	DeWolfe Engineering & Renaud	Hoyle Tanner & CCS	Calderwood & T-Buck Construction	Contech & Blow & Cote
Rehab	**$126,285**	**$188,253**	**$267,111**	**NA**
New	**$315,000**	**NA**	**$507,000**	**$440,687**

Conclusion / Recommendation

The Hoyle, Tanner & Associates (HTA) & Contactors Crane Service (CCS) team achieved the highest technical proposal score, but they submitted a significantly higher cost proposal than the second highest ranking team consisting of DeWolfe Engineering Associates (DEA) and Renaud Brothers Inc. The HTA / CCS proposal reflects a seemingly excessive amount of engineering hours to complete the project. The DeWolfe Engineering Assoc. team & Renaud Brothers team submitted the second highest score on the technical proposal and had the lowest cost proposal.

Due to the poor technical proposals provided by the Calderwood & T-Buck team and the Contech & Blow & Cote team, these submittals were not considered to be in the running for award. Additionally, these consultants provided the highest cost for the work.

Although the technical proposal submitted by HTA & CCS was slightly better than the proposal from DEA & Renaud Brothers, the rehabilitation cost difference of $61,968 between the two teams was significant enough to bring the review team to agreement on the selection for award. Based on this comparison, we believe the DEA / Renaud Brothers, Inc. team have a winning combination.

We have a great deal of experience with DeWolfe Engineering and have worked on two pedestrian bridges with Renaud Brothers in the City of Montpelier; both firms have been found to be responsive, highly professional and well qualified. Therefore, we are pleased to recommend to you and the City Council that a professional design/build services contract be executed with the DeWolfe Engineering & Renaud Brothers, Inc. team. We further suggest that the City Manager be designated as the city's duly authorized agent to execute a professional services agreement. If you and/or the City Council have any questions or would like to review the proposals, please do not hesitate to let us know.

Encl.
C: William Fraser, City Manager
Tom McArdle, Assistant Director of Public Works.

DECLARATION OF OFFICIAL INTENT
OF CITY OF MONTPELIER
TO REIMBURSE CERTAIN EXPENDITURES
FROM PROCEEDS OF INDEBTEDNESS

WHEREAS, the City of Montpelier, Vermont (the "Issuer") intends to construct park, public transit/welcome center and related improvements authorized at the March 5, 2002 annual City meeting (the "Project");

WHEREAS, the Issuer expects to pay certain capital expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis;

WHEREAS, the Issuer reasonably expects that for that part of the Project consisting of design and construction costs, debt obligations in an amount not expected to exceed $800,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, the Issuer declares its reasonable official intent to reimburse prior expenditures for the above-described part of the Project with proceeds of a subsequent borrowing:

NOW THEREFORE, the Issuer declares:

Section 1. The Issuer finds and determines that the foregoing recitals are true and correct, and that all of the capital expenditures covered by this Resolution were or will be made not earlier than 60 days prior to the date of this Resolution.

Section 2. This declaration is made solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Issuer to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The Issuer hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures, with 18 months of either the date of the first expenditure of funds by Issuer for such Project or the date that such Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of Issuer funds for such Project), and to allocate an amount not to exceed $800,000 of the proceeds thereof to reimburse itself for its expenditures in connection with the Project.

Section 4. The Issuer's debt obligations for the aforementioned purpose will not be "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986.

Section 5. All prior actions of the officials and agents of Issuer that are in conformity with the purpose and intent of this Resolution and in furtherance of the Project shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 6. All other resolutions of the legislative body of the Issuer, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 7. It is hereby found that all discussions and deliberations of the legislative body of the Issuer leading to the adoption of this Resolution occurred at one or more meetings of the legislative body conducted pursuant to public notice and open to public attendance.

Section 8. This declaration shall take effect from and after its adoption.

The undersigned, City Clerk of the Issuer, hereby certifies that the foregoing is a full, true and correct copy of the declaration of the legislative body of said Issuer duly made at a meeting thereof held on the date, specified below, and that said declaration has not been amended, modified or revoked.

______________________________ April _____, 2012

City Clerk

JPG:sg/ja

Sandy Pitonyak

From: jpglaw@comcast.net
Sent: Thursday, April 12, 2012 1:24 PM
To: Sandra Gallup
Cc: Sandy Pitonyak; William Fraser
Subject: Re: Last Night's Council Meeting ...

Sandy -

Sorry for the confusion. This stuff is arcane and very dense.

Under the Internal Revenue Code, the City can issue tax exempt bonds and use all or some of the proceeds to reimburse itself for project costs advanced before the bonds are issued. It's not at all uncommon for a municipality to dip into its general fund or an enterprise fund to cover initial costs incurred in acquiring or constructing a capital project. That's generally cheaper than issuing bond anticipation notes. However, the Code also says that in order for the bonds to retain their tax exempt character, there has to be on the record a notice of official intent (sometimes called a reimbursement resolution) whereby the legislative body of the municipality formally states its intention to use tax exempt bond proceeds to pay back previously advanced project costs.

The date the notice of official intent is adopted by the legislative body is the date from which reimbursable advances are determined and calculated. As a general rule (which is applicable in the City's case), project costs paid within the 60-day window immediately preceding the date of adoption of the notice of official intent may be reimbursed out of bond proceeds with no risk to the tax exempt character of the bonds. Going forward (again as a general rule), the City has two years in which to advance project costs and thereafter reimburse itself out of bond proceeds.

As stated in the reimbursement resolution, its adoption doesn't commit the City to do or to refrain from doing anything. It merely establishes a benchmark that we can use to test the appropriateness of project cost reimbursements. It may be that no project costs have been or will be advanced. In that case, the reimbursement resolution really doesn't amount to much. However, the last thing we want is to advance project costs and inadvertently neglect to provide a mechanism to effect a reimbursement out of tax exempt debt.

I hope this makes sense. Remember, I don't write the tunes, I just play them.

Please get back to me if you or Alan have any questions.

Regards,

J. Paul Giuliani
McKee Giuliani & Cleveland, PC
94 Main Street
P. O. Box 1455
Montpelier, VT 05601-1455
802-223-3479
802-223-0247(f)

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8) 12-114. Report by the City Clerk

9) 12-115. Status Reports by the City Manager

10) 12-116. Agenda Reports by the City Manager

Adjournment

Minutes of the Montpelier City Council Meeting
April 11, 2012
City Council Chambers, Montpelier City Hall

In attendance: City Councilors Andy Hooper, Thierry Guerlain, Alan Weiss, Angela Timpone, Sarah Jarvis and Tom Golonka and City Manager Bill Fraser. City Clerk John Odum acted as Secretary of the Meeting.

In the absence of Mayor John Hollar, Councilor Golonka acted as Chair of the meeting in his capacity as City Council President.

The Chair called the meeting to order at 7:00 PM.

12-94. Under General Business, Craig Royce approached the Council for approval to close Governor Aiken Avenue on Sunday, April 22nd from 10:00AM to 3:00PM for an Earth Day celebration that includes food vendors. City Manager Fraser noted he had advised Royce to approach the Council, since he had missed the formal application deadline.

Councilor Jarvis moved that the request be added to the agenda and Councilor Timpone seconded. The motion passed unanimously at 7:02.

12-095. The Chair read the Consent Agenda items aloud, at which time it was discovered that Mr. Royce's request was already on the agenda.

Councilor Timpone moved that the Consent Agenda be approved, Councilor Jarvis seconded. Councilor Weiss asked that Item C be pulled for discussion.

The Chair called for a vote on the motion to approve the Consent Agenda, amended to remove Item C. The motion carried unanimously.

Councilor Weiss questioned whether language in Sections 1 and 2 of the Declaration of Official Intent to reimburse some expenditures from the Carr Lot development bonds (Item c), was internally consistent. The City Manager indicated he did not feel qualified to answer.

Councilor Weiss moved to table Item C, Councilor Hooper seconded. The Chair declared the item tabled until next meeting.

12-096. At 7:05, Councilor Jarvis moved that Jay White be appointed to another term on the Design Review Committee. Councilor Timpone seconded. The motion carried unanimously.

12-097. Councilors Weiss and Timpone, along with Planning Director Gwendolyn Hallsmith, spent a moment clarifying the structure and makeup of the Energy Committee before Councilor Timpone moved that all five candidates be appointed to the Committee. Councilor Weiss seconded. The motion was approved unanimously.

12-098. Councilor Weiss moved that Abby Colihan be reappointed to an additional term on the Tree Board. Councilor Timpone seconded. The motion carried unanimously.

12-099. Assistant City Manager Bev Hill spoke to the Council about the Regional Bike Path Committee before considering the appointment of James Sharp to the body. Hill gave some background on the bike path project and distinguished the Regional Bike Path Committee from the overall bike committee. She recommended the appointment of James Sharp, who had previously served on the committee.

At approximately 7:10, Councilor Timpone moved that James Sharp be appointed to the Regional Bike Path Committee. Councilor Hooper seconded. The motion passed unanimously.

12-100. City Manager Fraser took time to review the background of the Tax Stabilization request from Connor Brothers Stonecutters LLC, in regards to 575 Stonecutter's Way. The City Manager indicated that when the Council acted on the request, it also indicated that the applicant could return for the Level Four benefit if they could demonstrate that they met the employment criteria. Fraser indicated that they had indeed met the criteria, and recommended approval – noting that holding the matter over to the following meeting should not be necessary given that the matter on the floor was an amendment to the previous decision. Fred Connor came before the Council to answer questions.

Councilor Weiss questioned Mr. Connor as to how many employees of the facility were Montpelier residents.

Councilor Timpone moved the staff recommendation (to approve the level four benefit and defer the beginning of the contract to July 1, 2013). Councilor Hooper seconded. The motion passed unanimously.

12-101. At 7:15, Director Hallsmith, Joined by Planning Commission Chair Jesse Moorman, moved to the front to brief the Council on re-zoning process. Moorman recognized other Planning Commission members in attendance.

Councilor Guerlain expressed displeasure at having received so much supplementary information over email so soon before the meeting, which allowed insufficient time to review. He noted this is a recurring issue. Hallsmith and Moorman apologized.

The two then began an extensive and detailed discussion of the re-zoning process underway. Using maps and a power point presentation, Hallsmith and Moorman explained the relationship between zoning and the City Master Plan (noting that over 400 citizens were involved in the process of developing the Master Plan), laid out the working recommendations for rezoning to this point, noted features –such as the size and nature of buffer zones – that were still in development, proposed changes to the City's Design Control District, contrasted their working vision and recommendations with current zoning, and explained their thinking in moving in the directions they were moving.

Hallsmith also reviewed the schedule for completing the re-zoning proposal, noting that the goal is to hold a public hearing on final product by September 24th, noting also that building code update and growth center designation deadlines were not far off.

Hallsmith and Moorman were joined at the table by Planning and Zoning Administrator Clancy DeSmet as questioning continued.

Councilor Hooper spoke with Director Hallsmith about the approach to parking for new housing. Hallsmith indicated she was inclined not to be overly directive on parking requirements and to let the market drive parking matters.

Chair Golonka and Councilor Guerlain expressed concern about the potential for city regulations that exceed equivalent state requirements, to be proposed without being specifically identified as such. In particular, Golonka and Guerlain noted the map’s preliminary waterway buffers appeared to be in excess of what was required by the state. Hallsmith indicated that these were “bookmarks,” noting that some were clearly not finalized (downtown), and that the particulars of the buffers had not actually been discussed yet. Golonka and Guerlain expressed their desire that any such proposals that deviate from state regulations be uniquely denoted. Hallsmith indicated she would draw attention to any such points of deviation, and suggested deviations may be appropriate at times.

Golonka further expressed concern that an extensive re-evaluating of buffer rules and regulations (in contrast to state designations) could be an inefficient use of City personnel and time.

The distinction and interaction between districts and designated neighborhoods was also discussed. Chair Golonka expressed concern that the two zoning categories could be confusing to developers. Hallsmith indicated she believed such a regime would be simpler than the present system, and that increasing simplicity was one of her goals in the process. DeSmet indicated that the neighborhood lines were “meaningless” from a regulatory standpoint, but that they may encourage neighborhoods to develop standards. Hallsmith also said she believes neighborhood-level sub-districts could make residents more invested and have the effect of minimizing resistance to development.

Councilor Timpone asked what zoning regulations are like in other cities. Hallsmith indicated that they varied, and that they were often far more complex.

Chair Golonka indicated that specific policy questions would be helpful for the Council to address at a later meeting.

Recommendations for “inclusionary housing” were discussed, and acknowledged as a potential major change for the city. Developments of a particular size would be required to include affordable housing units, or make a contribution to the Housing Trust Fund in lieu of the units. Director Hallsmith observed that Burlington does this, while Chair Golonka noted that such an arrangement would change the Housing Trust Fund guidelines, necessitating bringing that entity into the discussions.

Hallsmith discussed holding a contest for architects to design infill housing (new units built to fit into small or partial lots between existing houses, having the effect of increasing density, which is an expressed goal of the presenters).

Recommendations that parts of the City Historic Design District be expanded to encompass the National Historic Design District met with comment from City Manager Fraser, who expressed concern about homeowners’ reactions.

Councilor Weiss looked for clarification on the greater challenges of the zoning process. Director Weiss responded, and went on to contrast Montpelier’s situation (having surplus capacity with water, sewer) with other towns – and how that contrast puts the City in a good position to promote growth and development.

Presenters indicated they would formalize questions to pose to the Council for their next meeting, whenever the Council sees fit to bring them back.

Weiss wondered whether the council will be considering the details of implementation of a final zoning plan, or would they be reconsidering the fundamental tenets of the Master Plan. Hallsmith indicated the fundamentals were not planned to be reviewed.

Councilor Guerlain wondered whether requirements that developers provide affordable housing (pay into the Housing Trust Fund) came directly from the Master Plan. Councilor Timpone indicated that some of them came from the Barriers to Housing Report.

Councilor Jarvis expressed concern that some of the proposals might penalize or de-incentivize developers to modify vacant downtown spaces. Hallsmith suggested that care would be taken to prevent that from happening.

Some discussion of stormwater mitigation followed. Director Hallsmith noted the importance of buffers in the process, and the value of prevention over mitigation.

Councilor Weiss asked whether zoning regulations are generally adopted simultaneously, or can they be staggered over first few years. Moorman responded that they were generally adopted together, but that some pieces could be handled separately.

Councilor Guerlain wondered about the designation of property not in use.

At the end of the discussion, the Chair repeated the request that the presenters return with specific questions for the Council at a future meeting. City Manager Fraser took a moment to note the importance of zoning in city governance.

12-102. At 8:28PM, City Clerk John Odum shared the results of his discussion with Laurie Pecor at the Department of Liquor Control regarding the Council's desire to minimize extraneous paperwork during meetings, and what was legally acceptable in that regard as it pertains to catering requests and liquor license renewals.

Councilor Guerlain moved that the City Clerk be authorized to approve future catering requests. Councilor Hooper seconded. Councilor Jarvis offered a friendly amendment – that a 48 period in which the requests would be posted publicly before approval, to allow for public input – be added. The amendment was accepted. The motion carried unanimously.

Councilor Weiss advised that the Clerk stay conscious of the difference between indoor and outdoor permits. The Council and the Clerk agreed that questionable requests should still be brought before the Council.

12-103. Council reports began at 8:36PM. Councilor Hooper had nothing to report. Councilor Guerlain noted that LED streetlight prices had dropped dramatically. Councilor Weiss had no report. Chair Golonka had no report.

Councilor Timpone reported that she's had her first Recreation Department meeting, and noted that Times Argus reporter Keith Vance just became a father

Councilor Jarvis reported on her first Senior Center Advisory Board meeting, noting that everyone is impressed with the new department head. She also reported that 72% of center class enrollees are Montpelier residents, and only 9% are from towns that give no support to the Senior Center.

12-105. The City Clerk reported that no more index cards are being generated in the Clerk's office, now that vital records indexes are on a database.

12-106. The City Manager indicated he was making progress on District Heat and will have positive news to report during the discussion at the next meeting. He noted that proposals for the bike path bridge were due that Friday (the 13^{th}). He also indicated that the City is trying to move as quickly as weather will allow on crosswalk painting.

Finally, Fraser reported that the Charter Change approved by the voters at the last Town Meeting Day had been passed out of the House Government Operations Committee unanimously

Councilor Jarvis moved for adjournment at 8:40. Councilor Timpone seconded. The motion was approved unanimously

Attest: ________________________

John Odum, City Clerk

CITY OF MONTPELIER, VERMONT

- THE SMALLEST CAPITAL CITY IN THE UNITED STATES -

William Fraser,
City Manager
wfraser@montpelier-vt.org

Beverlee Pembroke Hill
Assistant City Manager
bhill@montpelier-vt.org

MEMORANDUM

To: Mayor Hollar and City Council Members
From: William Fraser, City Manager
Re: District Heat Project Plan and Recommendation
Date: April 13, 2012

For the last month, our team has been engaged in very intense work to determine the financial viability of the project, understand the various risks and consider options and opportunities. I have provided, in separate cover, a lengthy memo summarizing many aspects of the project. I will seek to refrain from repeating that material.

Based on our team's work, I strongly recommend that we proceed with this project as per the following plan:

1 – Eliminate the High School connection from this phase of the project. Depending on funds, we can consider designing the line to the high school for future consideration.

2 – Authorize Hallam-ICS to proceed with final engineering design using CEDF loan funds but not city bond funds.

3 – Make the $1,076,799 capacity payment obligation to the State using CEDF grant and loan funds.

4 – Ask Hallam-ICS to prepare bid alternates with discernible route clusters which can be priced independently. Two examples are the extension to Union School or an added loop to the corner of Main and School streets (which could serve the Library, NECI, Bethany and Unitarian Churches – all who have signed letters of intent). This accomplishes two things - it assures that we can select a package which is within our available funding and presents options of using our funds strategically for, perhaps, a smaller system with more customers.

5 – Continue the customer development process with the goal of having a full roster securely signed before bids/contracts are awarded in August or September.

6 – Develop a low interest revolving loan or grant fund to assist with connection costs, particularly with smaller buildings.

7 – Prior to awarding any bids and begin using local tax money, assure that the selected project alternative falls within both existing project funding and annual budget commitments. This means we will not entertain the option of any additional bonding, assuring that sufficient construction reserve funding is available before starting work and assuring that a sufficient user base is in place to safely cover annual expenses for the selected project configuration.

FINANCIAL VIABILITY

To assess project finances we look at both the construction project and the annual system budget which results.

Project -

The four key elements to the construction project finances are: total cost cannot exceed $4,038,501 in final payments unless new money is identified, city bond is limited to $2,000,000 and additional bonding will not be sought, sufficient contingency and unencumbered funds must exist to allow for overruns and change orders, system must be constructed to connect users with a sufficient revenue base to cover the project debt and other obligations. There is absolutely no need to select the final scope and budget right now.

As an example, the following summary shows the base project as currently envisioned. The high school loop is eliminated, Union School is still in and no additional loops or extensions are included. In this scenario, the total estimated project cost is $3,680,546 which is under budget by $357,955. This could allow for either a reduced bond of $1,642,045 or the full $2 million bond which provides the extra $357,955 in cash. Also included in the estimate is a contingency of $368,055. Between the contingency and the budget surplus there is $726,010 in funding which represents 19.73% of the project costs.

Project Budget		
Base Project Cost		**$4,938,710**
Remove MHS	y	-$1,258,164
Remove UES	n	$0
Add School St loop	n	$0
Add State St Ext	n	$0
Total project adjustments		-$1,258,164
Net Project Cost		**$3,680,546**
Buy capacity, MMBTU's	0	$0
Connection assistance	0	$0
Other Adjustments		$0
Total Project Costs		**$3,680,546**
Available Funds		**$4,038,501**
Funds Remaining		$357,955
Bond Needed		$1,642,045
Full Bond	y	$2,000,000
Estimated Contingency - 10% of net project estimate		$368,055
Additional Bond Capacity Available		$357,955
Total Project "hedge" money	19.73%	$726,010

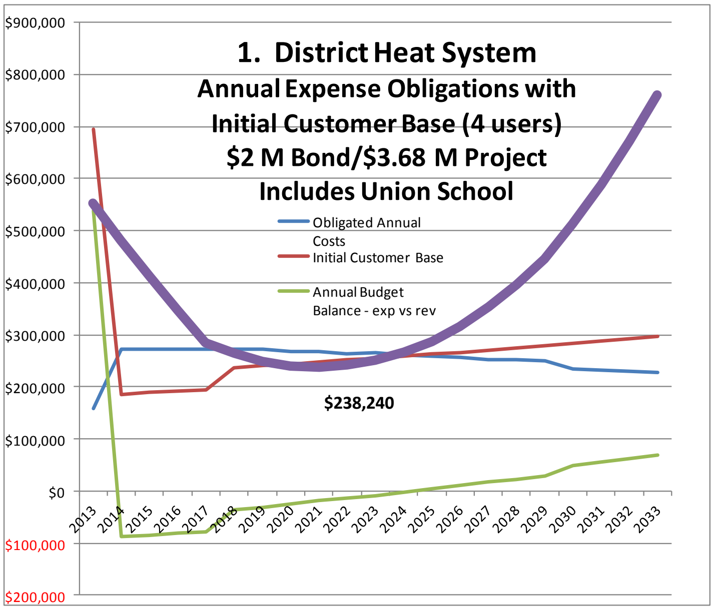
The initial tests are met – it is within available funds, the city's bond is within its approved limits and there is a lot of financial room for adjustments as necessary. The final test is whether this project can support the city's financial obligations over the long term.

Annual System Budget -

The first sample budget is based on the full $2 Million bond being issued and the extra bond cash kept on hand for operations start up. Expenses include the 2011 bond payment, the state contract obligations, the 2009 bond payment, and a cash reserve. With only four customers there is no need to add in additional operating expenses.

Revenues are based on the capacity fees of only four key users – the city complex (City Hall, Fire Station, Police Station), Union

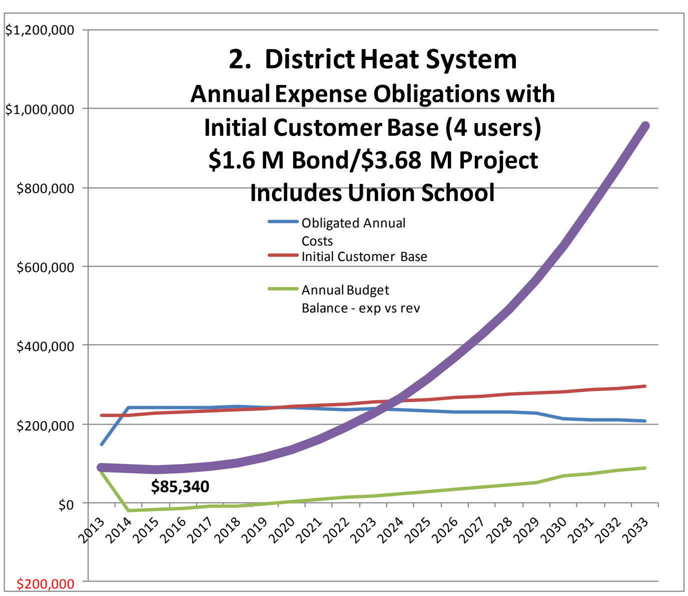
Elementary School, the Federal GSA building and Vermont Mutual. We are reasonably confident that all of these will connect to the system. The scenario includes a five year upfront prepay which Vermont Mutual is actively considering.



In chart 1, the large purple line represents cumulative cash in the system over 20 years. With the surplus bond money and the upfront customer payment, the system has sufficient funds to stay flush throughout with a low cash balance of $238,240 in 2021. In the early years, the annual expenses exceed annual revenues but that is primarily because the prepayment takes money out of the annual funding stream. The obligated costs drop over time because of the declining nature of the two bond payments. Revenues increase with an assumption that the capacity fee will increase by an average of 1.5% per year. This is the same assumption being used in presentations to potential customers.

This base project with only four likely users connecting is able to cover all of its base financial and contractual obligations while also including the 2009 bond payment currently included in the general fund.

What happens to this scenario if we only issue a $1.642 M bond and the customer pays annually instead of upfront? Without being frontloaded with cash, can the system still handle our payment obligations with only four users as a revenue base?

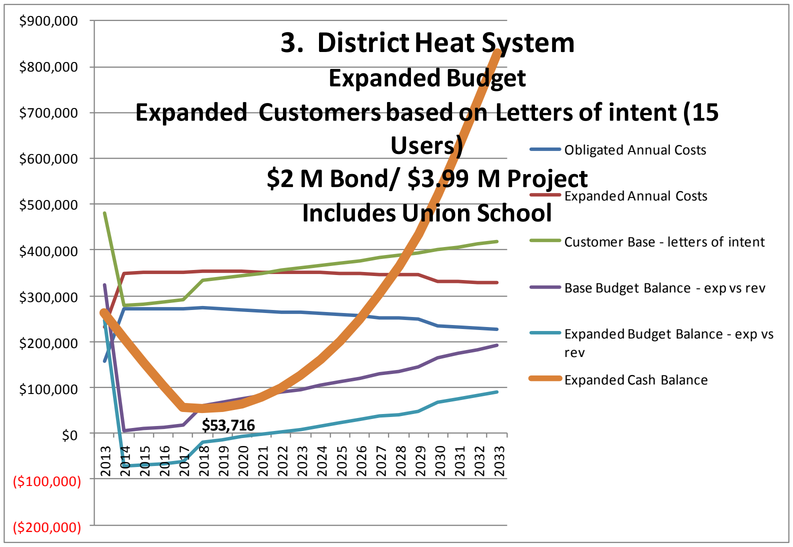


In Chart 2, the system doesn't have anywhere near as much cash but maintains a positive balance throughout the 20 years. The low cash mark is $85,340 in 2015 with a steady increase after that. Again, this is with only four customers.

I have reviewed and analyzed a wide variety of project options including line extensions, removing Union from the scenario, adding customers, adding additional expenses to the system. It is relatively easy to determine which combinations work financially.

Here is scenario 3 as a contrast. This option includes every potential customer who has signed a letter of intent and some who are very likely to commit. It increases the expense budget to serve the additional customers. It keeps Union School in and includes two other possible extensions. The total project cost is $3.99 Million, bumping right up against our $4 Million limit. It requires the full $2 Million bond. We would not likely use this option because it doesn't meet the sufficient contingency test.

In Chart 3 the large orange line is the cumulative cash line.



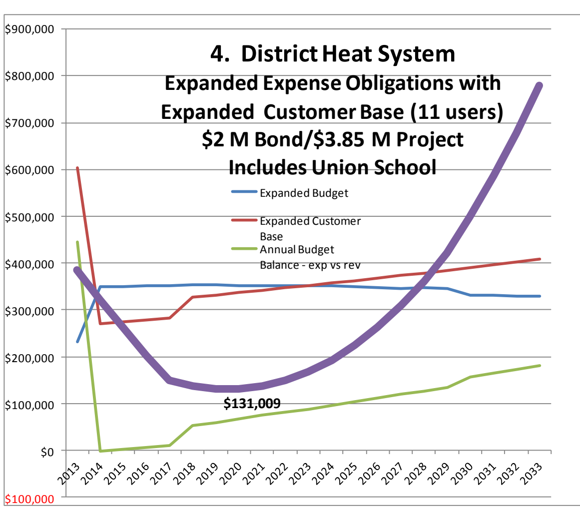
As you can see, option 3 has a low cash balance of $53,716 in 2018. The main purpose of this model is to illustrate that with everything thrown in and the project budget pushed to the maximum, the annual finances are still covered.

One final note on financial stability. In every option I ran, the system performed better when Union School was included then when it was removed. However in order to maintain some robust construction scenarios, taking $728,000 from the project budget helped immensely. There were several options which worked without Union but the long term model was not as strong. This, of course, does not include the substantial heating system renovations needed inside the building whether or not it connects to District Heat.

RISK

The biggest obstacle for any public agency when considering a project like this is risk. No city official wants to put taxpayers money at risk or have a debacle on their hands. Here are some risks and concerns that I have heard.

1 – *The city's taxpayers will end up paying for this*: As illustrated in chart 1 above, the base system easily covers its annual obligations with only four low risk users. Additional user load and system cost can be very easily managed. Chart 4 below shows the base system with a couple of extensions added to get customers. Total project cost of $3.85 M which still has a $566,440 (15.8%) hedge. It includes the increased city expenses and eleven users while still omitting some very major potential users who would provide significant revenue.



This again illustrates that the project costs and system users can be successfully managed to mitigate financial risk.

In this scenario, expenses are increased, the bond is at maximum and $3.85 Million of the $4.04 Million funds available are used. Customers are expanded although certainly not at full potential. And yet the project only has a low cash point of a pretty solid $131,009 in 2019. None of the scenarios I have run include any potential customers who have not signed a letter of intent or expressed very serious interest in connecting to the system.

2– *Construction costs will overrun and the city will need an additional bond or to use the general fund to bail it out*. There is no need for this to occur. The project we have been considering for the last 18 months is the most expansive and expensive version of this system. We have the ability to segment the project to make sure that we stay well within our bond and funds. As an example, removing Union School but adding in three other extensions results in a project which only costs $3.36 million and would require only a $1.32 million bond. This project option has over $1 million in "hedge" money, nearly 30%. There is virtually no way that this configuration would run over available funds or cause the city to exceed the bond.

This particular configuration of project, however, requires more customers in order to meet the annual budget. Each choice, then, presents a unique set of facts, circumstances and requirements.

3 – *We keep spending local tax money while we're trying to figure this out.* We have been using a lot of staff time but our direct costs to date have been largely made from external funding sources. The main local funding source has been the $250,000 bond from 2009. I am moving the repayment (approximately $20,000 per year) out of the general fund and into the District Heat budget.

This recommendation calls for the design work and state payment to be made from CEDF funds. We can carry this project all the way to bid award in August or September without touching the local source of money.

4 – *If we wait until August/September to cancel the project, the state will have already started work on its boiler. We will be obligated to long term payments to them and repayments to grant sources.* Neither of these payment concerns is true. We do not have to repay grant funds that have been expended in good faith trying to assemble this project. DOE has approved a potential change in scope which might include delay, reduction or cancellation of the distribution system (and allow the state to continue). The state has agreed that our annual operating payments are not due if we don't build the system. There is no risk in taking this to the bid step.

We owe the state $1.077 Million which they are relying upon for their construction. That has always been planned to come from the CEDF funds.

5 – *We have not purchased sufficient capacity for the private users and additional capacity is expensive.* The cost of additional capacity ($374,300 per MMBTU plus carrying costs) is based on the exact cost per MMBTU to construct the plant now. Elimination of the high school frees up a considerable amount of capacity for the city. Budget scenarios with a realistic but robust customer group (which would have to exist before we needed more capacity) show that we can carry the cost of financing 2 additional MMBTU (a 20.6% increase) relatively easily. Additional capacity means we can add more customers. More customers means we can finance more capacity etc.

6 – *The system might not work and people won't have heat*. This is proven technology. One of the key project partners for the city is the firm who operates the St. Paul system. They understand the boilers, the pipes, the building connections etc. The State of Vermont has been

operating a district heat system in downtown Montpelier since the 1940's and it has been primarily wood fired since the 1980's.

7 – *Customers might leave the system with the city holding the cost obligations*. Building owners will be making a significant investment to connect to the system and in many cases will remove existing boilers and furnaces. History in other communities indicates that once people connect they stay due to fuel price and lack of internal maintenance requirements.

8 – *The city will take the system revenues and use them for something else.* The District Heat system will be set up as an enterprise fund like the water and sewer funds. The city will pay a capacity rate and use rate just like we do with water and sewer rates. Bond payments, contract payments, capacity payments and all will be managed through the enterprise fund.

9 – *The city doesn't know how to run a heating system.* It is possible that this operation could be spun off into a non-profit entity or contracted out to a private operator. For the start up with only a small number of customers, the city will run the system. We will have experience professional expertise available to us. The city is not involved with the heat production end. Think of the water system if we didn't own and operate the water treatment plant and the pond, only the lines in the ground. The city knows how to maintain lines, check and operate pumps, read meters and bill/collect utility payments.

OPTIONS and OPPORTUNITIES

We are not precluding any of our options. We can still seek more funding sources, we can still revise project costs and scope, we can still seek and secure more non city users and we can still choose not to build the system if the finances don't work. We can also still succeed and do this project well and thoughtfully.

Among the options that we are already considering and have prices for are the Main to School St extension, a small spur on State St. and an extension from a State owned building to connect to Union Mutual. All of these would enable additional customer connections. We also have the choice to discontinue the pipe to Union School to save capital project funds.

There are other similar cost/benefit options available that we have not explored yet but will be able to given time. A spur out Elm Street to the Land Trust housing units. Main St. from School St. to the roundabout. None of these options have been analyzed.

We have the opportunity to provide some stable fuel costs within our downtown area and for the city government as well. We have the opportunity to create a Phase Two project once the system is running and a functional revenue stream established. If we don't continue moving forward now we will not have any of those opportunities.

Aubuchon Realty Company, Inc.

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Westminster, MA 01473

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F: (978) 874-6678

April 9, 2012

LETTER OF INTENT

William Fraser, City Manager
City of Montpelier
City Hall
39 Main Street
Montpelier, VT 05602

Re: French Block 32 – 42 Main Street

Dear Mr. Fraser:

The purpose of this letter is to request that you reserve heating capacity from the Montpelier downtown hot water district heating system (the System) for the above building (the Building). This reservation is subject to an analysis of the actual capacity, your approval and to the performance by both parties of the terms of this letter. A final commitment to be a customer of the System will depend upon the execution of a Customer Agreement and such other agreements and commitments as may be reasonably required by the parties.

I understand that the City will present to us general information regarding the specifications of the system and will work with us, as owners of the Building, to evaluate the engineering, operations and costs associated with making the Building's heating system suitable for connecting to, and receiving heat from, the System for the purposes of maintaining heat and hot water in the Building. The evaluation will be conducted by an engineer or engineers provided and paid by us and found qualified by the City to perform the necessary work and analysis. When we have provided the City with the evaluation, the City will provide to us a proposal specific to the Building. That proposal will provide specifications for connection and service to the Building in accordance with the Attachment to this Letter of Intent.

We understand that on or before October 1, 2012, the City will provide us with a draft of a proposed Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building. We understand that the prices quoted for heat will depend on several variables, including the number of businesses deciding to become customers of the System and that the City shall keep us informed of changes in price estimates due to an increase or decrease in potential customers and their requirements.

We look forward to working with you to complete the evaluation of the Building and to execute a Customer Agreement. We understand that the System has a limited capacity. As such, in the event neither the evaluation is complete nor a Customer Agreement is executed on or before March 1, 2013, this Letter of Intent will be void, and the City will have no further obligation to reserve heating capacity for the needs of the Building.

Very truly yours,

Aubuchon Realty Company Inc.

By: Gregory J Moran

Its: President

Accepted and Approved on this _____ day of _________, 2012

City of Montpelier

By ______________________________
William Fraser, City Manager

Please note this is a multiple occupancy building and each Tenant is responsible for their own heating costs and each Tenant has their own heating system.

Joan and Milton Beard
1606 Barnes Hill Road
Waterbury Center, Vermont 05677

April 5, 2012

LETTER OF INTENT

William Fraser, City Manager
City of Montpelier
City Hall
39 Main Street
Montpelier, VT 05602

Re: 15 East State Street, Montpelier, Vermont

Dear Mr. Fraser:

The purpose of this letter is to request that you reserve heating capacity from the Montpelier downtown hot water district heating system (the System) for the above building (the Building). This reservation is subject to an analysis of the actual capacity, your approval and to the performance by both parties of the terms of this letter. A final commitment to be a customer of the System will depend upon the execution of a Customer Agreement and such other agreements and commitments as may be reasonably required by the parties.

I understand that the City will present to us general information regarding the specifications of the system and will work with us, as owners [lessees] of the Building, to evaluate the engineering, operations and costs associated with making the Building's heating system suitable for connecting to, and receiving heat from, the System for the purposes of maintaining heat and hot water in the Building. The evaluation will be conducted by an engineer or engineers provided and paid by us and found qualified by the City to perform the necessary work and analysis. When we have provided the City with the evaluation, the City will provide to us a proposal specific to the Building. That proposal will provide specifications for connection and service to the Building in accordance with the Attachment to this Letter of Intent.

We understand that on or before October 1, 2012, the City will provide us with a draft of a proposed Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building. We understand that the prices quoted for heat will depend on several variables, including the number of businesses deciding to become customers of the System and that the City shall keep us informed of changes in price estimates due to an increase or decrease in potential customers and their requirements.

We look forward to working with you to complete the evaluation of the Building and to execute a Customer Agreement. We understand that the System has a limited capacity. As such, in the

event neither the evaluation is complete nor a Customer Agreement is executed on or before March 1, 2013, this Letter of Intent will be void, and the City will have no further obligation to reserve heating capacity for the needs of the Building.

Very truly yours,

Joan and Milton Beard

Signed: Joan Beard / Milton C Beard

Accepted and Approved on this _____ day of _________, 2012

City of Montpelier

By ________________________________

William Fraser, City Manager

Bethany United Church of Christ
115 Main Street Montpelier, Vermont 05602

28 March 2012

LETTER OF INTENT

Re: Bethany Church

Dear Mr. Fraser:

The purpose of this letter is to request that you reserve a heating capacity of 900,000 BTU/hr for the above captioned building (the "Building") within Montpelier's downtown hot water district heating system (the "System"), subject to your approval and consistent with the provisions of this letter.

It is my understanding that engineers hired by the City will evaluate the engineering, operations and costs associated with the Building's heating system. Subsequent to that evaluation, Montpelier will meet with us and present general information regarding the System and a proposal specific to the Building. Additionally, we have received a draft of the proposed 20-year Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building.

Based on our review of the information regarding the costs and benefits of converting to renewable energy (i.e., biomass-fired heating System), we would like to become a customer of Montpelier to meet the Building heating requirements. Of course, this is conditioned upon the successful negotiation of the Customer Agreement with mutually acceptable terms. We understand that the prices quoted for heat depend on a number of businesses making this same decision, and so we expect the city to keep us informed if the price changes due to either more or fewer businesses signing up for the service.

We look forward to working with you to finalize a Customer Agreement. We understand that the System has a limited capacity. As such, in the event such an agreement is not reached on or before August 31, 2012, this letter of intent will be void, and we understand Montpelier may not be able to reserve heating capacity for the needs of the Building.

Very truly yours,

Accepted and Approved on this 28th Day of March 2012

Bethany Church, UCC	City of Montpelier
By: Joanne Hardy	By: ______________
Its: President	Its: ______________

Christ Episcopal Church
64 State Street
Montpelier, Vermont 05602
802-223-3631
www.christchurchvt.org

April 3, 2012

LETTER OF INTENT

William Fraser, City Manager
City of Montpelier
City Hall
39 Main Street
Montpelier, VT 05602

Re: Christ Episcopal Church

Dear Mr. Fraser:

The purpose of this letter is to request that you reserve heating capacity from the Montpelier downtown hot water district heating system for the above building. This reservation is subject to an analysis of the actual capacity, your approval and to the performance by both parties of the terms of this letter. A final commitment to be a customer of the System will depend upon the execution of a Customer Agreement and such other agreements and commitments as may be reasonably required by the parties.

I understand that the City will present to us general information regarding the specifications of the system and will work with us, as owners of the Building, to evaluate the engineering, operations and costs associated with making the Building's heating system suitable for connecting to, and receiving heat from, the System for the purposes of maintaining heat and hot water in the Building. The evaluation will be conducted by an engineer or engineers provided and paid by us and found qualified by the City to perform the necessary work and analysis. When we have provided the City with the evaluation, the City will provide to us a proposal specific to the Building. That proposal will provide specifications for connection and service to the Building in accordance with the Attachment to this Letter of Intent.

We understand that on or before October 1, 2012, the City will provide us with a draft of a proposed Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building. We understand that the prices quoted for heat will depend on several variables, including the number of businesses deciding to become customers of the System and that the City shall keep us informed of changes in price estimates due to an increase or decrease in potential customers and their requirements.

We look forward to working with you to complete the evaluation of the Building and to execute a Customer Agreement. We understand that the System has a limited capacity. As such, in the

event neither the evaluation is complete nor a Customer Agreement is executed on or before March 1, 2013, this Letter of Intent will be void, and the City will have no further obligation to reserve heating capacity for the needs of the Building.

Very truly yours,

Christ Episcopal Church

By: Paul Kinnunen

Its: Jr Warden

Accepted and Approved on this _____ day of ________, 2012

City of Montpelier

By ______________________________
William Fraser, City Manager

Doyle's Guest House
35 School Street
Montpelier, VT 05602
April 10, 2012

LETTER OF INTENT

William Fraser, City Manager
City of Montpelier
City Hall
39 Main Street
Montpelier, VT 05602

Re: Doyle's Guest House

Dear Mr. Fraser:

The purpose of this letter is to request that you reserve heating capacity from the Montpelier downtown hot water district heating system (the System) for the above building (the Building). This reservation is subject to an analysis of the actual capacity, your approval and to the performance by both parties of the terms of this letter. A final commitment to be a customer of the System will depend upon the execution of a Customer Agreement and such other agreements and commitments as may be reasonably required by the parties.

I understand that the City will present to us general information regarding the specifications of the system and will work with us, as owners [lessees] of the Building, to evaluate the engineering, operations and costs associated with making the Building's heating system suitable for connecting to, and receiving heat from, the System for the purposes of maintaining heat and hot water in the Building. The evaluation will be conducted by an engineer or engineers provided and paid by us and found qualified by the City to perform the necessary work and analysis. When we have provided the City with the evaluation, the City will provide to us a proposal specific to the Building. That proposal will provide specifications for connection and service to the Building in accordance with the Attachment to this Letter of Intent.

We understand that on or before October 1, 2012, the City will provide us with a draft of a proposed Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building. We understand that the prices quoted for heat will depend on several variables, including the number of businesses deciding to become customers of the System and that the City shall keep us informed of changes in price estimates due to an increase or decrease in potential customers and their requirements.

We look forward to working with you to complete the evaluation of the Building and to execute a Customer Agreement. We understand that the System has a limited capacity. As such, in the event neither the evaluation is complete nor a Customer Agreement is executed on or before

March 1, 2013, this Letter of Intent will be void, and the City will have no further obligation to reserve heating capacity for the needs of the Building.

Very truly yours,

Michael Doyle

By: Michael R Doyle

Owner

Accepted and Approved on this _____ day of _________, 2012

City of Montpelier

By ______________________________
William Fraser, City Manager

Paul Irons
694 Crosstown Road
Berlin, VT 05602
802.223-2120

LETTER OF INTENT

William Fraser, City Manager
City of Montpelier
City Hall
39 Main Street
Montpelier, VT 05602

April 6, 2012

Re: 46 Barre Street, Montpelier

Dear Mr. Fraser:

The purpose of this letter is to request that you reserve heating capacity from the Montpelier downtown hot water district heating system (the System) for the above building (46 Barre Street, Montpelier) (the Building). This reservation is subject to an analysis of the actual capacity, the City of Montpelier's approval and the performance by both parties of the terms of this letter. A final commitment to be a customer of the System will depend upon: the execution of a Customer Agreement and such other agreements and commitments as may be reasonably required by the parties; and my final approval of the price and cost of becoming a part of the system and using its hot water.

I understand that the City will present to me general information regarding the specifications of the system and will work with me, as owner of the Building, to evaluate the engineering, operations and costs associated with making the Building's heating system suitable for connecting to and receiving heat from the System for the purposes of maintaining heat and hot water in the Building. The evaluations will be conducted by an engineer or engineers, found qualified by the City, and provided and paid by me. When I have provided the City with the evaluations, the City will provide to me a proposal specific to the Building. The proposal will provide specifications for connection and service to the Building in accordance with the Attachment to this Letter of Intent.

I understand that on or before October 1, 2012, the City will provide me with a draft of a proposed Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building. I understand that the prices quoted for heat will depend on several variables, including the number of businesses deciding to become customers of the System, and that the City shall keep me informed of changes in price estimates due to an increase or decrease in potential customers and their requirements.

I look forward to working with you to complete the evaluation of the Building and to execute a Customer Agreement. I understand that the System has a limited capacity. As such, in the event either the evaluation is not complete or a Customer Agreement is not executed on or before March 1, 2013, this Letter of Intent will be void, and the City will have no further obligation to reserve heating capacity for the needs of the Building.

Very truly yours,

Paul Irons

____
Paul Irons

Accepted and Approved on this _____ day of _________, 2012

City of Montpelier

By ______________________________
William Fraser, City Manager

KELLOGG-HUBBARD LIBRARY
135 MAIN STREET
MONTPELIER, VERMONT 05602
Telephone & Fax (802) 223-3338
www.kellogghubbard.org

LETTER OF INTENT

April 5, 2012

William Fraser, City Manager
City of Montpelier
City Hall
39 Main Street
Montpelier, VT 05602

Re: Kellogg-Hubbard Library, 135 Main ST, Montpelier, VT 05602

Dear Mr. Fraser:

The purpose of this letter is to request that you reserve heating capacity from the Montpelier downtown hot water district heating system (the System) for the above building (the Building). This reservation is subject to an analysis of the actual capacity, your approval and to the performance by both parties of the terms of this letter. A final commitment to be a customer of the System will depend upon the execution of a Customer Agreement and such other agreements and commitments as may be reasonably required by the parties.

I understand that the City will present to us general information regarding the specifications of the system and will work with us, as owners of the Building, to evaluate the engineering, operations and costs associated with making the Building's heating system suitable for connecting to, and receiving heat from, the System for the purposes of maintaining heat and hot water in the Building. The evaluation will be conducted by an engineer or engineers provided and paid by us and found qualified by the City to perform the necessary work and analysis. When we have provided the City with the evaluation, the City will provide to us a proposal specific to the Building. That proposal will provide specifications for connection and service to the Building in accordance with the Attachment to this Letter of Intent.

We understand that on or before October 1, 2012, the City will provide us with a draft of a proposed Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building. We understand that the prices quoted for heat will depend on several variables, including the number of businesses deciding to become customers of the System and that the City shall keep us informed of changes in price estimates due to an increase or decrease in potential customers and their requirements.

KELLOGG-HUBBARD LIBRARY
135 MAIN STREET
MONTPELIER, VERMONT 05602
Telephone & Fax (802) 223-3338
www.kellogghubbard.org

We look forward to working with you to complete the evaluation of the Building and to execute a Customer Agreement. We understand that the System has a limited capacity. As such, in the event neither the evaluation is complete nor a Customer Agreement is executed on or before March 1, 2013, this Letter of Intent will be void, and the City will have no further obligation to reserve heating capacity for the needs of the Building.

Very truly yours,

Kellogg-Hubbard Library

By:________________________________
John Page, President of the Board of Trustees
Final decision subject to approval of the library Board of Trustees.

Accepted and Approved on this _____ day of _________, 2012

City of Montpelier

By ________________________________
William Fraser, City Manager

NEW ENGLAND CULINARY INSTITUTE®

56 COLLEGE STREET · MONTPELIER, VT 05602 · P 802.223.6324 · TOLL-FREE 877.223.6324 · F 802.225.3280

March 24, 2012

LETTER OF INTENT

Re: 118 Main Street / 7 School Street

Dear Mr. Fraser:

The purpose of this letter is to request that you reserve a heating capacity of 600,000 BTU's for the above-captioned building (the "Building") with Montpelier's downtown hot water district heating system (the "System"), subject to your approval and consistent with the provisions of this letter.

It is my understanding that engineers hired by the City will evaluate the engineering, operations and costs associated with the Building's heating system. Subsequent to that evaluation, Montpelier will meet with us and present general information regarding the System and a proposal specific to the Building. Additionally, we have received a draft of the proposed 20-year Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building.

Based on our review of the information regarding the costs and benefits of converting to renewable energy (i.e., biomass-fired heating System), we would like to become a customer of Montpelier to meet the Building's heating requirements. Of course, this is conditioned upon the successful negotiation of the Customer Agreement with mutually acceptable terms. We understand that the prices quoted for heat depend on a number of businesses making this same decision, and so we expect the City to keep us informed if the price changes due to either more or fewer businesses signing up for the service.

We look forward to working with you to finalize a Customer Agreement. We understand that the System has a limited capacity. As such, in the event such an agreement is not reached on or before August 31, 2012, this letter of intent will be void, and we understand that Montpelier may not be able to reserve heating capacity for the needs of the Building.

Very truly yours,
Accepted and Approved this 24th day of March 2012

New England Culinary Institute	City of Montpelier
By: ____________	By: ____________
Its: PRESIDENT & CEO	Its: ____________

April 5th, 2012

LETTER OF INTENT

William Fraser, City Manager
City of Montpelier
City Hall
39 Main Street
Montpelier, VT 05602

Re: 107 State Street (rear), 32-34 Elm Street and 26-28 School Street Montpelier

Mr. Fraser:

The purpose of this letter is to request that you reserve heating capacity from the Montpelier downtown hot water district heating system (the System) for the above buildings (107 State Street (rear), 32-34 Elm Street and 26-28 School Street Montpelier) (the Buildings). This reservation is subject to an analysis of the actual capacity, the City of Montpelier's approval and the performance by both parties of the terms of this letter. A final commitment to be a customer of the System will depend upon: the execution of a Customer Agreement and such other agreements and commitments as may be reasonably required by the parties; and my final approval of the price and cost of becoming a part of the system and using its hot water.

I understand that the City will present to me general information regarding the specifications of the system and will work with me, as owner of the Buildings, to evaluate the engineering, operations and costs associated with making the Buildings heating systems suitable for connecting to and receiving heat from the System for the purposes of maintaining heat and hot water in the Buildings. The evaluations will be conducted by an engineer or engineers, found qualified by the City, and provided and paid by me. When I have provided the City with the evaluations, the City will provide to me a proposal specific to each of the Buildings. Those proposals will provide specifications for connection and service to each of the Buildings in accordance with the Attachment to this Letter of Intent.

I understand that on or before October 1, 2012, the City will provide me with a draft of a proposed Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building. I understand that the prices quoted for heat will depend on several variables, including the number of businesses deciding to become customers of the System and that the City shall keep me informed of changes in price estimates due to an increase or decrease in potential customers and their requirements.

I look forward to working with you to complete the evaluation of the Buildings and to execute a Customer Agreement. I understand that the System has a limited capacity. As such, in the event either the evaluation is not complete or a Customer Agreement is not executed on or before March 1, 2013, this Letter of Intent will be void, and the City will have no further obligation to reserve heating capacity for the needs of the Buildings.

Very truly yours,

John Russell

Accepted and Approved on this _____ day of _________, 2012

City of Montpelier

By ______________________________
William Fraser, City Manager

TARRANT, GILLIES, MERRIMAN & RICHARDSON

44 EAST STATE STREET
POST OFFICE BOX 1440
MONTPELIER, VT 05601-1440
(802) 223-1112
FAX: (802) 223-6225

GERALD R. TARRANT
PAUL S. GILLIES
CHARLES L. MERRIMAN
DANIEL P. RICHARDSON

SARAH R. JARVIS

April 5, 2012

William Fraser, City Manager
City of Montpelier
City Hall
39 Main Street
Montpelier, VT 05602

LETTER OF INTENT

Re: 44 East State St.
Montpelier, VT 05602

Dear Mr. Fraser:

The purpose of this letter is to request that you reserve heating capacity from the Montpelier downtown hot water district heating system (the System) for the above building (the Building). This reservation is subject to an analysis of the actual capacity, your approval and to the performance by both parties of the terms of this letter. A final commitment to be a customer of the System will depend upon the execution of a Customer Agreement and such other agreements and commitments as may be reasonably required by the parties. I understand that this letter does not obligate me to execute such an agreement or forego my right to independently review and negotiate such an agreement with the City.

I understand that the City will present to us general information regarding the specifications of the system and will work with us, as owners of the Building, to evaluate the engineering, operations and costs associated with making the Building's heating system suitable for connecting to, and receiving heat from, the System for the purposes of maintaining heat and hot water in the Building. The evaluation will be conducted by an engineer or engineers provided and paid by us and found qualified by the City to perform the necessary work and analysis. When we have provided the City with the evaluation, the City will provide to us a proposal specific to the Building. That proposal will provide specifications for connection and service to the Building in accordance with the Attachment to this Letter of Intent.

We understand that on or before October 1, 2012, the City will provide us with a draft of a proposed Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building. We understand that the prices quoted for heat will depend on several variables, including the number of businesses deciding to become customers of the System and that the City shall keep us informed of changes in price estimates due to an increase or decrease in potential customers and their requirements.

We look forward to working with you to complete the evaluation of the Building and to execute a Customer Agreement. We understand that the System has a limited capacity. As such, in the event neither the evaluation is complete nor a Customer Agreement is executed on or before March 1, 2013, this Letter of Intent will be void, and the City will have no further obligation to reserve heating capacity for the needs of the Building.

Very truly yours,

By:______________________

Its: Owner

Accepted and Approved on this _____ day of _________, 2012

City of Montpelier

By ______________________________
William Fraser, City Manager

Unitarian Church of Montpelier
68 Main Street
Montpelier, VT 05602

April 5, 2012

LETTER OF INTENT

William Fraser, City Manager
City of Montpelier
City Hall
39 Main Street
Montpelier, VT 05602

Re: Unitarian Church of Montpelier

Dear Mr. Fraser:

The purpose of this letter is to request that you reserve heating capacity from the Montpelier downtown hot water district heating system (the System) for the above building (the Building). This reservation is subject to an analysis of the actual capacity, your approval and to the performance by both parties of the terms of this letter. A final commitment to be a customer of the System will depend upon the execution of a Customer Agreement and such other agreements and commitments as may be reasonably required by the parties.

I understand that the City will present to us general information regarding the specifications of the system and will work with us, as owners [lessees] of the Building, to evaluate the engineering, operations and costs associated with making the Building's heating system suitable for connecting to, and receiving heat from, the System for the purposes of maintaining heat and hot water in the Building. The evaluation will be conducted by an engineer or engineers provided and paid by us and found qualified by the City to perform the necessary work and analysis. When we have provided the City with the evaluation, the City will provide to us a proposal specific to the Building. That proposal will provide specifications for connection and service to the Building in accordance with the Attachment to this Letter of Intent.

We understand that on or before October 1, 2012, the City will provide us with a draft of a proposed Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building. We understand that the prices quoted for heat will depend on several variables, including the number of businesses deciding to become customers of the System and that the City shall keep us informed of changes in price estimates due to an increase or decrease in potential customers and their requirements.

We look forward to working with you to complete the evaluation of the Building and to execute a Customer Agreement. We understand that the System has a limited capacity. As such, in the

event neither the evaluation is complete nor a Customer Agreement is executed on or before March 1, 2013, this Letter of Intent will be void, and the City will have no further obligation to reserve heating capacity for the needs of the Building.

Sincerely yours,

Paul O Nlsm

Paul F. Ohlson, Chair
Property Committee
Unitarian Church of Montpelier
68 Main Street
Montpelier, Vermont 05602

Accepted and Approved on this _____ day of _________, 2012

City of Montpelier

By ______________________________
William Fraser, City Manager

Washington County
Vermont

Assistant Judge K. B. Bloom
Assistant Judge Miriam Conlon
County Clerk Elizabeth Battey
County Treasurer Beverlee Pembroke Hill

County Courthouse
65 State Street
Montpelier, VT 05602
802-828-2091

March 27, 2012

LETTER OF INTENT

Re: Washington County Courthouse and Sheriff's Department Building.
Dear Mr. Fraser:

The purpose of this letter is to request that you reserve a heating capacity of 2.1 mBTu/hr for the above-captioned building (the "Building") within Montpelier's downtown hot water district heating system (the "System"), subject to your approval and consistent with the provisions of this letter.

It is my understanding that engineers hired by the City will evaluate the engineering, operations and costs associated with the Building's heating system. Subsequent to that evaluation, Montpelier will meet with us and present general information regarding the System and a proposal specific to the Building. Additionally, we have received a draft of the proposed 20-year Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building.

Based on our review of the information regarding the costs and benefits of converting to renewable energy (i.e., biomass-fired heating System), we would like to become a customer of Montpelier to meet the Building's heating requirements. Of course, this is conditioned upon the successful negotiation of the Customer Agreement with mutually acceptable terms. We understand that the prices quoted for heat depend on a number of businesses making this same decision, and so we expect the city to keep us informed if the price changes due to either more or fewer businesses signing up for the service.

We look forward to working with you to finalize a Customer Agreement. We understand that the System has a limited capacity. As such, in the event such an agreement is not reached on or before August 31, 2012, this letter of intent will be void, and we understand that Montpelier may not be able to reserve heating capacity for the needs of the Building.

Very truly yours,
Accepted and Approved on this 27th day of March 2012

Washington County

K. B. Bloom
By: Miriam F. Conlon 03/28/12

Its:____________________

City of Montpelier

By:____________________

Its:____________________

DUANE WELLS
3 PITKIN COURT
MONTPELIER, VT 05602

APRIL 6, 2012

LETTER OF INTENT

William Fraser, City Manager
City of Montpelier
City Hall
39 Main Street
Montpelier, VT 05602

Re: 3 PITKIN COURT OFFICE BUILDING

Dear Mr. Fraser:

The purpose of this letter is to request that you reserve heating capacity from the Montpelier downtown hot water district heating system (the System) for the above building (the Building). This reservation is subject to an analysis of the actual capacity, your approval and to the performance by both parties of the terms of this letter. A final commitment to be a customer of the System will depend upon the execution of a Customer Agreement and such other agreements and commitments as may be reasonably required by the parties.

I understand that the City will present to us general information regarding the specifications of the system and will work with us, as owners [lessees] of the Building, to evaluate the engineering, operations and costs associated with making the Building's heating system suitable for connecting to, and receiving heat from, the System for the purposes of maintaining heat and hot water in the Building. The evaluation will be conducted by an engineer or engineers provided and paid by us and found qualified by the City to perform the necessary work and analysis. When we have provided the City with the evaluation, the City will provide to us a proposal specific to the Building. That proposal will provide specifications for connection and service to the Building in accordance with the Attachment to this Letter of Intent.

We understand that on or before October 1, 2012, the City will provide us with a draft of a proposed Customer Agreement that will be substantially uniform for all Montpelier customers with the exception of load, connection, engineering and operational characteristics unique to each customer's building. We understand that the prices quoted for heat will depend on several variables, including the number of businesses deciding to become customers of the System and that the City shall keep us informed of changes in price estimates due to an increase or decrease in potential customers and their requirements.

We look forward to working with you to complete the evaluation of the Building and to execute a Customer Agreement. We understand that the System has a limited capacity. As such, in the

March 1, 2013, this Letter of Intent will be void, and the City will have no further obligation to reserve heating capacity for the needs of the Building.

Very truly yours,

[Potential Customer]

By: [illegible] 31 Pitkin Court Montpelier

Its:______________________________

Accepted and Approved on this _____ day of _________, 2012

City of Montpelier

By ______________________________
William Fraser, City Manager

City of Montpelier, Vermont

- The Smallest Capital City in the United States -

Mayor John Hollar

City Council:

Tom Golonka
Thierry Guerlain
Andy Hooper
Sarah Jarvis
Angela Timpone
Alan Weiss

William Fraser,
City Manager
wfraser@montpelier-vt.org

Beverlee Pembroke Hill
Assistant City Manager
bhill@montpelier-vt.org

MEMORANDUM

To:	**Mayor Hollar and City Council Members**
From:	**William Fraser, City Manager**
Re:	**District Heat Project Summary**
Date:	**April 13, 2012**

This memo combines information provided in previous documents with updated information with the goal of having one comprehensive summary of the District Heat Project and related issues to date.

What is the Project History?

Since 1994/95 the city, state and various interest parties have been discussing the possibility of a central downtown heating system served by the state's wood fired plant. By 2002/2003 it appeared that a project might be developed. In 2003, city voters approved a $250,000 bond for start up costs.

After passage of the city's bond, a city/state committee began looking more seriously into the project potential. By 2006, it had been determined that the state's heat plant had much less capacity than originally believed and may not be able to meet the state's long term needs and certainly not add the city's projected loads. The cost of upgrading the state's plant was seen as a major obstacle.

When fuel oil prices spiked in 2008, this project was revisited. In March of 2009, city voters approved changing the language of the 2003 $250,000 bond to include feasibility studies. This money was supplemented with a $75,000 Clean Energy Development Fund (CEDF) grant. The city issued an RFP and partnered with an energy firm named Veolia. They did extensive work which concluded that the project was technically feasible and could be financially feasible under certain conditions. The initial bond and CEDF grant funded the feasibility work.

In 2009, the Federal Department of Energy – as part of the ARRA ("stimulus") package announced grant funding for renewable energy projects. The Veolia study was used as the basis for a grant application from the city with the state as a partner.

In January of 2010, the United States DOE awarded just five grants across the county totaling $20 million. The Montpelier District Energy project was the largest award at $8 million – 40% of the entire national funding. This project would upgrade the state's existing wood fired central heating plant and expand its service area to City Hall, the Police Station, the Fire Station, Union Elementary School and Montpelier High School. The establishment of this heat distribution route would allow private buildings to be served.

Why is the city pursuing this project?

- It reduces toxic air emissions in downtown Montpelier by as much as 11 tons per year. It is consistent with state and local policy to move to cleaner, renewable energy sources.

- It replaces approximately 150,000 gallons of oil per year as a prime fuel source with locally/regionally produced wood chips keeping that economic activity in the northeast.

- It provides fuel cost stabilization for the state government, city government and, eventually, school department allowing tax dollars to potentially be redirected toward services or infrastructure rather than to pay rising oil prices.

- It presents an economic development opportunity in downtown Montpelier by providing a cleaner and potentially cheaper source of heat for private building owners.

- The State's heat plant will be removed from the flood plain and will operate more efficiently, generating an estimated $200,000 in annual fuel savings for state taxpayers.

- Conversion to a district heating system will allow many private oil furnaces to be removed from potential flood areas.

- This is proven technology. The State of Vermont converted their district heat system to wood (primarily) in the early 80's. After 30 years of operating this system, the State is seeking to upgrade and expand it, not abandon it. Other municipalities such as Jamestown, New York and St. Paul, Minnesota have operated these successfully for years. This is common technology on college campuses around the country.

How will the system be governed or operated?

The State of Vermont will own and operate the upgraded and expanded central heating plant. The city will purchase bulk heat (hot water) through the master contract approved in January of 2012. This heat will serve the city and school buildings as well as through resale to private customers. The system will provide domestic hot water year round using oil burners during the summer months.

Net revenues from those sales, beyond established fixed costs, will be placed in reserve to address future expansion needs and long term system maintenance. It is possible that private system revenues could be used to reduce city heat costs. The city anticipates operating the distribution system itself at the beginning but may seek to contract operations and/or create a separate non-profit utility to run the system.

Where does the project money come from?

Department of Energy Grant - $8.0 Million awarded to city
Clean Energy Development Fund (CEDF) Grant - $1.0 Million awarded to city

Total Federal Funds - $9.0 Million

City of Montpelier Bond - $2.0 Million approved by voters 963 (61.3%) to 609 (38.7%) in 2011
Clean Energy Development Fund (CEDF) deferred loan - $750,000 at 1% interest for which repayment is deferred until the project achieves positive annual cash flow. This loan was also approved by voters as part of the above referenced bond vote.

Total City Funds - $2.75 Million

Capital Funds - $7.0 Million approved by Governor and Legislature
BGS In Kind - $1.2 Million

Total State Funds - $9.2 Million

Total Project Funds - $19.95 Million

How are the project funds allocated?

DOE Grant Assigned to State - $3.249 Million (for Constructing plant larger than necessary for state's use)
DOE Grant paid to State - $2.558 Million (for purchase of 24.2% of total plant capacity for city use)
City funds paid to State - $1.077 Million (for purchase of city's capacity in the plant, from CEDF grant and loan)
DOE Grant paid to City for Distribution System $2.193 Million
City funds used for Distribution System - $2.673 Million ($2.0 M Bond, $673K CEDF loan)

Total funds for plant $15.047 Million. $8.2 M from State, $5.8 M from DOE, $1.08 from City

Total funds for distribution system - $4.866 Million – $2.7 M from City, $2.2 M from DOE

Will this cost extra tax dollars?

No. Assuming all five city/school buildings are included, the combined bond, wood heat and operating costs will fall within the amount of money that the city and school system are already paying to heat their buildings with oil. As oil prices rise, the opportunity for potential savings may present itself. This is Vermont – we will certainly heat the schools, city hall, fire station and police station over the next 20 years. This is not money available for other public purposes.

Three city buildings (City Hall, Fire Station and Police Station) and two school buildings (Union Elementary School and Montpelier High School) use 100,000 gallons of oil annually. Every dollar in oil price increase costs the community $100,000. Our most recent fuel prices have ranged from $3.35 to $3.73 per gallon representing annual costs of $335,000 to $373,000. The combined District Heat annual costs (bond, fuel and operating) are expected to be between

$305,000 and $327,000. Local funding/fuel usage is divided at roughly 25% City (City Hall, Police, Fire) and 75% schools (37.5% each for Union School and the High School).

If some of these public buildings are not included in the system, their heat use and revenue will be replaced by non-city buildings. The cost difference will not be made up with tax dollars.

How has the city money been spent so far and how much is left?

Including pre-DOE grant funding of $325,000, the total funds available to the city for this project are $6,268,216.

The sources of these funds are:

2009 Bond	$250,000
2009 CEDF Grant	$75,000
Total Pre-DOE	$325,000
2011 Bond	$2,000,000
CEDF Loan	$750,000
CEDF Grant	$1,000,000
DOE Grant for Distribution	$2,193,218
Total Current Funds	$5,943,218
Total Funds Available	*$6,268,218*

Spent to Date (as of March 31, 2012)

Feasibility, NEPA approval	$410,229
Project Management	$103,827
Legal	$47,575
Engineering	$75,482
Misc/Admin/Printing	$7,474
State of VT for exp %	$31,627
Total Funds Spent to date:	*$676,214*

Less Funding Commitments

State of VT for capacity	$1,045,172
Engineering Contract	$376,518
Project Management – Est.	$82,000
Other – Est.	$50,000
Total Funding Commitments	*$1,553,690*
Available Balance	$4,038,314

What does that mean for the construction budget?

Basis of Design report received on February 23rd from Hallam-ICS with construction project cost estimate of $4,938,710. Projected funds available for construction are $4,038,313 a difference of $900,396.

Is this shortfall a surprise?

The city has been concerned about the funds available for the distribution system for at least a year and raised the issue with the state on many occasions. Rough estimates in May/June of 2011 showed similar numbers to the Hallam/ICS report. The main cost concerns have always been reaching the two schools which are on the far ends of the proposed system.

These concerns were stated during the public hearing on the bond vote on June 8, 2012. At that meeting the following "Concerns and Challenges" were presented:

- $18.75 Million in cash available for project, $1.2 million "in kind".
- Current combined estimates run as high as $19.7 to $20.5 with high contingencies and unknowns.
- MOU is complete but master contract is not.
- Impact of project overruns on scope and quality
- One project meets budget and the other doesn't.
- Additional bonding for the city.
- Schools are key players but also high cost.
- Construction disruption.

To supplement that list, "Addressing Concerns" included:

- City and State engineers working cooperatively to develop project within available funding.
- MOU discussions laid ground work for master contract. Many topics have already been introduced and framed.
- Multiple opportunities to review estimates, internal funding allocations and bid results. Will not proceed if it costs too much.
- Cost of debt service on bond covered by current fuel costs, should not preclude future bonding if desired. Council has created committee to look at debt levels and policies. Annual GF debt service to drop $88,000 (13%) over next five years.
- Potential alternatives for schools if necessary.
- All projects create disruption. Will be managed as tightly as possible.

City officials have regularly talked about project check in/decision points such as approving the contracts with the state, obtaining project estimates and final bid prices.

Why did the city proceed with the project if there might not be enough money?

Project funding was based on what the city and state could afford to commit. It was not based on estimated project costs. The city, cautiously, only committed what was within its current payment stream for fuel payments.

The project has always shown strong financial performance on an annual basis, particularly when external customers are included. Excluding potential customer revenue was a good way to limit the city's financial exposure but created restrictions on capital funds for initial construction.

The sources and uses of funds have been listed in detail. The city has, thus far, been able to move the project forward without using any of the approved $2 Million bond. We have used the external funding to develop more specific project costs which, unfortunately, did not change much from the early rough estimates. We continue to use the external funds to develop viable project options.

What are possible options for addressing shortfall?

1 – Obtain additional funding. Neither the city nor the state is in position to add general revenues to this project. Therefore additional funding would need to come from an outside source, either grant funds or some form of private funding. This is not a strong short term option given the time frame required for decision making.

2 – Cut project costs to meet the budget. The Hallam-ICS report presents three major options for cost reduction. 1) Reduce the size of transmission pipes which would save either $135,000 or $369,000 depending on the option. These savings are not enough to bring the project under budget and the smaller pipes would restrict the system's capacity. 2) Eliminate the High School from the system. This saves $1,258,164 and brings the total project cost to $3,680,546. 3) Eliminate Union Elementary School from the project. This would save $728,011 from the project bringing the total to $4,210,699 or $2,952,535 if both schools were removed.

On the face of it, these changes, particularly the high school reduction would bring the project within budget. However, the $2 Million Bond was based on replacing the current oil use of three city buildings and the two schools. If the schools are eliminated then they will continue to use oil and therefore can't be counted in the bond capacity because we cannot charge the taxpayers twice. Each school represents $750,000 worth of the total bond. Therefore – elimination of the High School results in a net budget reduction of $508,164 while elimination of Union School results in a net budget increase of $21,989. If the High School reduction is made, the construction project budget is still $392,045 over budget.

3) Add revenue from non-city users to offset the shortfall. This is a change from current council policy which has directed the city to only consider usage from the city and school buildings. It is feasible that as few as three non-city buildings could generate sufficient annual revenue to cover the $931,838 and allow the system to be built. However, in order to have the funds on hand for the capital construction, the city would have to authorize additional up front borrowing or partner with a non city entity for this financing. This option may be a possibility but is unlikely to be in place in the short term.

4) Reduce the project budget and scope, replace some city or school revenue/load with non-city users to offset the net shortfall. This is the most feasible solution in short run and has a very high potential for success. As noted earlier, taking the high school out of the system and making the appropriate reduction in bond capacity results in a new net shortfall of $423,674. Based on square footage and heat usage information from two potential large users – one the federal GSA building and the other a private user not ready to be named – the entire $2 million bond as well as the related direct heating costs for those buildings would be covered. We can explore some different pipe loops for different costs to revenue ratios.

5) Don't do the project. We have a project cost that exceeds available funds. Continuing to work on the project will require additional expenditures, time and effort. If the policy of only counting revenue from city/school buildings remains in place, it is difficult to see a short term path to success.

How does the annual funding/district budget work?

It is important to distinguish between two different but related budgets. The first is the actual construction project budget compared to available capital funding. As the city makes construction decisions, we need to be mindful to stay within the limits of our approved bond and grant funds.

The second budget is the annual operating budget for the system which will include payments on the bonded indebtedness used for constructing the system. It will also include expenses for the city's share of operating the heating plant and the distribution network. And it will include reserve funds for future maintenance and expansion needs. Finally it will need to cover the actual cost of fuel (mostly wood) consumed to create heat. This budget will be supported by user revenues including those paid on behalf of city and school buildings.

The system has both fixed and variable costs. User rates will have a capacity charge to cover the fixed costs and a fuel charge which will directly reflect the actual amount of fuel that is used. Capacity charges will be set through a formula based on building size and potential heating use.

For the initial phase of the project – including only the five city/school buildings – the fixed costs are limited to the bond payment and contractual obligations to the state for operating the heat plant. Small city costs like electricity for pumps are included in the direct fuel charge.

Fixed Budget obligation costs include:

$169,000 Bond payment ($2.0 M Bond, first full year payment which is the highest)
$68,000 State contract expense

$239,000 total. The bond and state costs will not substantively change as new users come onto the system. The bond payment will decline annually and the state charges will increase annually but neither are linked to system usage.

I am also building in payment for the 2009 Bond ($20,000 per year) which is currently included in the capital plan in the general fund. In addition I am including a $15,000 city cash reserve. That places the first level of the annual budget at around $273,000

As additional users come on to the system, the city's expense budget will grow to include administrative costs, additional operating and professional services costs. These costs are about $77,000. These costs will be increased incrementally with new users. Eventually the CEDF loan repayment will begin when the project is demonstrated cash positive. The loan repayment will be about $42,000. A final consideration would be for the purchase of additional capacity in the heat plant, this can be accomplished through developing reserves or, more likely, through future financing supported by user demand.

What happens to the budget if the High School is omitted?

The short answer is that heat loads equivalent to the high school must be found to replace the high school use. This is particularly true if we wish to use the full $2 Million in bonding authority.

From dollars and cents perspective, MHS fuel use was expected to cover $37.5% of an initial $239,000 in fixed costs ($89,625). Therefore, replacement buildings would need to generate a sufficient capacity charge to raise $90,000 per year. This is very feasible. For example, the Federal GSA building and one other large user would cover this cost.

If the bond were reduced to $1.7 Million to reflect the adjusted project costs, the annual fixed budget drops meaning that replacement buildings would need to generate $65,000 per year annually. Again as example, GSA alone or perhaps with one or two small users like the County Court House/Sheriff's office/Christ Chruch would cover these costs.

If Union School were also omitted but the bond maintained at $2 million, we would need to generate another $90,000 per year. However, removing Union from the project would reduce the cost estimate to $3,000,000 so, potentially, the bond amount could be reduced as well.

What is the level of interest from non city buildings?

Thus far, we have received letters of intent to connect from Washington County (Courthouse and Sherriff's office), Christ Church, Bethany Church, Unitarian Church, the New England Culinary Institute, Kellogg-Hubbard Library, Tarrant, Gillies, Merriman, and Richardson, John Russell, Duane Wells and Aubuchon Hardware.

We have held meetings with Liz Pritchett, City Center, Capital Plaza, Steve Everett, the Catholic Church, and several others and are working up cost scenarios for them. We have also had very lengthy with discussions with GSA, Vermont Mutual and Union Mutual and feel confident that at least two of these three will participate.

What is the status of the Schools' interest in participating?

At their meeting of April 4, 2012, the School Board passed this motion:

The Montpelier School Board of Directors agrees to have the Union Elementary School hook up to the Montpelier District heat system during the summer of 2013 and start to provide heat to the school during the fall of that year. For the first three years or operation, the School District agrees that their financial commitment for fixed and variable costs is approximately $125,000 per year to the City. At the completion of the three years, the School District with work with the City to determine the appropriate payments for future years depending on the capacity needs and the overall heat use at the school.

The School District remains interested in the possibility of including the Montpelier High School on the district heat system and recognizes that the first phase of the project will likely not include the High School.

The School District recognizes that the details of the arrangement with the City will be worked out over the next few months and these include the requirements for the school to modify the heating distribution system in Union Elementary.

What is the status of DOE and other project funding if the City doesn't proceed?

The city requested and received DOE approval for a potential change in project scope. This change might include delay, alteration or discontinuation of the city's distribution system. Approval of this change means that the State can proceed with their boiler bids and plant construction without risk of losing DOE funding. It is important to note that, if the state proceeds, the city is still obligated to pay them $1,077,000 for capacity in the plant.

If the city does not proceed, we are not obligated to repay DOE funds expended to date. The state has also determined that we are not obligated to pay the annual operating costs in our contract with them.

Is there a way for the city to proceed without customer commitments and without using local property tax money?

Yes, in the short term. If the city continued to advance the project, the next main financial obligations are paying for final engineering design and meeting our capacity payment obligation to the state. The state payment will be made directly from the CEDF grant and loan. All of the engineering costs can also be made from the CEDF loan which is not due for repayment until the project is cash positive. Until that time, it functions like a grant.

Therefore the city can pay the state, perform design, place the project out to bid and get bid prices without using any of the 2011 city bond money. Bids are expected to be received in August which would provide ample time to fully develop customer commitments. develop financing options and/or construction alternatives to maximize customers with a minimum of routing.

In the long term, the project cannot go into construction without customer commitments. The high school load/revenue must be replaced. No financing for additional money to include the high school can be completed without customer commitments since those costs exceed the approved bond.

How do we know that we won't get bids back that are too high?

We, of course, can't know that for sure. However, there is already $500,000 contingency (10%) built into the estimates that we have. More importantly, if we are able to develop a user base which can cover the full $2 Million bond, we would have another $300,000 hedge against the $1.7 Million project estimate. This contingency grows even further under other construction scenarios. If we don't need the buffer, those monies can be used to extend lines to committed customers, assist with connection costs or reduce the bond amount. It also is a built in protection against construction cost overruns. We can put alternates into the bid documents – with and without each school or certain feeder loops and select the package that fits into our funding.

If bids are received which are far beyond the city's financial means under any configuration, we can delay (for one year under the DOE grant) or discontinue the project. With development costs undertaken using the CEDF money, none of the city's $2 Million bond money will have been spent.

Can non-city users afford to connect?

Connection cost estimates are being developed for each building owner that shows interest. Cost vary widely depending on the location and configuration of a buildings heating system. In most cases so far connection costs factored in with projected fuel savings have still resulted in a net financial benefit to tying into the system. Obviously that is a business decision each building owner will need to make. We are looking into establishing possible loan or grant funding to ease with connections.

Couldn't the city and school find easier ways to achieve efficient heating?

If the city's only goal was to improve its own heat efficiency then we would not run pipes from the state complex to various parts of town. The goal of this system is to not only improve opportunities for the city government but also to enable similar opportunities in downtown. This project has always been for the purpose of including multiple non-city downtown buildings.

How will construction of this project affect downtown?

Construction of this project will cause temporary disruption to downtown. Like any major project it will be managed but there is no question that this requires laying pipes underground throughout downtown along the planned route. This does create an opportunity for streets and sidewalks to be repaved and rebuilt.

What is the schedule?

Between now and April 18 – Seek customer commitments and letters of intent. Make proposals to potential users.

April 18 – Decision to proceed. Authorize final design work.

April 25 – State receives costs estimates. Awards boiler bids.

May, June, July – Design work underway. Continue customer recruitment. Revenue final design cost estimates. State begins design and permitting of plant.

August – Receive bids. Award bids if resources are sufficient. Pipes are ordered.

Winter 2012-13. State begins construction of plant.

Spring 2013. Construction of distribution system begins.

October 1, 2013. Scheduled start up date of system.

City of Montpelier
Department of Public Works
Memorandum

To: **William Fraser, City Manager**

From: **Thomas McArdle, Assistant Director of Public Works**

Date: **April 11, 2012**

Subject: **Bailey & Clarendon Avenues – REVISED Proposed Parking Ordinances**

The attached letter was circulated to the residents of Clarendon Avenue to solicit comments and input about a suggested revision to the proposed parking ordinance. The revision was an attempt to address a concern about the location and extent of the proposed ordinance while balancing the residential need for on-street parking with the necessity that we address the imposing parking demands being placed on the neighborhood during the annual legislative session. From our request for additional neighborhood review, a new idea was proposed which we believe will satisfy the originally stated concerns of the Traffic Committee and Police Department and provide the balance the residents have requested.

The suggestion is to relocate the proposed parking restriction to the south side of the street leaving the north side open for parking. This suggestion addresses the dimensional inadequacy of the street to support parking on both sides and places the allowed parking next to the sidewalk spanning the north side of Clarendon Avenue. This makes more sense from a pedestrian circulation perspective and allows parking where the resident needs are greatest. We are retaining the corner parking restrictions near Bailey Ave on both sides of the street. The remainder of the restriction has been added to the limited parking section because the problem is primarily a seasonal issue. The limited (seasonal) parking restriction time period has been revised to reflect the typical legislative session.

No changes are proposed for the Bailey Avenue ordinance and no comments were received from these residents as of the date of this memorandum.

A new plan is attached to illustrate the proposed revised ordinance and the new wording is provided below.

CHAPTER 10, ARTICLE VII. PARKING & PARKING METER ZONES

Section 10-716. PARKING PROHIBITED

Revision of existing sub-section:

(b) BAILEY AVENUE. Parking of vehicles is prohibited on Bailey Avenue from Baldwin Street to Terrace Street on both sides of Bailey Avenue, and on the east side of Bailey Avenue **from the intersection of Terrace Street northerly** [~~between the center line of the driveway which services No. 37 Bailey Avenue~~] to a point eighty (80) feet northerly **of the driveway which services No. 37 Bailey Avenue;** and also on the west side for a distance of sixty (60) feet southerly of the intersection of Sunnyside Terrace **and on the westerly side from Clarendon southerly for a distance of forty (40') feet as measured from the southerly curb line of Clarendon Avenue.**

New sub-section:

(rrr) CLARENDON AVENUE. Parking is prohibited on both sides of Clarendon Avenue from the intersection of Bailey Avenue westerly for a distance of forty (40') feet as measured from the curb line of Bailey Avenue.

Section 10-717. LIMITED PARKING

New sub-section:

<u>(ii) CLARENDON AVENUE. Parking is prohibited on the southerly side of Clarendon Avenue beginning at a point located forty (40') feet from Bailey Avenue and extending in a westerly direction to the intersection of Redstone Avenue annually from November 15th to April 1st.</u>

Attachment (letter to Clarendon Ave residents)
C: Traffic Committee
Adjoining Property Owners

CITY of MONTPELIER Vermont

THE CAPITAL CITY OF THE STATE OF VERMONT

CITY HALL

Department of Public Works, City Hall, 39 Main Street, Montpelier, VT 05602
Phone: (802)223-9508 FAX: (802)223-9524 email: tmcardle@montpelier-vt.org

April 5, 2012

RE: Clarendon Avenue Proposed Parking Regulations

Dear Neighbors:

We are writing to provide you with some information following the City Council's review and first reading of the proposed parking regulation ordinances for Clarendon Avenue. This letter is also intended to solicit your additional feedback and comments about an alternative parking restriction.

From the City Council meeting and subsequent discussion with a property owner, the following key points were raised:

- Parking on the neighborhood streets of Bailey Avenue, Terrace Street and Clarendon Avenue is primarily associated with the legislative session.
- Agreed that the proposed parking restrictions (prohibition) on the southerly end of Clarendon Avenue are necessary in view of the heavy parking demands and inappropriate street geometry to support parking in the areas as noted.
- It was accepted that restrictions placed on the southerly end of the street could displace capital complex related parking further north along Clarendon Avenue.
- The section of the proposed parking restriction (seasonal limitation) northerly of Dwinell Street is seen as too restrictive to residents of the street.
- The suggested seasonal limitation restriction should be revised to coincide with the time period of a typical legislative session.

The primary concerns of the traffic committee are the long-term parking tendencies, and the needs of the motorists travelling on the street including geometric and line of sight. The committee concluded that the width of Clarendon Avenue is not sufficient for parking on both sides of the street, particularly in the area of road curvature between #9 and #19 Clarendon Avenue. It was felt, based upon the observation of a resident, that on-street parking by residents would be both infrequent and relatively short term. Therefore, the committee gave consideration to an idea of implementing a residential parking permit program. The committee met to discuss this idea and reached the following conclusions and observations:

- Agreed that on-street parking demand by residents would likely be infrequent on most days. However, the geometric guidelines regarding the width of a street to support parking on both sides is not adequate. Therefore, regardless of whether parked vehicles are owned by residents, guests, or non-residents, the street is not suitably sized to support parking.
- Although two residential permit parking areas are now in effect in Montpelier, questions have been raised about the authority of a municipal government to restrict parking on a public street to specific groups or individuals.
- The Police Chief is concerned about the ability of the department to provide effective enforcement, considering past experience with the existing residential permit parking areas. The enforcement concern also regards the implication associated with a legal challenge with respect to municipal authority noted above.

Based on these concerns, the committee feels that residential parking restriction could not be supported and deliberated other alternatives. The committee now presents the most favored alternative, which is a revised proposed ordinance that will reduce the extent of the limited parking restriction by revising the point of beginning. In lieu of the original proposal to limit parking on the north side of the street between Dwinell Street and Redstone Avenue, the committee suggests that we apply the restriction to the segment of the street containing a curve where on-street parking combines to reduce available visibility (sight distance). The seasonal restriction time period has also been altered per the suggestion noted at the City Council hearing. We ask that you review the revisions and to provide your thoughts, comments and suggestions by contacting us by phone, email or letter. No changes are suggested at this time for the proposed prohibited parking sections on the southerly end of the street.

Section 10-717. LIMITED PARKING

New sub-section:

(ii) CLARENDON AVENUE. Parking is prohibited on the northerly side of Clarendon Avenue beginning at a point located one hundred ninety feet (190') westerly of Dwinell Street and extending in a westerly direction to the intersection of Redstone Avenue, annually from January 1st to April 15th.

Thank you for your additional time. We would like to hear from you and make any additional changes or corrections before this matter is returned for further consideration by the City Council during their scheduled meeting of April 18th. We look forward to hearing from you and for the resolution of this matter.

Respectfully,

Thomas McArdle
Assistant Director of Public Works

C: Traffic Committee Members

-----Original Message-----
From: dacis@sover.net [mailto:dacis@sover.net]
Sent: Thursday, April 12, 2012 10:39 PM
To: Sandy Pitonyak
Subject: Clarendon Ave. street parking

Hi Sandy-

In follow-up to our phone conversation the other day, please accept this email for presentation to the Traffic Committee and/or City Council in regard to the issue of parking on Clarendon Ave, esp. at its intersection with Bailey Ave as it relates to an apparent proposed revision of the City Parking Ordinance by the Traffic Committee/City Council.

I reside at 3 Hubbard Park Drive, the house where I was raised and lived from 1947-1965 and then returned to reside in 1998. Further, my parents lived in this house from 1947 until my mother passed and my father finally moved out in 1996. I would come to visit them regularly. The reason I mention this background information is to advise that I have driven Bailey Ave. and Clarendon Ave. literally thousands of times. Ever since I started driving in the 1960's, it has been my habit to "come home" from downtown via Bailey, then turning left (west) on to Clarendon, then right (north) on to Hubbard Park Drive. When I leave home, I go via Jordan St., Terrace St and Bailey Ave. But I have also taken the "reverse" route to leave (Clarendon to Bailey) many times also.

Since moving back here in 1998, I have noticed the increasing phenomena of vehicles being parked on BOTH sides of Clarendon from roughly Dwinell St (which intersects with Clarendon west of the Bailey Ave. intersection) down to Clarendon's intersection with Bailey. In fact, the "first" vehicles parked on Clarendon have been right at the Bailey intersection.

I observe that this "phenomenon" occurs more during the winter and it's my perception that these parked vehicles belong to those attending the State House while the Legislature is in session. Since there appears to be a general lack of free or unlimited time parking for these folks, they go for parking first on Baldwin St. Extension, the up one side (west) of Bailey Ave. to Clarendon, then on BOTH sides of Clarendon up to Dwinell and even beyond (west of) that some.

The problem is the intersection of Bailey & Clarendon. Vehicles parked on both sides of Clarendon, especially in winter if there are snowbanks, create a ONE LANE street on Clarendon. A vehicle proceeding "up" (north) on Bailey and turning left (west) on to Clarendon can face a potential head-on collison if a vehicle coming "down" (eastbound) Clarendon within this "one lane" does not see the approaching vehicle and does not completely stop at the Bailey intersection (there is a stop sign there for eastbound traffic on Clarendon which will be turning on to Bailey), especially if it does not stop "back from" the intersection. The approaching northbound ("up" Bailey) vehicle is NOT required to stop before making a left hand (west)turn on to Clarendon and vehicles parked on the south side of Clarendon near the intersection block the view of a vehicle proceeding eastbound on Clarendon.

I have had some "close calls" at this intersection. I have no idea if there have, in fact, been accidents at this intersection but it does not appear safe when vehicles are parked on Clarendon, esp. the south side and certainly if parked on BOTH sides.

I noticed that Montp PD put up two (2)temporary "No Parking" signs on BOTH sides of Clarendon at this Bailey intersection this winter, presumably because someone complained or a law enforcement officer noted the potentially dangerous situation, so it was helpful this season - plus we didn't have the snow banks.

My suggestion is for an Ordinance change so that there is NO PARKING ON EITHER SIDE OF CLARENDON for at least a minimum of TWO (2) VEHICLE SPACES, but, frankly, I think parking should be restricted to ONE side of Clarendon all the way to the Jordan St./Hubbard Park Dr. intersection with Clarendon or, perhaps, for the entire length of Clarendon up to it's terminus with Dairy Lane. Although Clarendon looks "wide" when there are no vehicles parked along the sides and there is no snow, once vehicles are parked on both sides, it becomes narrow for two approaching vehicles to pass each other.

While I am at it, I have one other area of concern regarding Clarendon Ave. that I would like to address: the stop sign for eastbound traffic on Clarendon as it approaches the intersection with Hubbard Park Dr/Jordan St. The current sign is located near the NE corner of Roger Krussman's property (which lies on the corner of Clarendon & Jordan). Since there is no "stop bar" painted on Clarendon, it is presumed that an eastbound vehicle on Clarendon can drive up to the sign. This location is BEYOND the Hubbard Park Drive intersection. The problem here is with the operator of an eastbound vehicle on Clarendon who does not look to see if a vehicle is already at the bottom of Hubbard Park Drive prepared to proceed across Clarendon on to Jordan or turn left (east) on to Clarendon.

That Hubbard Park Drive vehicle should have the right-of-way if it is there "first". But I have seen eastbound Clarendon Ave. vehicles either not stop at the Hubbard Park Dr. intersection or actually blow through the intersection entirely. I have also had some "close calls" at this location while proceeding down from my home at 3 Hubbard Park Drive.

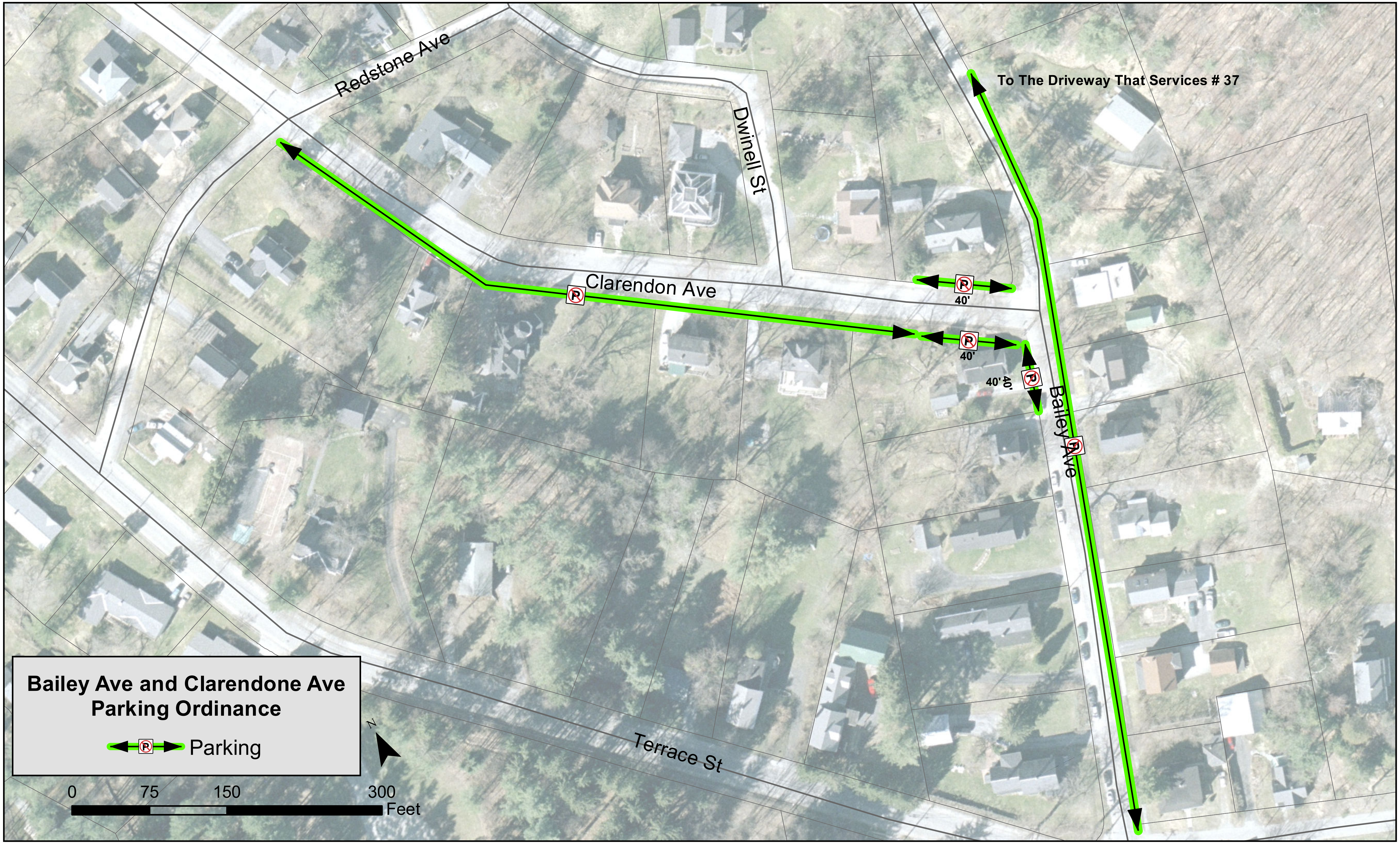
I feel the Clarendon Ave. stop sign should be relocated back further west and, perhaps, a stop bar painted on Clarendon so that an eastbound Clarendon vehicle is required to stop BEFORE reaching the Hubbard Park Drive intersection. In fact, the entire intersection should have 4-way stop signs.

I would add that in addition to what is perceived as my "other profession" (a professional musician and member of The Starline Rhythm Boys), I have been a private investigator since 1977 and have worked on literally hundreds of vehicle accidents, so I have some knowledge in the areas of physical limitations/restrictions/obstructions on roadways as they relate to traffic and accidents.

I would be happy to speak with anyone on the Traffic Committee or Council regarding these situations. However, I will be away on vacation from
April 16 - May 8.

Thank you for your time and consideration.

Sincerely,
Danny Coane
3 Hubbard Pk Dr
223-5327



Redstone Ave
Dwinell St
To The Driveway That Services # 37
Clarendon Ave
40'
40'
40'
Bailey Ave
Terrace St
Bailey Ave and Clarendone Ave
Parking Ordinance
Parking
N
0
75
150
300
Feet

Sandy Pitonyak

From: Tom McArdle
Sent: Friday, April 13, 2012 12:39 PM
To: dacis@sover.net
Cc: Anthony Facos; Todd Law; ROBERT GOWANS; Sandy Pitonyak
Subject: Clarendon Ave parking
Attachments: Clarendon Ave_revised map_April 12.pdf; Bailey & Clarendon parking_revised memo.docx

Mr Coane:

Thank you for your thoughtful note expressing your parking concerns for Clarendon Ave & the stop sign location @ Jordon Street! We appreciate your comments and suggestions and I'm writing to let you know that your concerns are shared by members of the traffic committee. In fact, the Montpelier City Council will be conducting a public hearing on Wednesday April 18th to further consider a proposed parking restriction ordinance for Clarendon Ave for essentially all of the reasons you cited in your note.

Attached, please find a memorandum describing the revised Clarendon Ave parking restriction as presently proposed. We believe this ordinance will address both the seasonal and year-round parking, convenience, & safety issues for all of those who utilize this street. A map of these restrictions is also enclosed for your reference.

In regards to the stop sign at the Jordan / Hubbard Park Dr intersection, I will take a look at it and ascertain the proper location of the sign in accordance with traffic engineering guidelines. The sign will be moved accordingly if not in conformance with the guidelines and standards.

Again, thank you for your comments & observations! Please feel free to contact us if you have any questions or additional observations you would like to share.

tom

Thomas J. McArdle
Assistant Director of Public Works
39 Main Street - City Hall
Montpelier, Vermont 05602
802-223-9508
tmcardle@montpelier-vt.org

CITY OF MONTPELIER

Capital City of the State o Vermont

EARTH DAY PROCLAMATION

WHEREAS, the youth of our community are our most valuable resource and have the creativity and ability to seek feasible solutions to environmental challenges so that they, and future generations, can live in a healthy and sustainable manner; and,

WHEREAS, environmental education encourages knowledge and understanding about environmental and economical challenges; and,

WHEREAS, environmental education helps youth develop the necessary skills and expertise to address the environmental and economic challenges we face; and,

WHEREAS, the sense of environmental responsibility, reached through environmental knowledge, acts as a catalyst for future participation in sustainable action; and,

WHEREAS, the natural resources of the state and nation should be used wisely and with due consideration for the future, and the wise use of these resources should be the concern of government at the local, state, and national levels; and,

WHEREAS, all people benefit from the natural resources of the state and nation: hence, they have citizenship responsibility in the safeguarding and judicious utilization of these resources; and,

NOW THEREFORE IT BE RESOLVED, that the City of Montpelier, Vermont, pledges to support all citizens, public or private groups charged with the management of natural resources and education in discharging the added responsibilities in promoting the understanding of the outdoors; and,

BE IT FURTHER RESOLVED that the City of Montpelier will hereby acknowledge April 22, 2012, as …

"EARTH DAY"

to support green economy initiatives in Montpelier and to encourage others to undertake similar actions.

Signed this 18th day of April, 2012

CITY SEAL Signed: ______________________________

John Hollar, Mayor

CITY OF MONTPELIER

APPLICATION FOR CITY LICENSE

Montpelier City Clerk's Office
39 Main Street
Montpelier, VT 05602
802-223-9500 – Fax 223-9523

Applicants Name Tyler STRANGE

Doing Business ~~as~~ FOR EDWARD JONES

Address of Business 155 FRAZIER RD, WORCESTER, VT 05682

Mailing Address if Different ______

Telephone Number: ______ **Cell Phone** 802 778 0905

E-mail Address Tyler.strange@edwardjones.com

Type of License Vender's - Financial consulting, door-to-door

Vt Tax ID Number 450-4303458811F-01 **Health Dept Number** ______

Is business insured Circle YES or NO Policy Limits ______

FEE: 250 — **Date Paid** ______

Signature of Applicant ______

For City Use:

Health Officer Signature if Applicable: ______