



**MAYOR MICHAEL O'BRIEN**  
 Mayor@onioncity.com  
**DEPUTY KATHERINE PICARD**

27 WEST ALLEN STREET  
 WINOOSKI, VERMONT 05404

(802) 655-6410  
 (802) 655-6414 (fax)

# CITY OF WINOOSKI

## CITY COUNCIL

**COUNCILOR JODI HARRINGTON**  
**COUNCILOR MICHAEL MAHONEY**  
**COUNCILOR ERIK HEIKEL**

### Agenda

**Monday, November 17, 2008 at 6:00 p.m.**

Claire Burke Chamber

- I. Call to Order and Pledge of Allegiance**
  - a. Important Announcements
- II. Public Comment Period**
- III. Regular Agenda Items**

			<i>Action Required:</i>
1.	6:05	Consent Agenda: Minutes of September 22 <sup>nd</sup> Minutes of October 6 <sup>th</sup> , 20 <sup>th</sup> & 28 <sup>th</sup> Accounts Payable Warrant as Closed November 13, 2008 Sign Contract with City Manager Library Advisory Board appointment – Karen Lloyd	<i>Motion: I move that we accept the items on the consent agenda as presented/amended.</i>
2.	6:10	109 St Peter “chicken permit” – Trudy/Bruce Billings	<i>Discussion/Approval</i>
3.	6:15	Bus Shelter update “O’Brien Community Center” – J. Ladd	<i>Discussion</i>
4.	6:30	VLCT “future insurance funding” – Ken Canning	<i>Discussion</i>
5.	6:45	Chapter 20-3 “Building Permit Fees” – R. Crete	<i>Adoption</i>
6.	6:50	Chapter 21 “Winooski Falls Way” – S. Palmer	<i>Introduce</i>
7.	6:55	Chapter 21 “Malletts Bay Avenue” No parking – S. Palmer	<i>Introduce</i>
8.	7:00	2008 Grand List “Errors & Omissions” – J. Trzepacz	<i>Approval</i>
9.	7:05	Financial Review – George Cross <ul style="list-style-type: none"> <li>• FY '07 Audit</li> <li>• FY '08 Audit</li> <li>• Deficits</li> <li>• FY '09 Budget</li> <li>• FY '10 Budget</li> <li>• Enterprise Funds</li> </ul>	<i>Discussion</i>
10.	8:05	Downtown Photos	<i>Discussion</i>
11.	8:10	Annual Report Dedication	<i>Discussion</i>

- IV. Potential Executive Session (Personnel and/or Contract Issues)**
- V. Adjourn, Announce Next Meeting, and Potential Agenda Items**

Regular City Council Meeting called to order by the Mayor at 6 pm.

Members Present:

Mayor Michael O'Brien

Council Members: Katherine Picard, Michael Mahoney, Erik Heikel, Jodi Harrington.

Officers Present: George Cross, City Manager; Pauline K. Schmoll, City Clerk/Treasurer; Stephen McQueen, Police Chief, Steven Palmer, City Engineer, Amanda Webster-Perry, Librarian.

Others Present: Susan Hathaway, Sally Tipson, Karen Lloyd, Jay Lambert;; Ken Canning, Kelly Kindestin, Joe Damata, John Condon all representatives of VLCT, Bruce Billups, Dave Bowers, Dave Ryan, Tammy, Tammy Cusson and others that did not sign in.

I. The meeting started with the Pledge of Allegiance led by Deputy Mayor Picard.

II. Public Comment: Sally Tipson stated that the Season's Greeting tree lighting will be Saturday, November 29<sup>th</sup> at 4 pm. They are also selling bulbs for \$5. in someone's memory.

The City Manager stated that there is a Craft Fair at the High School on November 22, 2008.

1. Consent Items. All items will be included in the motion except the Library Advisory Board Appointment of Karen Lloyd.

Items include the minutes of September 22, October 6<sup>th</sup>, 20<sup>th</sup> and 28<sup>th</sup>, 2008; Accounts Payable Warrant as Closed on November 13, 2008 and the signing of the contract with the City Manager.

The Mayor stated that there were a couple of typographical errors and he would give them to the City Clerk. **MOTION** by Councilor Picard seconded by Councilor Heikel to approve the above consent items. Voted and passed 4-0.

Ms. Karen Lloyd was introduced to the City Council by Librarian Amanda Webster-Perry. Ms. Lloyd stated that she liked living in Winooski and was in the process of purchasing a home on West St.

**MOTION** by Councilor Picard seconded by Councilor Harrington to appoint Karen Lloyd to the Library Advisory Board. Voted and passed 4-0.

2. 109 St. Peter Street "chicken Permit". Bruce Billings was present and answered questions concerning the chickens. He said there are only hens and no rooster.

Councilor Picard stated that she has received comments on the City allowing the keeping of chickens in the city.

**MOTION** by Councilor Harrington seconded by Councilor Mahoney to approve the permit for the chickens at 109 St. Peter Street. Voted and passed 4-0.

3. Bus Shelter Update. There is an update in the packet and will be attached to these minutes.

4. VLCT "future Insurance funding". The Representatives from VLCT and explained the reasons for the being at the meeting. They explained that the City of Winooski City Council must have the leadership commitment to improve all of the coverage areas provided by the League. These include

Property and Casualty Intermunicipal Fund, Workers Compensation and liability coverage's. Mr. Cross explained that this item will be on the agenda for the Department Head meeting. The League is asking for support and cooperation for Workers Compensation, General Liability, Property and Auto Liability and Employee Relations Practices.

Councilor Harrington stated that perhaps a sharing of savings could be reviewed to insure "buy in" of the safety program by employees.

The League will cover the City of Winooski for 2009 but unless we work together to improve our experience, they can not guarantee future coverage.

Councilor Picard asked for a report of the claims by the City. This will be provided to the City Manager for distribution.

5. Chapter 20-3 "Building Permit Fees". Mr. Crete was present and answered questions of the council. **MOTION** by Councilor Mahoney seconded by Councilor Picard to approve the Chapter 20-3 "Building Permit Fees" as presented. Voted and passed 4-0. A copy of this will be attached to these minutes.

6. Chapter 21 "Winooski Falls Way. Mr. Palmer was present and explained the following:

North side from Main Street going east to Cascade Way **assigned as follows:**

**30 minute parking (1 space) closest to traffic circle 7:00 am to 7:00 pm**

**All remaining spaces going eastward to the mid block cross walk designated two (2) hour parking 7:00 am to 7:00 pm.**

This was introduced by Councilor Mahoney and will be advertised and scheduled as soon as possible for council hearing.

7. Chapter 21 Malletts Bay Avenue. Mr. Palmer was present and explained the following:

**No parking west side from the south entrance of the O'Brien Community Center north 60'. This area should be designated CCTA bus pickup and drop off only.**

This was introduced by Councilor Picard and will be advertised and scheduled as soon as possible for council hearing.

10. Downtown Photos. The City Manager recommended referring this matter to his office.

8. 2008 Errors and Omissions. Mr. Trzepacz was present and explained that there had been a typographical error on a personal property account which required a correction. The code was EA001P. The error is listed at \$8,000 and should be \$800. MOTION by Councilor Heikel seconded by Councilor Picard to approve the above 2008 Error and Omission for EA001P changing the listed amount from \$8,000 to \$800. Voted and passed 4-0.

9. Financial Review. Mr. Cross had provided the Council with the following memo:

From: George C. Cross

To: City Council

Re: Financial Situation

**Perfect Storm** – After six days on the job, which included three days when the outer office was basically stuck in election mode and considerable time on their part was taken up with property tax collections, payroll and payables; I have concluded that Winooski's financial situation is somewhat the product of the perfect storm. Over the last couple of years all of the following have converged around the financial situation:

The conversion from an old, but very useable and comfortable, accounting system to a new one which is being used by about 240 Vermont cities and towns. Winooski being one of the last to make this conversion.

The application of GAAP standards to both the on-going accounting and the auditing processes.

The operational complexities of what may be Vermont's most sophisticated TIF district.

The complications of perhaps the largest Downtown Redevelopment project in Vermont history inside that TIF district.

The reassessment of all property in Winooski and the implications of that reassessment as related to the TIF district and especially the statewide education property tax as set forth in Act 60/68.

The consolidation or closing of dozens of small, old accounts by the previous two managers. In some cases these accounts have been able to be brought into the general fund and in others they have simply consolidated for better management. All of this has been good financial practice.

The change in City Managers.

The conflicts and turmoil on various levels surrounding personnel issues.

And, now a new short term City Manager trying to sort it all out.

The good news is that all parties agree that working together we will get this all figured out and will be create a much improved system for the future. Every Department Head and all other employees have demonstrated a willingness to go the extra mile to make this all happen.

**Fiscal Year '07 Audit** – At the time of preparing this memo I do not have the audit in my hands. It is supposed to come in today and hopefully it will be included in this packet. I have been told that the audit will show a deficit of about \$240,000. It will also include a long list of findings and recommendations. Many of the findings and recommendations are already being worked on. I will be able to talk a bit about this at the meeting. More on the deficit a bit later in this memo.

**Fiscal Year '08 Audit** – At this date that audit has not begun. However, to a large extent the financials for '08 have been converted over to the new accounting system and a trial balance has been run. That trial balance shows a potential deficit of under \$10,000 for this fiscal year.

**Deficits** - I believe that there are still unused funds sitting in several "lapsed" accounts which can be used to cover the deficits for fiscal years '07 and '08. What I am not yet comfortable with is whether these funds can be closed by Council action or whether such a closing may need voter action. Thus, I am not at the point of making a specific recommendation. However, the deficits should be able to be absorbed without going to the voters for more money.

**Fiscal Year '09** – You have met with the Department Heads to review the expenditure budgets for '09. At this point, I am more interested in the revenue side of the ledger. Included with this packet is a revised revenue projection. At the meeting I will walk you through the revisions. My biggest concern is the transfer of \$450,000 found on the Downtown Operating line on page 6. Clearly there is an amount that can be transferred. I am just not sure at this time that \$450,000 is a reasonable number. We need to review the agreements, identify a specific budget for the transfer and clear the transfer with the banks. Simply not comfortable defining any of that yet.

November 17, 2008 Agenda

Thus, it appears that our best projections about revenues falls somewhere between \$5,314,841 and \$ 5,764,841, depending on the above mentioned transfer. This means that we will need to reduce expenditures for FY'09 somewhere between \$770,000 and \$320,000. I suspect the lower number is the more realistic. Again, I will not be making specific recommendations until I feel more comfortable with the numbers. Regardless, the goal will be to end this fiscal year in the black. However, one major fire or crime or a very tough winter can raise havoc with the budget.

**Fiscal Year '10 Budget** - We will make several significant changes in the way the '10 budget is presented. In so doing it will complicate comparisons of that budget with past ones. It will, however, set the stage for not only an improved budgeting system, but also a much more GAAP compliant accounting system. In turn this will make future audits more straightforward. I do not have all the details of this, but here is a thumbnail sketch of the changes:

The budget worksheets will provide greater backup data right on the presentation sheet, thus reducing the need to be flipping from sheet to sheet.

All anticipated revenues will be identified on the revenue pages and specific revenues will not be assigned to specific departments.

All "object" codes will be identical across departments and will follow generally accepted practices. I have included an outline of those codes with this packet.

All benefits will be budgeted by departments and not lumped in one departmental budget.

The General Fund Budget and the various Enterprise Fund Budgets will be more clearly set out.

Transfers from whatever sources will include greater explanation right on the worksheets.

And more that I have not figured out yet.

**We need to establish a series of at least three meetings in December for budget purposes.**

**Enterprise Funds** - Attached you will find three brief balance sheets for the three specific enterprise funds in place:

**Water Fund** – You can see that the fund is healthy. The change to radio reading of meters has been very successful and has improved collections via more accurate readings and even finding meters that no one knew existed. This fund, however, needs a more defined "reserve account" inside the fund. We will have recommendations on this in the near future.

**Wastewater Fund** – Again this is a strong fund. There is an established "reserve" within the fund. The fund still has a "free cash" level. There is no reason not to move along with the purchase of the tanker truck. First, Steve had in his budget for this fund the first year's payment on such a truck so that is included in the anticipate expenditures. Even with this purchase the fund is anticipated to have a "free cash" balance at the end of this year which will help add to the reserve in another fiscal year.

**Parking Garage Fund** – Another strong fund. We do need to establish a well defined "reserve" inside of this fund. We will have recommendations about this in the near future. There is a need for a small truck in the garage which can help with plowing and snow removal in the "downtown". Given the health of the fund, it is my intention to move ahead with such a purchase with Steve.

**Other** - There is a need to set up other Enterprise Funds or "enterprise-like" funds so as to keep specific operations clean. One such fund would be a Community Center Fund. There probably also needs to be a TIF Fund. There may be other "special" funds that need stronger parameters drawn around them. Again as we figure things out, recommendations will be brought forth regarding the establishment of other funds.

Mr. Cross stated that the Enterprise Funds (Sewer and Parking Garage) are in good financial condition. The Sewer Department needs a tanker; the Parking Garage needs a small truck with a plow to assist in snow removal. He stated that his intent is to move forward on these items. He has not done anything on the new cruiser.

10. Annual Report Dedication. Send names by email to Mr. Cross.

Mr. Cross stated that there would have to be three meeting in December, the 1<sup>st</sup>, 8<sup>th</sup> and the 15<sup>th</sup>, and the 8<sup>th</sup> and 15<sup>th</sup> would primarily be budget work sessions.

The item “round table discussion” has been deleted because he prefers to have questions emailed to him and he will get answers prepared for the Council.

**MOTION** by Councilor Heikel seconded by Councilor Harrington to adjourn at 8 pm. Voted and passed 4-0.

Attest: \_\_\_\_\_  
City Clerk