

**TOWN OF NORTHFIELD
BOARD OF SELECTMEN
Minutes of October 28, 2014**

- I. **ROLL CALL.** Select Board Chair John Quinn III, Selectmen Kevin T. Beal (absent), Brad Denny, Dennis Donahue (absent), Lynn Doney, Matthew Gadbois, Kenneth W. Goslant, K. David Maxwell (absent), and James R. Wilson (absent). Also present were Town Manager Jeffrey Schulz, Acting Clerk Kenneth McCann, Utility Superintendent Patrick DeMasi, John Kiernan (Phelps Engineering), Stephen Fitzhugh (Utility Commissioner), John Stevens (Brown Public Library Trustee), Arlington Supplee (Board of Listers Chair), Anne Donahue, and Kathleen Lott (*Northfield News*).

Prior to the regular meeting, the Town Select Board held a Public Hearing beginning at 7:00 p.m. for the purpose of providing written or oral views on the Warned Town Article to be voted upon by Australian Ballot at the Special Town Meeting on Tuesday, November 4, 2014. If approved by the voters, this article would authorize the Northfield Select Board to "enter into tax stabilization contracts fixing and maintaining the valuation of certain grand list properties, fixing and maintaining the rates of tax applicable to such properties, fixing the amount of money which shall be paid as an annual tax upon such properties, and/or fixing the tax applicable to such property at a percentage of the annual tax, as authorized by 24 VSA §2741, provided that the term of any such contracts shall not exceed seven (7) years." Chair Quinn asked if there were any questions or comments regarding the article.

Arlington Supplee has reviewed the Tax Stabilization Policy that the Select Board formally approved at its last meeting (10/14/14) and found some confusing language in the text. For example, there are references in the document to the "economic development committee," the "economic subcommittee," and the "economic review subcommittee;" he asked whether this was one group or not. Chair Quinn confirmed that this was one committee and the inconsistent nomenclature in the policy can be fixed. Mr. Supplee then noted a reference on the third page to the "Village core." This area was not defined in the document and Mr. Supplee wondered if potential development areas outside the former Village (including the Bean Business Park) would be treated differently by the new policy. He added his concern that with the Town-Wide Reappraisal set to be completed sometime next year, residents might be confused and see a correlation between the reassessed value of their property and any tax stabilization agreements that might be negotiated around the same time. He then asked if this policy was developed in reaction to the relocation of the Northfield Saving Bank's administrative headquarters to Berlin or if there are any businesses that have signaled their interest in moving to Northfield (or expanding current operations here). Chair Quinn stated that adoption of the new policy was not completely reactive but was an attempt to match similar policies already in place in neighboring communities. He added that the Economic Development Committee did not have any specific new businesses in mind when the policy was drafted. Mr. Supplee stated that he did not oppose tax stabilization agreements in general but would like more information on how this one would affect Northfield taxpayers.

Mr. Supplee then brought up the new medical facility being constructed off Crescent Avenue on Norwich University (NU) property. He understands that there is a lease agreement between NU and the Central Vermont Medical Center (CVMC) regarding the facility but does not know the specifics. Since the Vermont Legislature passed a law during its last session that made medical centers exempt from property taxes, he is concerned about what would happen if the property ownership was directly transferred to CVMC. Selectman Goslant also would like more information about this lease agreement. Chair Quinn stated that there remain a number of "what ifs" regarding this development and many of them are not public information at this time. Currently, there does not seem to be a plan to transfer the property. Mr. Supplee thought that it might be a good idea to consider whether this new policy might be relevant to this development and perhaps forestall any such property transfer in the future.

Anne Donahue gave credit to the Select Board for bringing approval of such a policy before the public. She only recently learned that this was being considered and asked if the public had been made aware of this in advance of next week's vote. Chair Quinn stated that the Economic Development Committee had worked on drafting the policy over the past few months and this had been done at its public meetings. In addition, the draft version had been discussed (and subsequently revised) at Select Board regular meetings. He added that Sam Andersen, Executive Director of the Central Vermont Economic Development Corporation, attended many of the Committee's meetings and had been very helpful in drafting the policy.

There being no other questions or comments, the public hearing closed at 7:22 p.m. The regular meeting began immediately.

- II. **PLEDGE OF ALLEGIANCE.** The Board members and the public were asked to rise and recite the Pledge of Allegiance.
- III. **SET/ADJUST AGENDA.** Manager Schulz confirmed that there were no changes to the posted agenda.

IV. PUBLIC PARTICIPATION (SCHEDULED):

- a. **Crystal Currier, Vermont Public Power Supply Authority (VPPSA): Vermont Transco Equity Purchase.** Ms. Currier is the VPPSA Controller and part of her job is to inform member public utilities when there are opportunities to increase their revenues through the purchase of equity shares. Chair Quinn noted that although the former Village Trustees on the Select Board have some familiarity with this concept, this is something entirely new to the other Select Board members who did not have oversight of the utilities before municipal merger. Ms. Currier then provided a brief overview of the backgrounds and functions of the Vermont Electric Power Company (VELCO) and Vermont Transco. VELCO was created in 1957 in order to operate and maintain Vermont's power transmission infrastructure. When VELCO needed to raise funds beyond its transmission charges, it would periodically issue stock for purchase. Vermont Transco was created in 2006 in order to finance large projects and VELCO transferred its assets and liabilities over at that time. The bulk of Vermont Transco's revenue (80%) comes from charging the New England Regional Transmission Organization and the rest from Vermont sources. Vermont Transco is issuing equity again this year and this first is offered to Vermont's distribution utilities, including the Northfield Electric Department (NED). Historically, the annual rate of return for the equity purchasers is about 12.5 percent, which is why most chose to participate. As one of its services to its member public utilities, VPPSA will purchase this Vermont Transco equity for them and thus shoulder the administrative burden. NED currently owns directly \$135,400 in VELCO stock with an average annual return of \$15,571. There is a 4.8% annual return on the equity units that VPPSA holds for NED. Ms. Currier stated that VPPSA now wants to offer the \$221,893 in Vermont Transco equity that was assigned to VELCO in 2013. There also will be an additional equity offering in December 2014, which will be about \$148,200.

Stephen Fitzhugh serves as one of the new Utility Commissioners and it is his recommendation that NED purchase the 2013 and 2014 equity on its behalf. If NED does not participate in these equity purchases, the other public utilities will not hesitate to increase their level of commitment given the attractive return rate. This equity purchase also would result in a reduction of transmission charges in addition to the annual investment return. Manager Schulz asked if NED can purchase this equity directly (without going through VPPSA) and thus obtain a higher rate of return. Ms. Currier said this was possible provided NED had the cash on hand. Any equity purchase that requires financing over one year requires Public Service Board (PSB) approval. Mr. Fitzhugh noted that one of the advantages of having VPPSA conduct the equity purchase is not having to come up with the purchase amount in a short period of time. He added that when they were in charge of the utility departments, Northfield Village Trustees had approved similar equity purchases on a regular basis. With municipal merger, this responsibility has passed over to the Town Select Board.

Selectman Denny felt that this was a new concept to him and also highly technical. Due to his lack of expertise, he felt obliged to defer to the guidance of Manager Schulz and Mr. Fitzhugh (who is a former Village Trustee and Village Manager). Mr. Fitzhugh stated that from his perspective, he felt comfortable recommending the 2013 and 2014 equity purchase. Any recommendation on whether this should be a direct purchase or through VPPSA would have to come from Manager Schulz since he has best knowledge of NED's current financial situation. Manager Schulz would be comfortable investing \$150,000 in equity outright, which would cover the anticipated cost of the 2014 offering (\$148,200). He also recommended purchasing the 2013 offering (\$221,893) through VPPSA.

Chair Quinn and the other Select Board members thanked Ms. Currier for her presentation. The decision regarding whether (and how) to purchase the Vermont Transco equity will be made later in the meeting (see below).

V. APPROVAL OF MINUTES

- a. **October 14, 2014 (Regular Meeting).** Motion by Selectman Gadbois, seconded by Selectman Goslant, to approve the minutes. **Motion passed 5-0-0.**

VI. APPROVAL OF BILLS

- a. **Warrant #09-15.** Motion by Selectman Gadbois, seconded by Selectman Goslant, to approve Warrant #09-15 in the amount of \$555,800.88. Selectman Gadbois asked about some tree trimming/removal expenses incurred by the Northfield Electric Department. Manager Schulz stated that this was part of an ongoing transmission line maintenance program. Chair Quinn asked why Fire Department CIP funds were being used to purchase fire hoses, etc. Manager Schulz will look into this. **Motion passed 5-0-0.**
- b. **Bi-Weekly Payroll through October 12, 2014.** Motion by Selectman Gadbois, seconded by Selectman Denny, to approve the bi-weekly payroll in the amount of \$67,708.70. **Motion passed 5-0-0.**

VII. SELECT BOARD

- a. **Vermont Transco Equity Purchase.** Motion by Selectman Goslant, seconded by Selectman Denny, to have the Northfield Electric Department purchase the 2013 Vermont Transco Equity offering (\$221,893) through VPPSA and to purchase the 2014 Vermont Transco Equity offering (\$148,200) with cash on hand. **Motion passed 5-0-0.**
- b. **Central Street Water Main Replacement Project: Possible Line Relocation.** Engineer John Kiernan (Phelps Engineering) reminded the Select Board members that Northfield voters on Tuesday, July 29, 2014, provided the Select Board with authorization to issue “general obligation bonds” in order to finance “the replacement of storm drains on Central Street at an estimated cost of One Hundred Thousand Dollars (\$100,000).” During a recent discussion Mr. Kiernan had with Manager Schulz and Utility Superintendent Patrick DeMasi, it was suggested that the proposed location for the new storm drains could be moved away from private property (which is the location of the current storm drains) and into the Town’s right-of-way (ROW) along the street. The additional cost to engineer revisions to the current plans would be about \$4500. This would result in Central Street being narrowed by about five feet (5’) and on-street parking would be limited to its east side. There would be a benefit to some homeowners in that their front lawns would be slightly enlarged. Superintendent DeMasi added that this also would allow the new hydrants to be located in the Town’s ROW and plowed snow would land there instead of on residents’ lawns. He also noted that Central Street now is wider than Main Street. There are easements in place for the hydrants now located on private property but there are many advantages to having them located in the ROW. Manager Schulz asked if the additional \$4500 in engineering costs could be covered by bond money. Mr. Kiernan will contact the State of Vermont to see if that could be done. Selectman Goslant mainly is concerned about the loss of parking spaces on the street, especially since some of the houses on the street are multi-family or apartment buildings. Kathleen Lott thought that Central Street residents should be contacted to see how they feel about this. Chair Quinn suggested that this matter be tabled until the next regular meeting (11/10/14) so that Mr. Kiernan can get his answer from the State and there can be outreach to Central Street residents on this matter.
- c. **Approval of Town Traffic Ordinance 2014.** Motion by Selectman Gadbois, seconded by Selectman Goslant, to approve and sign the Town Traffic Ordinance. Manager Schulz stated that he had amended the section on Depot Square parking to include two (2) new two-hour weekday parking spaces in front of the Mayo Insurance/Northfield Travel building. **Motion passed 5-0-0.**
- d. **Northfield Snowmobilers Request for Well Field Trail.** Northfield Snowmobilers, Inc. (NSI) have made their annual request to run a trail through the well field during the snow season. In the past, permission had been contingent on the snowmobilers following a number of conditions specified in a memorandum from Superintendent DeMasi. Selectman Denny stated that he uses this same trail for cross country skiing and has found the snowmobilers to be very considerate of other users (even though some do go slightly off-trail). Superintendent DeMasi confirmed that NSI does do a good job of getting adherence to the stated restrictions. Motion by Selectman Denny, seconded by Selectman Goslant, to allow Northfield Snowmobilers, Inc. to run a trail through the well field this winter provided that the conditions specified in the memorandum are followed. **Motion passed 5-0-0.**
- e. **DRAFT FY 2015/2016 Budget Schedule.** Manager Schulz noted that a tentative schedule for the budget meetings, etc. was in the Select Board packets. He added that the process has already begun with budget worksheets being sent to department heads, preliminary budget discussions with the Town Manager and Finance Director, etc.
- f. **Economic Development Committee Meeting: Wednesday, October 29, 2014.** The Committee’s next meeting will be held at 6:00 p.m. in the Municipal Building. Interested members of the public are encouraged to attend.
- g. **Special Town Meeting (Tax Stabilization Agreement Authorization): Tuesday, November 4, 2014.** Voting on this article will be held in the Lobby of the Northfield Middle/High School from 7:00 a.m. to 7:00 p.m. in conjunction with this year’s General Election. Early/absentee ballots also are available by contacting the Town Clerk’s Office.

VIII. BOARD MEMBERS’ COMMENTS, CONCERNS, QUESTIONS

- a. **“Passable Roads” Posting.** Selectman Goslant noted that on today’s edition on Front Porch Forum, there was a posting from a West Hill Road resident asking for residents to contact Manager Schulz with their plans for “passable roads year round.” Selectman Goslant believes that the Highway crew does an outstanding job on winter road maintenance with the resources that it has so he does not understand this concern. When there were a number of complaints about West Hill Road this past Mud Season he and Chair Quinn inspected the road. Even though traffic then was limited to one lane, it was their conclusion that the road certainly was “passable.”

- b. **Compensation for Backhoe Usage.** Selectman Goslant would like to know how much the Water and Sewer Departments pay the Highway Department for their use of the backhoe. Chair Quinn stated that the current agreement calls for the Water and Sewer Department to each make a \$2500 annual payment (\$5000 in total) to the Highway Department for use of the backhoe. He added that this agreement can be reevaluated during the upcoming budget discussions.
 - c. **New LED Streetlights.** Selectman Goslant noted that all the streetlights have been converted to LED lighting fixtures and he feels that it has been a great improvement. He is surprised that there has not been more public comment on how great it looks. It was pointed out that more people may notice and appreciate the upgrade when the clocks go back this weekend and it starts to get dark around 5:00 p.m. next week. Manager Schulz added that there already have been considerable cost savings due to the new energy-efficient light fixtures.
 - d. **Robinson Road.** Selectman Gadbois asked if there are any updates regarding the Robinson Road resident's request to block off the eastern end of this loop road due to cars speeding, roadside littering, excessive noise, etc. Manager Schulz stated that matter is on his radar and he and Road Foreman Ray Hudson will be discussing the various implications of taking this course of action. Chair Quinn added that some concerns remain regarding how this closure might affect winter road maintenance, public access to a cemetery, etc.
 - e. **Junk Yard Complaint.** Selectman Gadbois noted that a Northfield resident recently emailed the Select Board with a complaint about a "junk yard" next to his property. Has any action been taken on this? Manager Schulz has consulted with Zoning Administrator Michele Braun on this and their conclusion was that since the property had been in this condition for several years, it probably has "grandfathered" status as far as local zoning bylaws are concerned. Manager Schulz will check with the Vermont Agency of Natural Resources to see if there is anything the State can do about this.
 - f. **Year-End Financial Statements.** Selectman Denny asked if the Select Board would be getting FY 2013/2014 financial statements in the near future. Manager Schulz stated that the auditing firm was here last month going through the Town's finances and should have their report completed soon. This will be formally presented to the Select Board at an upcoming meeting with the auditors present to answer any questions. Selectman Denny is hoping to get a basic printout in the interim.
- IX. TOWN MANAGER'S REPORT.** Manager Schulz added the following to the written report that had been emailed to the Select Board members.
- a. **Change of Next Regular Meeting Date.** Manager Schulz noted that since the second Tuesday of the month this November falls on the Veterans Day holiday, the Select Board will hold its next regular meeting on Monday, November 10, 2014. The meeting's normal time (7:00 p.m.) and location (Community Room) will not change.
- X. PUBLIC PARTICIPATION (UNSCHEDULED)**
- a. **John Stevens, Brown Public Library (BPL) Trustee: Library Directorship.** Mr. Stevens informed the Select Board that the BPL Board of Trustees recently terminated its relationship with the Library Director and now is conducting a search for a new one.
 - b. **Kathleen Lott: Falls Recreational Field Parking Lot, etc.** Ms. Lott suggested that the parking lot by the Northfield Falls recreational park be kept cleared of snow this coming winter so that residents using the Northfield/Montpelier Commuter bus service could park there. She also wanted to commend the Highway Department for adding another layer of gravel to West Hill Road. This has really improved the road surface.
- XI. ADJOURNMENT.** Motion by Selectman Goslant, seconded by Selectman Denny, to adjourn. **Motion passed 5-0-0.**

The meeting adjourned at 9:14 p.m.
Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk

An audio recording of this meeting is available in the Town Manager's Office.

These minutes were approved at the Select Board meeting of November 10, 2014