

**VILLAGE OF NORTHFIELD
BOARD OF TRUSTEES
Minutes of June 29, 2010**

- I. ROLL CALL.** Trustees Samantha Baraw, Colin Bright, Libby Hambleton, Doug Lawson, and Larry Porter. Also present were Village Manager Nanci Allard, Acting Clerk Kenneth McCann, Dick Podolec (MWT Products), Jay Boeri (Hydro), Brian Callnan (VPPSA), Stephen Fitzhugh, Linda Barrows, Scott Benoir (7:04 p.m.), and Kathleen Lott (*Northfield News*).

Chair Lawson called the meeting to order at 7:00 p.m.

II. PUBLIC PARTICIPATION (Scheduled)

- a. Scott Benoir, Scotty B's Trucking: Business Sign Request.** As Mr. Benoir was a few minutes late, Chair Lawson provided a brief summary of this matter. He noted that Mr. Benoir operates a business collecting trash and recyclables twice a week (Wednesdays and Saturdays); the collection location is on private property on Wall Street behind Fernandez Hardware Store. Mr. Benoir has displayed two sandwich board signs advertising his business during the collection hours. One was located on the Village Common (at its junction with Main Street) and the other was on Water Street (on railroad property). He submitted sign permit applications for these signs with Zoning Administrator Michele Braun but both applications were denied as they lacked the signatures of the property owners (the Village of Northfields and CV Properties respectively).

Mr. Benoir arrived at this time.

Mr. Benoir stated that he had contacted CV Properties about obtaining written permission for the sign on Water Street. He now was asking for the Village Trustees' permission for the sign on the Village Common. He noted that his business location is difficult to find without the off-premise signage. He added that when he first sited the sign on the Village Common, he did not realize permission was required; similar signs are routinely placed at that location. He regrets not contacting the Board earlier.

Trustee Porter stated that other signs at this location have been for special occasions and infrequent. This sign would be placed there on a regular basis twice a week. He added that exceptions had been made for non-profit organizations and fundraisers; Mr. Benoir is running a business for profit. Mr. Benoir noted that the Farmers Market also generates profits for the sellers. Trustee Porter replied that since the Farmers Market operates on the Village Common, this is not an off-premise sign.

Trustee Baraw stated that Mr. Benoir's sign is only displayed twice a week and Mr. Benoir promptly removes them when business has closed for the day. She believes that local small businesses should be supported and that Mr. Benoir's request should be granted for a one year trial period. If any problems develop, this permission could be withdrawn. Motion by Trustee Baraw, seconded by Trustee Bright, to grant permission to Scott Benoir to display the sign on the Village Common advertising his business twice a week (Wednesdays and Saturdays) for a one year period.

Chair Lawson stated that Mr. Benoir runs a fine business but he is concerned because the sign's location is so far from the actual business site. He does not want to set a precedent that would allow any business in the general area to display signs on the Village Common. The Board has worked to improve its appearance and he does not want to see it cluttered with signage on a regular basis. Trustee Porter stated that he too was concerned about setting a precedent that would lead to the area being choked with signs. Mr. Benoir said that if the sign was no longer displayed, people would think he had gone out of business. Chair Lawson said that he believes that it is the quality of Mr. Benoir's service (i.e. low prices) that led to the success of his business and that the sign's removal should not affect his custom. In any case, even if the business location is difficult to find, Mr. Benoir himself chose it.

Trustee Porter asked if Mr. Benoir has checked on using the vacant Cetrangolo lot for his business. Mr. Benoir stated that the property owner does not want the site used for regular business. Trustee Bright wanted it made clear that should Mr. Benoir's request be denied, the Board is only deciding upon placement of this particular sign at this specific location (Village property) and not making a statement regarding signage in general.

Motion failed 2-3-0, with Trustees Baraw and Bright voting in the affirmative and Trustees Hambleton, Lawson, and Porter voting in the negative. Mr. Benoir stated his disappointment with the Board's decision; he feels that there should be more local legislative support for small businesses.

III. ACTION ITEMS

a. Approval of Minutes

- 1. May 25, 2010 (Joint Board Meeting).** Motion by Trustee Bright, seconded by Trustee Hambleton, to approve the minutes. **Motion passed 3-0-2, with Trustees Baraw and Porter abstaining.**

2. **June 15, 2010 (Regular Meeting).** Motion by Trustee Bright, seconded by Trustee Baraw, to approve the minutes. **Motion passed 4-0-1, with Trustee Hambleton abstaining.**

b. Approval of Bills

1. **Warrant #25-10.** Motion by Trustee Bright, seconded by Trustee Baraw, to approve Warrant #25-10 in the amount of \$181,376.17. Trustee Porter asked Manager Allard if there had been an energy audit of the Municipal Building. She said that one had been done earlier this year; she will forward him a copy of the findings and recommendations. **Motion passed 5-0-0.**

- c. Northfield Falls Hydroelectric Project Proposal.** Manager Allard stated that Richard Podolec owns property in Northfield Falls (MWT Products, formerly Moot Wood Turnings) that he would like to transfer to the Village so that a hydroelectric facility can be constructed on the site. Mr. Podolec said that he first approached Manager Allard about a year ago regarding his proposal and has since worked on developing feasibility studies. His consultant, Jay Boeri, has worked on many similar projects since 2003, including the existing Nantanna hydroelectric facility in Northfield Village.

Mr. Boeri provided the Board beforehand with a detailed feasibility study that included several scenarios that indicated possible revenues over a thirty-year period. He stated that there are four main factors that must be considered in developing such a project. First is the amount of power that can be produced. He felt that this could be estimated accurately since the flow of the Dog River at this location has been measured for many years. Second is the cost of building the facility. Third is the cost of funding the construction (and associated expenses) and the method of repayment. Mr. Boeri noted that there are increasing numbers of money sources for alternative energy projects. The fourth is the amount that will be paid for the power generated. This last aspect is the most problematic due to the price fluctuations in the electric market in recent years, which makes it difficult to estimate long-term revenues. The current price of power on the spot market is four cents (4¢) per kilowatt hour but this is expected to increase to nine cents (9¢) in the near future. If a twenty-year SPEED (Sustainably Priced Energy Enterprise Development) contract was reached with the State of Vermont's Public Service Board, it would guarantee the payment of twelve cents (12¢) per kilowatt hour over the contract period. Northfield Electric Department Technical Advisor Stephen Fitzhugh explained that SPEED is supported by ratepayers across the state and is an incentive program designed to encourage investment in renewable energy sources in Vermont. The compensation price varies according to the energy source type, i.e. hydroelectric, wind, solar, biomass, etc.

Mr. Boeri then went through a number of scenarios based on different sources of financing, i.e. long-term bonds, grant money, etc. He noted that, based upon his construction cost estimates, this is a \$1,500,000 project that would produce an estimated 873,384 kilowatt hours per year. This would be about one-sixteen of current annual energy usage in Northfield. Even in the most favorable scenario, Mr. Boeri noted that there would be a limited cash return over the first twenty years of the facility's operation. This was mainly due to uncertainty over energy costs during this period. He noted that there were other factors not included in these calculations, such as contamination cleanup costs at the site.

Brian Callnan, Vermont Public Power Supply Authority (VPPSA), stated that Manager Allard first asked him to review this proposal about six months ago. He commended Mr. Boeri for his presentation and did not dispute the accuracy of his cost and revenue estimates. He agreed that, in regards to expenses vs. revenues, this should be considered as a "break even" project. However, he felt that there were significant potential benefits, such as having an energy generator ("load reducer") within the community's borders. Although the power generated would only be a small amount of Northfield's demand, Northfield would be less dependent on the spot market when the current power contracts expire. Also, the facility would provide a steady, reliable source of energy. Although Mr. Callnan concluded that this project did not appear to be a revenue generator at this time (mainly due to current low energy prices), he recommended that the Village be prepared ("poised") to go forward on it should the situation change.

Trustee Porter asked if there had been any indication of public support for this type of project. Mr. Fitzhugh noted that during the Municipal Plan revision process, members of the public were asked about their feelings on renewable power (and how much they would be willing to pay for it). Mr. Callnan stated that VPPSA did a 2008 survey that indicated great support amongst ratepayers for renewable energy sources if it were shown to be economically feasible.

Mr. Podolec added that the United States Congress now was working on a new energy bill that would probably include increased incentives for renewable energy sources. Increased federal grant money might alter some of the revenue scenarios discussed earlier. He also felt that as the current economic situation improves, additional state grant money might become available.

Manager Allard noted that there was no need for a conclusive decision this evening. However, she would like to know if the Board still favored this project in concept and would allow for additional feasibility studies.

Motion by Trustee Porter, seconded by Trustee Hambleton, to authorize Manager Allard to continue to explore the feasibility of the proposed Northfield Falls Hydroelectric Project. Chair Lawson noted that this is a big project with a lot of unknown factors but he felt that obtaining a reliable source of renewable energy for Northfield was a laudable goal. He asked if it were possible to generate revenue from parts of the property not used for power generation. Manager Allard stated that, once it was cleared of contamination, the excess acreage could be leased or sold at a profit. **Motion passed 5-0-0.**

- d. **Committee Appointments.** As Trustee Hambleton missed the last meeting, most of these appointments were deferred until tonight. The Committee appointments were as follows: **Common Project:** Trustee Hambleton; **Ethics Committee:** Trustee Baraw; **Facilities:** Trustees Bright and Porter; **Highway Standards:** Trustee Lawson and Porter; **Inter-Local Agreement:** Trustees Bright and Hambleton; **Joint Management:** Trustees Baraw and Hambleton; and **Labor Agreement and Bargaining:** Trustee Bright.

IV. REPORTS

a. Village Manager

1. **VMERS Board of Trustees Election.** Manager Allard stated that there was an expired term on the Vermont Municipal Employees Retirement System (VMERS) Board and that the Village of Northfield was being asked to submit its preference amongst the candidates. She added that the Town Selectman had voted to nominate Steven Jeffrey the previous evening. Motion by Trustee Bright, seconded by Trustee Hambleton, to nominate Steven Jeffrey for the vacant position on the VMERS Board of Trustees. **Motion passed 5-0-0.**
2. **VLCT Committee Appointment.** Manager Allard reported that she has been appointed to serve on the Vermont League of Cities & Towns' Finance, Administration, and Intergovernmental Relations (FAIR) Committee. FAIR advises the member communities on local government priorities before and during state legislative sessions.

b. Miscellaneous

1. **Property Tax on Utility Lines update.** Chair Lawson provided a brief summary of the concerns between the Town and Village over whether utility lines located beyond the Village's borders were subject to being taxed by the Town. The Trustees have sought to discern whether this tax is proper but the legal opinions obtained so far have been either vague or contradictory. Last night, Chair Lawson had represented the Village in a grievance hearing on this matter before the Board of Listers. The resultant ruling stated that sewer lines and hydrants now are property tax-exempt. In addition, the assessed value of the water lines has been lowered from \$18,000,000 to \$1,800,000. It was noted that the higher value had been the result of a clerical error. This not only will reduce future tax assessments but there is the possibility of recouping some amount of past overpayments. Chair Lawson will continue to pursue full tax exemption for the water lines. Kathleen Lott asked if the tax assessment reduction will affect the amount of PILOT funds that the Village receives. Chair Lawson did not know yet.
2. **Central Street Culvert Replacement Project.** Chair Lawson reported that the project's construction phase had begun. He observed the work being done today and commended Water Department employees Patrick Demasi, Peter J. Demasi, and James Russo for doing the work of six men. They worked from the early morning hours until 6:00 p.m. and accomplished quite a lot.
3. **Joint Board Meeting (Tax Rates): Tuesday, July 6, 2010.** This meeting will be held at 6:00 p.m. in the Municipal Building. The Town Selectmen and Village Trustees will be asked to approve the tax rates so that the tax bills can go out in time.

V. PUBLIC PARTICIPATION (Unscheduled). None.

VI. EXECUTIVE SESSION. Motion by Trustee Bright, seconded by Trustee Baraw, to go into executive session, in accordance with 1 V.S.A. § 313(a), in order to discuss a personnel issue (Village Union negotiations) with Manager Allard present. **Motion passed 5-0-0.**

The Board went into executive session at 9:03 p.m.

Motion by Trustee Baraw, seconded by Trustee Hambleton, to come out of executive session. **Motion passed 5-0-0.**

The Board came out of executive session at 9:07 p.m. No action was taken.

VII. ADJOURNMENT. Motion by Trustee Baraw, seconded by Trustee Hambleton, to adjourn. **Motion passed 5-0-0.**

The Board adjourned at 9:08 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk

These minutes are subject to approval at the next regular meeting.