

**DRAFT MINUTES**

**TOWN OF LUDLOW  
SELECT BOARD**

**SPECIAL MEETING MINUTES**

**THURSDAY, FEBRUARY 11, 2016**

**Board Members Present:**

Howard Barton, Jr.  
Logan Nicoll

Bruce Schmidt  
Brett Sanderson

John Neal

**Staff Present:**

Frank Heald

**Others Present:**

Michael Maston  
Mary Rita Batesole

Tom Koch  
Gary Fletcher

Scott Stearns

**Call to Order:**

- a. Howard Barton, Jr. called the Special Meeting of Select Board to order at 8:00 am.

**Consider & Approve Correction to Town Meeting 2016 Warning Article 5:**

- a. Howard Barton, Jr. said there was a misprint in the warning pertaining to Article 5 which is the state statute 24 VSA § 138 that was typed as 135 in error.
- b. MOTION by Logan Nicoll and seconded by John Neal to correct Article 5 as presented.
- c. Howard Barton, Jr. asked for discussion on the motion.
- d. Frank Heald stated that it was simply a typo and that 135 is relative to judges and 138 is the local option tax.
- e. Michael Maston asked if he would be able to speak.
- f. Howard Barton, Jr. said the purpose of the meeting is to correct the error on the warning so the ballots will be printed correctly, but said the board would take comments.
- g. Tom Koch asked if the meeting was just for the change. He said he heard about the meeting from someone in the Post Office.
- h. Bruce Schmidt said they have talked about the option tax for several months now but will take comments.
- i. Michael Maston said the option tax is not only incorrect but misleading with 60% to the state and 20% to the town.
- j. Howard Barton, Jr. said that is not correct. He said the town will receive 70% and the state will take 30%.
- k. Michael Maston said this needs to be made much clearer to voters as to what the state takes.
- l. Howard Barton, Jr. explained that of the 100%, Ludlow will receive 70% and 30% will go to the state and that out of the 70% the town receives, 50% will be used to reduce taxes and the other 50% will go toward infrastructure improvements, which is a part of the budget.
- m. Tom Koch asked where the idea for the tax came from.
- n. Howard Barton, Jr. said administration, but the Select Board has discussed the tax in the past and that is why it will be included on the ballot for voters to decide.
- o. Mary Rita Batesole asked why the numbers weren't published anywhere showing the impact so people can see the impact it will make. She said small businesses will need to collect more money to offset the tax.
- p. Logan Nicoll said the local option tax could bring in \$600,000 +/- per year and the property tax savings is based upon the assessed value.
- q. Michael Maston expressed concern that people need to make a living in town.
- r. Bruce Schmidt said he is personally in favor of the tax because everyone who comes into town will help to provide additional monies for tax abatement and help with the rest of the items in our budget. He said this money isn't going to salaries or another department,

- it will allow us to keep taxes low. He said the value of what it will do is more than what it will charge.
- s. Tom Koch said now we have one more tax. He expressed concern about having to raise his prices to account for the tax and need to adjust his beer prices.
  - t. Frank Heald said the system will add 1%.
  - u. Mary Rita Batesole said instead of 9% it now becomes 10%.
  - v. Michael Maston said it doesn't make sense to raise taxes to lower taxes.
  - w. Mary Rita Batesole asked if it comes out to a net gain.
  - x. Bruce Schmidt said yes, homeowners and visitors who travel through town will help to keep taxes low.
  - y. Tom Koch questioned if the town isn't raising enough money in taxes for the projects.
  - z. Bruce Schmidt said that several projects such as Walker Bridge and the Commonwealth Avenue culvert will be very costly.
  - aa. Logan Nicoll said we would have to bond for those projects and pay over the course of 10-years, which adds to the budget.
  - bb. Bruce Schmidt said this is a way to slow things down with taxes. He said other gold towns have incorporated the local option tax and there is no data showing a drop in business, so he feels comfortable that it won't hurt businesses and will help homeowners.
  - cc. Gary Fletcher said this won't be much of a benefit because out of the 100%, we only receive 70% and based on the number of homeowners living out of state, it would equate to just 10% going back to people living in Ludlow. He said that with 50% going to taxes and 50% going to sidewalks, that won't reduce my taxes enough. He said he personally feels it would be better to raise taxes by 2-cents and collect the money so it stays in Ludlow.
  - dd. Frank Heald said that the focus on a 2-cent reduction isn't correct. He said all of the money is essentially a tax benefit, as an example, if \$200,000 went toward taxes and \$300,000 toward budget reduction, it could be as high as a 5-cent reduction.
  - ee. Mary Rita Batesole asked if it will reduce taxes as much as the option tax will cost.
  - ff. Frank Heald said basically \$2,000 would cost \$20.
  - gg. Scott Stearns said this will affect those that live in Ludlow.
  - hh. Michael Maston asked if the town was doing this for low income people in town who already have their house partly rebated.
  - ii. Frank Heald said the tax isn't done demographically. It is a tax reduction in property.
  - jj. Mary Rita Batesole said we will end up spending more than we will gain. She also said she hasn't seen anything published about any meetings.
  - kk. Howard Barton Jr. wanted to make it clear that nothing has been kept undercover. He said the meetings, agendas and minutes are all public and are on the website, LPC-TV is here and the Vermont Journal also attends the meetings. He said they have been discussing the local option tax during the past several meetings. He noted that the Chamber also sent out a recent email.
  - ll. Mary Rita Batesole said more information needs to be put out to the public.
  - mm. Bruce Schmidt said the Select Board works very hard to keep taxes down and over the years they have had discussions about the local option tax. He said by putting \$600,000 into the town, this will allow for more physical projects, not salaries, which is what sold him on the tax option so people can continue to live here.
  - nn. Michael Maston said the ballot is still taking about 50% when it is really 35%. He said it needs to be clearer to the voters so they can decide to vote it up or down.
  - oo. Scott Stearns agreed that it will need to be clearer.
  - pp. Howard Barton, Jr. said there are requirements for language that can and cannot be put on the ballot. He said for example, we cannot add "by petition" onto the ballot for articles. He said it must be generic and not in any way supported by the board.
  - qq. Bruce Schmidt said that the remaining money we have for infrastructure will be decided by the voters at Town Meeting or at a special meeting. He said the voters will decide, and the voters will have control.
  - rr. Frank Heald said we cannot advocate for passage, but can publish a fact sheet. He said other options for information are the TW3 program on LPC-TV and the Vermont Journal. There is also a Public Information Meeting scheduled on Monday prior to voting.
  - ss. Michael Maston questioned the tax rates we currently have.
  - tt. Howard Barton Jr. said when he first came on the board in 1995 the tax rate was 42-cents. He said he is proud that they have been able to lower the municipal tax, but the board cannot change the education side.

- uu. Mary Rita Batesole said the majority of our property taxes are from the state education fund and if we aren't getting a tax rebate, we won't get much of a tax offset.
- vv. Howard Barton Jr. said many of the stores are much more expensive to shop at in Ludlow. He said he goes outside of Ludlow for groceries and to towns that have an option tax, but will still save on groceries.
- ww. Scott Stearns said he is not charging more than his neighboring towns. He asked if we can foresee taking this tax off the table.
- xx. John Neal said not unless the state makes changes.
- yy. Gary Fletcher said the town is still adding structures through the building of new houses which should help to offset the taxes, but we still aren't getting enough for what we are collecting. He reiterated that he would rather pay more in municipal taxes.
- zz. Howard Barton asked if there were any additional questions and thanked everyone for their input and for coming.
- aaa. Howard Barton, Jr. said there is a motion on the floor to correct Article 5 as presented.
- bbb. A motion was made by Logan Nicoll and seconded by John Neal to correct Article 5 as presented.
- ccc. All in favor and the motion passed.

**Adjourn:**

- a. MOTION to adjourn by Bruce Schmidt and seconded by Brett Sanderson. All in favor and the motion passed.
- b. Meeting was adjourned at 8:35 am.

Respectfully submitted,

Pam Cruickshank  
Acting Recording Secretary

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Howard Barton Jr., Chairman

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John Neal

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Bruce Schmidt

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Brett Sanderson

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Logan Nicoll