

PRELIMINARY MINUTES

**TOWN OF LUDLOW
BOARD OF SELECTMEN**

January 6, 2020

BOARD MEMBERS PRESENT:

Bruce Schmidt, Chairman	Justin Hyjeck
Brett Sanderson	Heather Tucker

BOARD MEMBERS ABSENT:

John Neal

STAFF PRESENT:

Scott Murphy	Ulla Cook	Pam Cruickshank
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OTHERS PRESENT:

Dan Buckley	Paul Orzechowski	Bonnie Tucker
Aaron Galley	Sue Pollender	Dave Venter
Craig Huffvater	Marissa Selleck	Patrick Cody(Okemo Valley-TV)
Sam Hillman	Ron Tarbell	
Nick Miele	Torrin Tofferi	

1. Call to Order

- A. Bruce Schmidt called the meeting to order at 7:00 p.m. All members present, except John Neal.
- B. Bruce Schmidt led the meeting in the Pledge of Allegiance.

2. Consideration of any Changes, Additions or Removals to the Agenda

- A. Scott Murphy said none are needed.

3. Approve Minutes of Previous Meetings

- A. Bruce Schmidt advised that the minutes to be approved are from the regular meeting of December 2, 2019 and the Special Meetings of December 16, 2019 and the Joint Committee meeting of December 17, 2019.
- B. **MOTION by Brett Sanderson and seconded by Heather Tucker to approve the minutes of the regular meeting of December 2, 2019 and the Special Meeting of December 16, 2019 and the Joint Committee meeting of December 17, 2019 as presented. Motion passed unanimously.**

4. Comments from Citizens

- A. There were none.

5. **FY2019 Town Audit Overview with Accountant Sam Hillman**

- A. Scott Murphy introduced Sam Hillman whose firm did the audit on the town's books.
- B. Sam Hillman said that they reviewed and audited the books, looking at such things as bank reconciliations and comparison with accounts, review of policies and procedures and to see if they are being followed and are working, and assistance with preparation of financial statements. It was their opinion that the books fairly represent the operations. The General Fund balance as of 6/30/2019 had assets of \$1.9 million and liabilities of \$1.3 million, with an equity of \$300,000. Looking at the Revenue as compared to Expenses, the General Fund changes netted a profit of \$79,000. She noted that the Ambulance Fund showed a loss of \$127,000. She indicated that in some of their reports they used estimated numbers such as for the Useful Life of Fixed Assets and depreciation. They also estimated the allowance for doubtful accounts for the Ambulance Service. They had no disagreements with management. There were no deficiencies with internal controls.
- C. Bruce Schmidt asked if she had any suggestions for the Ambulance Service.
- D. Sam Hillman said that is outside of her expertise, but generally, none.
- E. Scott Murphy referred to page 57 where it was written that the auditors found no deficiencies and no instances of non-compliance.
- F. Bruce Schmidt said this is a favorable audit and says a lot for our employees.
- G. Sam Hillman said it is a nicely run organization.

6. **FY2021 Budget Workshop (including Dog Park)**

- A. Dan Buckley said that the Ludlow-Mt. Holly school board is projecting that they will be about \$385,000 over the penalty cut off. The 2 biggest items that should be cut are the renovation to move the cafeteria from the Community Center back to the stage and transportation. He asked the Select Board to look at this and would they consider having the town continue to provide transportation for the students.
- B. Bruce Schmidt asked what Mount Holly will do.
- C. Dan Buckley said they are doing it through TRSU.
- D. Bruce Schmidt said this is not fair to Ludlow.
- E. Craig Huffvater said the Ludlow system is innovative and if the transportation costs are kept to the town, Mount Holly should do the same. This item is on Mount Holly's Select Board agenda for tomorrow night. He added that the town of Ludlow may not want to manage the system and he said that he would manage it for both towns.
- F. Bruce Schmidt said the costs would include the buses, driver, fuel and maintenance.
- G. Craig Huffvater said there may be a possibility to partner with Marble Valley and CRT. He said that he reached out to the director of Marble Valley, and their revenue is based on riders. He said that Ludlow has mixed public riders with students and there have not been problems. We need to find out if the Ludlow and Mount Holly Select Boards are interested. He added that Vail may also be interested.
- H. Ulla Cook asked why they have to move the cafeteria back to the stage.
- I. Dan Buckley said that the students would not have to leave the building. It takes time to get them dressed and move them to the Community Center. It saves about 20 minutes for them to stay at the school.
- J. Bruce Schmidt asked how the school board got to the \$385,000 overage.
- K. Dan Buckley said increases in health care costs, moving the cafeteria and transportation.

- L. Bruce Schmidt asked if there are any adjustments or cuts with the High School not in the budget.
- M. Dan Buckley said the high school was paying some of the custodial costs, paying 53% toward the band and art rooms.
- N. Bruce Schmidt asked about the costs for students going to other schools.
- O. Dan Buckley said the other schools have not publicized their tuitions for next year. This year, Green Mountain was \$17,800 and Mill River \$15,500. The independent school will probably be near the state average of \$15,500. He added that SPED costs are up about 14% and we have no control over it. He said they can't put money in for transportation and will have to cut it.
- P. Bruce Schmidt said that people are not going to like not providing buses for the students and we should provide it. But, we don't want to include it in our budget if Mount Holly isn't going to also pay for it. They get buses through TRSU. We could include it in this budget or let people petition it for a vote. The other choice is an article.
- Q. Justin Hyjeck said this would be contingent upon what Mount Holly does.
- R. Craig Huffvater suggested a one year pilot program. We need to do more analyses.
- S. Justin Hyjeck asked if Marble Valley and CRT get tax credits.
- T. Craig Huffvater said he is not sure. We need to get a decision from the Select Board. We could use the town vehicles and buy them
- U. Justin Hyjeck asked where the buses would be stored.
- V. Craig Huffvater said he does not know.
- W. Dan Buckley asked about routes.
- X. Craig Huffvater said there would be specified pick up locations. We will have to figure what would be the most cost effective routes. He said that some students may walk. If we partnered with Marble Valley or CRT, they would have to synchronize their route.
- Y. Bruce Schmidt said it would be very complicated and some people rely on those buses to get to work.
- Z. Brett Sanderson asked how many students they have per bus.
- AA. Pam Cruickshank said about 13 to 15 going to the Tech Center and 24 to 24 elementary students on Chris' bus and 19 on Randy's bus.
- BB. Craig Huffvater said Mount Holly has one route with about 25 students.
- CC. Scott Murphy said there are too many unanswered questions to make a decision tonight.
- DD. Brett Sanderson said we need to provide transportation for the students.
- EE. Bruce Schmidt said to the people from the school board that they are pushing this back on the town and they need to look deeper for savings. What will we do if it doesn't pass at town meeting? He would rather put this in the budget now. He asked Scott Murphy if the logistics are doable.
- FF. Scott Murphy said they could be.
- GG. Ron Tarbell said they could possibly do one bus to Ludlow and one to Mount Holly.
- HH. Bruce Schmidt said we would only do Ludlow.
- II. Pam Cruickshank asked about field trips.
- JJ. Bruce Schmidt said we will probably have a bus system for the next year.
- KK. Scott Murphy said we struggled this past year with the buses and getting drivers.
- LL. Craig Huffvater said he thinks they have a driver for each bus.
- MM. Bruce Schmidt said we have a driver and we have to consider the union. If we do not provide buses, the children will suffer and families will be impacted.
- NN. Brett Sanderson said we need better cost estimates.
- OO. Craig Huffvater said possibly \$150,000 total, but that does not include buying the buses.
- PP. Justin Hyjeck said we should try to keep providing buses for the students.

- QQ. Heather Tucker said lack of buses will potentially negatively affect enrolment.
- RR. Craig Huffvater said that some families have no or limited means of transportation and without busing may have to move to other towns that provide buses.
- SS. Bruce Schmidt said that it is important to provide buses at the elementary level.
- TT. Scott Murphy said there is not much time left because we need to finalize the budget in 9 to 10 days and start the warning process by January 23rd and sign on the 24th.
- UU. Bruce Schmidt asked what the drop dead date is to get the information we need.
- VV. Scott Murphy said about one week.
- WW. Pam Cruickshank said the town has to get the books to the voters 10 days before town meeting. We can post the meeting in the paper and get the books out later.
- XX. Bruce Schmidt said he thinks the board members would prefer to put the buses in the budget, but we need accurate numbers.
- YY. Scott Murphy said the board could meet next week, once we get the information from Craig Huffvater.
- ZZ. Craig Huffvater said he will meet with the Mount Holly Select Board tomorrow and reach out to Marble Valley and CRT.
- AAA. Justin Hyjeck asked if there have been any problems with students and public on the buses.
- BBB. Sue Pollender said never.
- CCC. Bruce Schmidt said the biggest issue is that they should use school buses. They are constructed differently from regular buses.
- DDD. Heather Tucker said she would prefer to see more efficient use of the buses.
- EEE. Bruce Schmidt said he would prefer to run our buses with our drivers. He added that he is not happy about this situation.
- FFF. Dan Buckley said that the GMUSD says that the transportation costs of using the little and big buses are about the same.
- GGG. Heather Tucker said that if transportation is cut, they would also probably have to cut field trips and sports.
- HHH. Bruce Schmidt said that it appears that this board's consensus is to work with Craig Huffvater and get some firm numbers together. This is the right thing for the town.
- III. Dan Buckley said the school board is struggling to get the budget under penalty.
- JJJ. Bruce Schmidt asked what if the towns vote the school budgets down. We have some issues with insurance and have to work through them. He asked Scott Murphy to work with the school board.
- KKK. Scott Murphy advised that there are some changes since the last meeting. BRACC's request was raised from \$10,000 to \$15,000. The IPADs for the Select Board were removed. He said that Ulla Cook caught a mistake regarding built-in revenue from the April 2015 storm. We can't use it as revenue as it has already been recorded as Accounts Receivable – it amounts to a .8% increase. They added \$66,000 in Ambulance. Overall, everything amounts to a 2.4% increase in taxes. He said that the costs for the dog park are already included in the budget.
- LLL. Bruce Schmidt asked if any departments are not finalized.
- MMM. Scott Murphy said that with the items changed since the last meeting, the budget is fair and balanced.
- NNN. Bruce Schmidt noted that in the Highway Department, the budget includes a new employee and reduced overtime. He asked if there was any reduction. He said the increase in Vehicle Maintenance is 10% and asked if that was parts.
- OOO. Scott Murphy said we should see some small decrease, mostly small preventive maintenance because that new employee will also be doing maintenance for the Ambulance and Police departments.

- PPP. Brett Sanderson said all of the salary will be shown in the Highway Department, and charged out to Police and Ambulance.
- QQQ. Bruce Schmidt said he would like to level fund.
- RRR. Scott Murphy said if the \$66,000 was out, it would be .8% below and if it is included, it will be 2.4% above.
- SSS. Ulla Cook said there is \$95,879 in the Special Revenue Fund for buses and suggested using it for busing students.
- TTT. Bruce Schmidt asked Scott Murphy to craft wording for this. He asked Scott Murphy to make sure that the money may be used for busing students.
- UUU. Heather Tucker suggested selling the other 3 buses.
- VVV. Pam Cruickshank said that they will need more than one bus and at least 2 drivers.
- WWW. Scott Murphy said he will work on it.
- XXX. Parks & Recreation
- i. Sue Pollender said that the dog park committee has been working with the Recreation Department. It will bring more people into the Recreation Department. They have been working to re-vitalize West Hill and plan to put the dog park where the old soccer field was located. There are already trails up there and it would be a good addition to the community and there may be grants available. It may also deter the geese.
 - ii. Nick Miele said he has researched design and maintenance. There will be a lot of mowing, trimming and watering. The grass may die, but we will over-seed it. Hartford, VT says that revenue is about \$1,200 and costs about \$3,000. He said that VLCT said that insurance is not needed. The dog park will be fenced with individual sections for small and large dogs. We may also do obedience and agility training.
 - iii. Bruce Schmidt asked the budget for the park.
 - iv. Scott Murphy said the capital would be about \$21,000.
 - v. Justin Hyjeck asked about hours.
 - vi. Sue Pollender said the Hartford park closes in the winter.
 - vii. Bruce Schmidt asked if they have checked with the Army Corps of Engineers.
 - viii. Scott Murphy said yes.
 - ix. Bruce Schmidt said that parking is his biggest concern; he thinks that people may park along the road. He asked why they would not be using Fletcher Fields.
 - x. Scott Murphy said it may not be in their charter and the fields are in the flood plain. It is also more out of the way.
 - xi. Justin Hyjeck said it would be popular.
 - xii. Torrin Tofferi asked if they would be improving the walkways.
 - xiii. Sue Pollender said yes.
 - xiv. Bruce Schmidt said he likes the idea, but is not sure of the location.
 - xv. Nick Miele said they will look into Fletcher Fields again.
 - xvi. Scott Murphy said there are 3 parking spots up there, but they will relook at the location.
 - xvii. Sue Pollender said that they think that West Hill fits into the entire Recreation area.
 - xviii. Bruce Schmidt said that the committee has raised \$10,000 and the project does not start until they collect the other \$10,000. The town is only committed to \$10,000. He added that the committee will give the money to the town and the town will pay the contractors. It is a good idea and will be popular.
 - xix. Heather Tucker asked why Adult Activities has a 233% increase.
 - xx. Nick Miele said they will have to pay to use the high school gym again.
 - xxi. Bruce Schmidt said it is because the school wants someone to be there when the gym is being used.

xxii. Scott Murphy said the budget is based on the BRHS building with no tenants, with minimal estimated costs of \$65,950.

7. **FY2021 Articles, Including Possible Article Question About 1% Local Option Tax & Town Meeting Warning Draft**

- A. Bruce Schmidt said that he asked Scott Murphy to put together some information and details. He asked the board if they want to go forward with the article for this. The board will need to be ready to answer questions and support this.
- B. Dan Buckley said it is a good idea and will bring revenue into the town.
- C. Ulla Cook advised that had the town enacted the tax, when first attempted in 2004, they would have raised \$7.5 million by now.
- D. Brett Sanderson said that there are many other towns that have this tax.
- E. Aaron Galley said he thinks that the funds should not be used to buy down taxes, but the use them for things that benefit the tax payers.
- F. Torrin Tofferi said he is against the tax. His business is very specific and people buy items over the internet or in New Hampshire and bring it to him for service. He will have to raise his prices. He said that the other towns with this tax are not as close to NH.
- G. Justin Hyjeck said he is worried about local persons having to pay additional taxes,
- H. Ulla Cook said it will save them on their overall tax rate.
- I. Torrin Tofferi said that Killington backed off part of the tax. He is concerned that any industry that we may have may be negatively impacted.
- J. Justin Hyjeck said that Killington backed off part of the tax because of the ski area's bulk purchases in the town.
- K. Bruce Schmidt said we have done a good job with our budgets. If we bring this to the voters and it doesn't pass, it will be harder to get it passed later on.
- L. Torrin Tofferi asked if it could be done in phases and starting with rooms' tax.
- M. Scott Murphy said that Brattleboro started with rooms and meals and just started with sales tax this year.
- N. Bruce Schmidt said we need more direction. He asked what the consensus of the board is.
- O. Scott Murphy said that even receiving towns are starting to enact these taxes. He said that Logan Nicoll suggested asking the voters to vote on each type of tax separately.
- P. Dan Buckley said people will want an explanation of where the money will be used.
- Q. Bruce Schmidt said that ½ will go to lower the tax rate and the other for infrastructure projects.
- R. Scott Murphy said that the specifics of that are the decision of the Select Board.
- S. Scott Murphy said that Bob Gilmore has asked to be allowed to call in to comment on this.
- T. Bruce Schmidt said allow him to call in.
- U. Bob Gilmore said that he wants to lend his support to the tax. It is a good other source of revenue and will offset yearly tax increases. He suggested creating a Rainy Day Fund for other projects. He said that the bulk of the taxes will be paid by visitors. He said that some businesses may be affected.
- V. Bruce Schmidt said this board may choose to do nothing or to go with one or two of the taxes or to have voters vote separately on each tax: sales, rooms, meals and alcohol.
- W. Heather Tucker asked if there will be a way to track each business.
- X. Scott Murphy said that would not be allowed.
- Y. Aaron Galley asked why the town and village do not merge.

- Z. Bruce Schmidt said the Village is responsible for the Electric department, and water and sewer. This would be a question for the trustees. He said the residents of the village never have enough concern about it. We could help with the village infrastructure.
- AA. Brett Sanderson said they should itemize the taxes separately.
- BB. Justin Hyjeck said it could be used for infrastructure and beautification.
- CC. Scott Murphy read suggested wording to be part of the article:

“Fifty percent (50%) of the projected revenue will be used as general fund to reduce the municipal property tax rate.

Residual balances will be directed to an infrastructure reserve fund pursuant to 24 VSA § 2804 (a) for future projects recommended by the legislative body and approved by the voters at a regular or special meeting.”

- DD. Bruce Schmidt said they would put money into a Special fund.
- EE. Brett Sanderson said they should have the voters vote separately on each type of tax.
- FF. Bruce Schmidt said that seems to be the consensus and to use the revenue to buy down the tax rate and for capital infrastructure.

8. **Discussion on Short Term Rentals in the Town of Ludlow**

- A. Bruce Schmidt asked if there are any short term rentals in Ludlow.
- B. Scott Murphy said no.
- C. Justin Hyjeck said Short Term Rentals crush the housing market and have unfair practices. He said the ratio of houses to apartments in Ludlow is 50 to 1 and there are 200 vacation rentals.
- D. Bruce Schmidt suggested that Scott Murphy look into other towns' local ordinances.
- E. Justin Hyjeck said that Killington, Stowe and Burlington are working on it.
- F. Ulla Cook asked how it would be monitored.
- G. Justin Hyjeck said that many of them list on line. The town should regulate them.
- H. Aaron Galley suggested the Planning Commission should work on this.
- I. Bruce Schmidt asked Scott Murphy to talk to Rose Goings.
- J. Torrin Tofferi asked if there are regulations about number of persons per bedroom.
- K. Heather Tucker suggested they look into incentives packages for locals to buy and stay here.
- L. Bruce Schmidt said he would put this on the agenda for their next meeting.

9. **Confirm Municipal Manager's Review**

- A. Bruce Schmidt said that he met with Bob Gilmore, Chair of the Trustees, and David Rose, Chair of the Water Commissioners to discuss the review for Scott Murphy. They propose a 3% increase.
- B. **MOTION by Justin Hyjeck and seconded by Brett Sanderson to approve the 3% increase for the Municipal Manager. Motion passed unanimously.**

10. **Set Date to Sign 2020 Town Meeting Warning**

- A. Scott Murphy said that the tentative date to sign the warning is January 24, 2020 at 8:00 a.m.

11. **Department Head Reports**

- A. Bruce Schmidt advised that all reports are in.

12. **Municipal Manager Updates**

- A. Water Testing
 - i. Scott Murphy advised that the state has required water testing for PFSAs. We tested and there were no faults detected in our water.
- B. Property Tax Sale
 - i. Scott Murphy advised that they will be going to do the property tax sales on February 7, 2020 at 10:00 a.m. We are talking to the town attorney about buying back properties that have never been bid on at previous tax sales.
- C. Mill Street Bridge
 - i. Scott Murphy advised that VTRANS will be present at the meeting on February 3, 2020 to talk about the Mill Street Bridge.

13. **Other Business**

- A. Lamere Foot Bridge
 - i. Bruce Schmidt asked about the bridge work.
 - ii. Scott Murphy said he will call the contractor tomorrow.
- B. Cats
 - i. Justin Hyjeck asked about animal control and the cats.
 - ii. Scott Murphy said they will put that on the agenda for the next meeting.
- C. Petitions
 - i. Ulla Cook said the petitions are in their boxes. They have to be back by January 27, 2020
- D. New Liquor Control Information
 - i. Ulla Cook advised that the state has changed the process and the town may now send a blanket letter for license approvals.

14. **Set Date for Next Meeting**

- A. The next regular meeting will be on February 3, 2020.

15. **Sign Warrant Orders**

- A. Warrant orders have been signed.

16. **Possible Executive Session/Personnel/Contracts/Legal Issues**

- A. Scott Murphy advised that an Executive Session is not needed.

17. **Adjourn**

- A. **MOTION by Brett Sanderson and seconded by Heather Tucker to adjourn. Motion passed unanimously.**
- B. Meeting adjourned at 9:09 p.m.

Respectfully submitted,

Lisha Klaiber

Bruce Schmidt, Chairman

Brett Sanderson

Justin Hyjeck

Heather Tucker

John Neal