

**PRELIMINARY MINUTES**

**TOWN OF LUDLOW  
BOARD OF SELECTMEN**

**REGULAR MEETING**

August 2, 2010

**BOARD MEMBERS PRESENT:**

Howard Barton, Jr., Chairman	John Neal	Bruce Schmidt
Douglas Ficken	Brett Sanderson	

**STAFF PRESENT:**

Frank Heald

**OTHERS PRESENT:**

Edward Bowen	Marilyn Ledoux	Jon Paige
Albert Cavoto	Lou Lertola	Ted Reeves
Lou Gabranski	Margot Martel	David Steeves
Mark Gauthier	Susan McNeely	Terry Thane
Nataile Gruber	Jean Morrill	Herb Van Guilder
Donald Lagro	Ralph Pace	Duncan Love (LPC-TV)

1. **Call to Order**

A. Chairman Howard Barton called the meeting to order at 7:00 p.m. All members present

2. **Approve Minutes of Previous Meetings**

A. Howard Barton advised that the minutes to be approved are from the special meeting of July 13<sup>th</sup> and the regular meeting of July 19, 2010.

B. **MOTION by Bruce Schmidt and seconded by Brett Sanderson to approve the minutes of as presented. Motion passed unanimously.**

3. **Comments from Citizens**

A. Disabled American Veterans Request

1. Frank Heald advised that there had been a letter from Lou Lertola that had been omitted from the agenda.
2. Lou Lertola advised that he had been working around the state to get towns to extend property tax exemptions to disabled veterans. The state exemption format started in 1961 with a maximum reduction of \$6,000. In 1977 it went up to \$10,000, in 1991 it went up to \$20,000 and in 2007, the maximum exemption rose to \$40,000. Ludlow is currently at \$20,000. He is requesting that the board include an increase in the town maximum exemption to \$40,000 for the March town meeting. Ludlow has 5 veterans who would qualify for this exemption and it would amount to an increase in taxes for other taxpayers of about \$1.00 for every \$100,000 of assessed value.
3. Bruce Schmidt noted that the letter had been included in last month's package. He clarified that that if a veteran received this exemption, it would mean that the veteran's property, normally assessed at \$200,000 would only be taxed on an assessed value of \$160,000.
4. Lou Lertola said yes.
5. Bruce Schmidt asked how this exemption is determined.
6. Lou Lertola said that the Veterans' Administration determines the qualifications of the veterans and rates the percentage of disability. To qualify for the full exemption, the veteran must receive certification of 50% or more disability. It is the veteran's own responsibility to bring this certificate to the town clerk.
7. Howard Barton asked about veterans who own more than one home.
8. Lou Lertola said it would only apply to one property.
9. Bruce Schmidt said that he would support the warning.
10. Howard Barton said the board would put it on the warning for the next town meeting.
11. Howard Barton asked if there were a time limit to this exemption.
12. Lou Lertola said it would continue until the community voted to change it.

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13. There was general consensus among board members to include this on the warning for vote at the next town meeting.
- B. Cemetery Commission Request
1. Herb Van Guilder said that the Cemetery Commission would change its rates effective September 1, 2010. He added that they have also been discussing some relief for veterans. He said that the Commission members did not realize that they were on the agenda in July. All of the members are present tonight. He said that money left over from the Cemetery Commission at the end of a fiscal year, stays with the Cemetery Commission. There was money left over from FY 2010 from projects that were started last year. The Cemetery Commission would like the Select Board to encumber the balance of funds left over from the Cemetery Commission from last year. There is work to be done on the lower building, cremation lots, paving, trees and other projects. He understands that in the past, funds left over would go to the General Fund.
  2. Howard Barton said that at their last meeting, the Select Board did encumber \$9,000 for Springfield Paving and \$5,900 for work to be done by George Tucker. They encumbered \$15,000.
  3. Herb Van Guilder said that the total unused funds amounted to about \$33,000.
  4. Howard Barton said that would be an additional \$15,000.
  5. Herb Van Guilder said the balance from last year was \$33,861. If the Select Board does not encumber these funds, they will have to stop work on the projects.
  6. Mark Gauthier said that it is time for belt tightening for the Cemetery Commission as well as all other departments.
  7. Bruce Schmidt said that the Cemetery Commission is asking for funds from last year.
  8. John Neal said that in the past, the Select Board was responsible for fiscal matters for the Cemetery Commission, but the taxpayers voted at town meeting to turn that over to the Cemetery Commission.
  9. Herb Van Guilder said that some of the projects need to be done by state statute and more legislations are coming down. The statutes are getting stronger. He listed various projects and work that are in the Cemetery Commission budget and their respective costs.
  10. Mark Gauthier asked if the money is there and at their disposal.
  11. Frank Heald said that up through FY2010, the Cemetery Commission budget was under the Select Board budget, but the taxpayers voted in March for the Cemetery Commission to have its own budget. Any money left over in the past could be used to buy down the taxes. The town operates under very strict financial guidelines and the auditors do not approve of paying for future work. These funds are FY2010 funds to be used in FY2011. The FY2010 funds were included in the Select Board budget.
  12. Howard Barton said that as of July 1, 2010, the Cemetery Commission has a separate budget.
  13. Frank Heald said that last month, he asked this board to encumber funds to cover two invoices; now the Cemetery Commission is requesting additional funds to be encumbered.
  14. Mark Gauthier repeated his concern that belts need to be tightened. He felt that the money should be used to lower the tax rate or for something urgently needed.
  15. Herb Van Guilder said that the money was already voted on last year for the Cemetery Commission.
  16. Bruce Schmidt said that for most departments, the Select Board would honor the request. He is concerned for the voters. This request came in late. Hopefully, the Cemetery Commission will have a good feel for what they will need in the future. The people will understand, but there is only so much we can do and only so much the Cemetery Commission can do with the funds that we all have. He is not happy about how this has been done, but he agrees that the funds should be encumbered.
  17. Howard Barton asked how this would affect the tax rate for FY2011.
  18. Frank Heald said it would not affect the tax rate, but would reduce the surplus.
  19. John Neal said that at the last meeting the board voted to encumber funds based on actual invoices, he suggested that future funds also be encumbered on an as needed basis also.
  20. Mark Gauthier said the money was voted on and not used; now it is in the Select Board's hands. Bring it up again next year for a new vote and hold onto the funds from last year. The Cemetery Commission can present a budget at the next town meeting. There is always fluff in the budget.
  21. Herb Van Guilder said the checks that were presented were deposit checks to start the projects. Due to weather conditions, work can only be done during a limited period of time and may carry over from one year to next.

22. Bruce Schmidt said that there was a mistake in communication and the Select Board would normally encumber funds. He is not happy with the situation, but the voters want it this way. We would be going down the wrong road in not allowing this. I think the Cemetery Commission should be treated as any other department.
23. Frank Heald said there is about a \$18,000 balance.
24. John Neal suggested that funds be encumbered based on invoices presented and match the funds to the invoices.
25. Doug Ficken said that he agrees with Bruce Schmidt and noted that the vote was very strong last spring in favor of separating the Cemetery Commission budget from the town budget. He would support encumbering the full amount now and let the Cemetery Commission run its own entity. This would be in line with what the people voted for.
26. John Neal said that these are last year's funds, not the current year, and they were part of the town budget.
27. Doug Ficken said he thinks it would be easier to encumber the funds at one time.
28. Frank Heald said that it would be easier for all to encumber the funds at one time.
29. Mark Gauthier asked how they are using the term "encumber?"
30. Frank Heald said that normally at the end of a fiscal year, unspent funds are transferred to the town's general fund. Situations do come along where a project may run from the spring and go through the summer. The funds were budgeted for the project and used in 2 fiscal years. Encumber is used in government accounting to describe retain funds from one fiscal year for use in the next.
31. Mark Gauthier repeated that the funds should be used to lower the tax rate.
32. Herb Van Guilder said that \$18,000 would amount of about 1/100 of a cent.
33. Mark Gauthier said that 2 out of the 3 listers are limited to 15 hours per week because of the budget. All departments should be limited.
34. **MOTION by Bruce Schmidt and seconded by Doug Ficken to encumber \$18,000 from the Cemetery Commission FY2010 budget for use in FY2011. Motion passed unanimously.**
35. Ralph Pace said that he strongly suggests that an independent auditor should audit the Cemetery Commission and the results should be made public.
36. Howard Barton said there is an audit every year.
37. John Neal said this should all be brought us at town meeting.

#### 4. **Listers Update: NEMC Memo**

- A. Terry Thane said that he distributed a proposal from NEMC for reappraisal.
- B. John Neal asked how much?
- C. Mark Gauthier said \$65 per parcel and there are about 3,500 parcels. That would amount to about \$227,500.
- D. Frank Heald said there is about \$180,00 in the budget for reappraisal in FY2011 and this would probably carry over into FY2012 and more funds would be available.
- E. Bruce Schmidt asked Terry Thane if the listers plan to put out an RFP. The Select Board would like to see what other prices are out there. There were some issues last time.
- F. Terry Thane said that they will get more bids. They would like to find someone that uses the Patriot system with favorable pricing and the best timing. The listers would be able to help. The lister would like to move on this as soon as possible because 85% of the homes are vacation homes and it is hard to get into them in the winter. How many quotes does the Select Board want?
- G. Bruce Schmidt said at least 3. He asked other board members if the board is going to support reappraisal. He wants to know if there are any options and are the figures realistic.
- H. Terry Thane said that the listers believe that the COD will be greater than 20 soon and the state will require reappraisal based on state guidelines.
- I. Mark Gauthier said that based on this year's 304 grievances, most were condos and we knocked \$40,000,000 off the grand list by granting appeals. The people who don't grieve get the short end of the stick and we need to correct that. We feel that reappraisal is desperately needed.
- J. Terry Thane asked what the Select Board thinks.
- K. Howard Barton asked what are the options.
- L. Terry Thane said that the rules do not allow for another statistical update.
- M. Margot Martel said that the state will reimburse towns money towards reappraisal costs.
- N. Howard Barton asked if they want to get RFPs now.
- O. Terry Thane said no later than October to start. The listers need to get into those homes before winter.
- P. Bruce Schmidt said that the town should go into another reappraisal kicking and screaming and wait for the state to ask for it. All towns will be needing this and the state won't be able to

- keep track of which towns are doing it and when. He agrees that there are inequities, but he does not think we should do the reappraisal now. Every town must be facing the same situation.
- Q. Mark Gauthier said that he has heard complaints from the people who don't grieve. The listers are trying to make this fair.
- R. Terry Thane said that is what the COD is about, having a COD greater than 20 means that people aren't paying fair shares.
- S. Bruce Schmidt asked if the lister format is still working for Ludlow. The state requires listers, but should we be looking at an assessor in the future, and are we going to be doing a reappraisal every 6-8 years.
- T. Mark Gauthier said he doesn't think having an assessor would make much of a difference. The state should make all towns reappraise on a regular basis.
- U. Frank Heald said that he has advocated for an assessor for at least 5 years. The Village of Stowe is now on a fairly level plain.
- V. Terry Thane said that if Ludlow had an assessor, could part of their salary be paid from the money we get from the state for reappraisal. The listers could still do the inspections.
- W. John Neal said that an assessor would be able to keep it up to date.
- X. Frank Heald said the assessor would do the reappraisals.
- Y. Mark Gauthier said that he disagrees with Terry Thane. He can't believe that anyone could be that good that the town would not need reappraisals. You will always have to do reappraisals.
- Z. Frank Heald said an assessor gets about \$80,000 per year. The same person does Stowe and Waterbury. He added that until Act 60 and Act 68, towns only needed to make sure that everyone in the town was being treated fairly. Now, it spans across the state. This is a resort town and 88% of the real estate is non-resident owned. Condos are selling for outlandish, all over the place prices and there are no rational valuations. We do not have a vehicle to fix this. We can either get the 3 listers to agree on an outside consultant or we can follow the same path as Stowe and hire an assessor with a nominal board of listers.
- AA. Terry Thane said that the town has a good team of listers, now. But if someone else is voted in who has no experience, then what. It could be a nightmare.
- BB. John Neal suggested that they get 2 more quotes.
- CC. Terry Thane said that Bill from NEMC does not want his price advertised.
- DD. Bruce Schmidt said that it already is.
- EE. Doug Ficken asked how many condos are in town.
- FF. Margot Martel said 1,056.
- GG. Mark Gauthier said that condos went down and everyone who doesn't grieve has to pick up pieces from people who do.
- HH. Frank Heald said that if we get through the grievance and Board of Civil Authority process, no one has to pick up the pieces. But, after December, if the state or court changes the prices, then the town has to pick up the pieces.
- II. Bruce Schmidt asked what the difference is between a lister and an assessor. He referred to the lawsuit that Stratton had against the state.
- JJ. Mark Gauthier said the lawsuit is still there.
- KK. Terry Thane said that Stratton did cave and paid the state \$2.5 million. There are still lawsuits pending and they have not been settled as of this week. We can't do any more statistical updates because we did one in 2008. We need to do something now.
- LL. Howard Barton asked board members if we should hold off getting more quotes.
- MM. Bruce Schmidt said that he is not convinced we need to reappraise right now. He does not see the difference between a lister and an assessor. It will be a different issue if the state does come to us and tell us to reappraise.
- NN. John Neal said that he agrees with Bruce Schmidt. Wait for the state to ask us.
- OO. Frank Heald said that in order to do a real reappraisal, you need certification and none of our listers are certified.
- PP. Terry Thane said that need to do something and have someone who can do updates every year. He agrees with Mark Gauthier that things are unfair now.
- QQ. Bruce Schmidt said that with a reappraisal, some property values may increase.
- RR. John Neal asked if the town could hire a part-time assessor to come in on a regular basis and keep things current.
- SS. Terry Thane said the town needs a mass assessor.
- TT. Mark Gauthier said the state has limits as to how many properties you can adjust and even with an assessor; it would eventually get out of whack again.
- UU. Margot Martel said that she spoke to someone at District and a rolling appraisal would not work for Ludlow because the properties are so diverse.
- VV. Brett Sanderson said that we should not wait too long to do something.
- WW. Mark Gauthier said that he does not think anything dramatic will happen in the near future.
- XX. Bruce Schmidt said that he would like the listers to come back to the meeting next month with some ideas for down the road, assessor or something else.

- YY. Terry Thane asked if it is the listers' call to hire an assessor with Frank Heald's guidance or the decision of the Select Board.
- ZZ. Frank Heald said the law says the listers can request the help they need and the Select Board needs to approve the money.
- AAA. Terry Thane asked if the money can come from funds from the state for reappraisal.
- BBB. Mark Gauthier said the money is earmarked for Grand List maintenance.
- CCC. Terry Thane said the listers will get 2 more quotes and also ask Bill to sharpen his pencil. It is better to keep ahead of this. He said that Margot knows someone.
- DDD. Doug Ficken said that we are not in the position to accept bids now because we are not sure if we want to proceed. He suggested asking Margot Martel to have the person that she knows come in and make a presentation to discuss a possible position and how to integrate the listers with an assessor.
- EEE. Howard Barton said the town does not need to hire someone if the town and taxpayers are not going to benefit from that hire.
- FFF. Bruce Schmidt said there would be no sealed bids at this time.

5. **Award Transfer Station Scale Bid**

- A. Howard Barton said there were several bids.
- B. Frank Heald advised that they prepared a matrix detailing each bid and they recommend the bid be awarded to Wylie. He added that Fairbanks' bid was not bad, but that the scale is too narrow. He added that he would try to get the contractor doing the wall to do the concrete work, also.
- C. Howard Barton asked if their bid met all of the requirements of the bid.
- D. **MOTION by Bruce Schmidt and seconded by Brett Sanderson to award the bid to Wylie Scales from St. Johnsbury. Motion passed unanimously.**

6. **Appoint Delegate to VLCT Annual Meeting**

- A. **MOTION by John Neal and seconded by Bruce Schmidt to appoint Frank Heald as delegate to the VLCT Annual meeting. Motion passed unanimously.**

7. **Consider VTRANS 2011 Town Highway Bridge Participation Agreement RE: Bridge #25**

- A. Frank Heald advised that Bridge #25 is the Walker Street Bridge. He said that the Regional Planning Commission is pushing for repairs to this bridge. This is an agreement with the state for a study and engineering for the repairs. The work will not be done for several years. Board members need to sign the agreement.
- B. **MOTION by John Neal and seconded by Brett Sanderson to accept the study agreement as presented and sign the document. Motion passed unanimously.**

8. **Projects Updates**

- A. Armory Project
1. Frank Heald advised that the project is on schedule and he is pleased with the Josselyn Brothers. The roof on the main building will be done this week, and the roof on the tank barn will be next week. The foam insulation is done in both. Permits for the armory sprinklers are in. The Hazardous Material disposal is working and under budget. He has a meeting with the school Thursday to talk about circulation.
  2. Howard Barton asked who the subcontractors are.
  3. Frank Heald said the Environmental is Catamount, the big roof is Dorse, the plumber is Master, Tedesco is doing the brick work, M & M is doing the site work, and Long Trail is the electrician.
- B. Water/Sewer
1. Frank Heald said that the water project paving is on schedule and will be done next week.
- C. Dorsey Park
1. Frank Heald said it is coming along. He went there today for a walk through. They are watching the low spots. He will not spend any more money on Homestead.
- D. Drainage Project at Dorsey Park
1. Frank Heald advised that Craig was supposed to have been there today, but did not show up. Frank Heald is having an ongoing conversation with VLCT regarding insurance coverage and it was resolved last week.

9. **Department Head Reports**

- A. Howard Barton advised that all reports are in.
- B. Bruce Schmidt said that the ambulance report mentioned the full time employee is taking night courses.
- C. Frank Heald said we will be replacing him and the decision has pretty much been made. We are working on schedules.
- D. Brett Sanderson noted that there was a problem covering calls this past weekend. They covered the first ambulance but had to call Chester in for the second.

10. **Other Business**

- A. There was none.

11. **Sign Warrant Orders**

- A. Warrant orders have been signed.

12. **Set Date for September Meeting**

- A. Bruce Schmidt suggested that when the 1<sup>st</sup> Monday falls on a holiday, they may want to consider meeting on the 1<sup>st</sup> Tuesday. He does not think they should wait until the 3<sup>rd</sup> week. He said that is confusing for people who need to come to a meeting.
- B. Brett Sanderson said the Trustees meet the 1<sup>st</sup> Tuesday.
- C. Howard Barton said that is why we list the 3<sup>rd</sup> Monday as alternate. He said it is pretty well advertised, it is discussed at meetings, it is posted on agendas and put in the minutes.
- D. John Neal said he is good with the 1<sup>st</sup> and 3<sup>rd</sup>.
- E. Doug Ficken said he would like the next day, agreeing that waiting for the 3<sup>rd</sup> is late.
- F. Brett Sanderson said that he could not make Tuesday meetings.
- G. September meeting will be held on September 20, 2010.

13. **Possible Executive Session/Contracts/Personnel**

- A. Frank Heald advised that a brief Executive Session is needed.
- B. MOTION by Brett Sanderson and seconded by Bruce Schmidt to enter into Executive Session. Motion passed unanimously.
- C. Board entered into Executive Session at 8:38 p.m.
- D. Board exited Executive Session at 8:54 p.m. No action taken.

14. **Adjourn**

- A. **MOTION by Doug Ficken and seconded by Brett Sanderson to adjourn. Motion passed unanimously.**
- B. Meeting adjourned at 8:55 p.m.

Respectfully submitted,

Lisha Klaiber

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Howard Barton, Jr., Chairman

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Brett Sanderson

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Doug Ficken

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Bruce Schmidt

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John Neal