

DRAFT

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**TOWN OF LUDLOW
BOARD OF SELECTMEN**

SPECIAL MEETING

December 15, 2008

BOARD MEMBERS PRESENT:

John Neal, Vice Chairman Bruce Schmidt Earl Washburn
Brett Sanderson

BOARD MEMBERS ABSENT:

Howard Barton, Jr., Chairman

STAFF:

Frank Heald Pam Cruickshank

OTHERS PRESENT:

Jeff Billings Leo Graham Ron Tarbell
Ron Bixby Peter Kolenda Duncan Love (LPC-TV)
Don Buswell Howie Paul

1. Call to Order

- A. Vice Chairman John Neal called the meeting to order at 7:00 p.m.
- B. Howard Barton absent.
- C. John Neal advised that some of the department heads had been asked to attend this meeting.

2. FY 2010 Budget Workshop

A. AMBULANCE

- 1. Frank Heald advised that the numbers listed in all of the budgets are just placeholders. They need to discuss what plan to offer employees.
- 2. Bruce Schmidt asked about the increases indicated for Medical Supplies (50%) and Office Supplies (100%). These seem high when the department is projecting a decrease in revenue.
- 3. Don Buswell said that most of that is due to increased costs. They are not carrying over any more than usual.
- 4. Bruce Schmidt noted that in the "Comments" column the words shown are "added" and "additional."
- 5. Frank Heald noted that the Actual 2008 amounts for Medical and Office supplies were \$22,249.69 and \$4,149.91 respectively. The department is carrying over those amounts for the 2010 budget with only a slight increase in the Medical and slight decrease in the office.
- 6. Bruce Schmidt asked why they don't use the town administrative system. The numbers seem high. He also wanted to know how the fees that the department is charging compare to other ambulance departments' fees.
- 7. Don Buswell said that the department was discussing that recently and would be considering changes.
- 8. Bruce Schmidt said that they should FAST-TRACK that and put it in this budget for increases in July.
- 9. John Neal asked Don Buswell to have numbers available for the next meeting. He asked if the office supplies could be purchased in bulk from the town and who approves purchases.
- 10. Frank Heald said that any purchases over \$100 should be approved in his office.
- 11. Earl Washburn asked about "Mileage."
- 12. Frank Heald advised that was for offsite training.

13. John Neal asked about the \$4,000 in Building Repairs and Maintenance.
14. Frank Heald said there were no specific plans for changes. The building is aging.
15. Bruce Schmidt asked if that was also in the Police Department budget.
16. Jeff Billings said there is \$750 for it in the Police budget.
17. Frank Heald noted that the Ambulance actual for 2008 was about \$3,300 in that category. He said that the town bills the Police and Ambulance 50/50 for the costs. However, if one department needs repairs or changes specific to their portion of the building, they are billed for that item. Heating, air handling and Hot water are general expenses and billed 50/50. A change such as making a storeroom into an office would be billed that that one department alone.
18. Bruce Schmidt said that would be renovations. He asked if Frank Heald approves those bills.
19. Frank Heald said sometimes before and sometimes after the fact. He added that any funds not spent in one year go into an unrestricted reserve at the end of that fiscal year. Budgeting for maintenance is inexact – trying to predict what will be needed 1 ½ years into the future.
20. Bruce Schmidt agreed that it is hard to anticipate what the problems will be in the future.
21. Earl Washburn asked about Community Projects.
22. Don Buswell said that would be when the department offers 1st Responder or CPR classes for the public.
23. Frank Heald said he would get back to them on the Insurance numbers.

B. FIRE DEPARTMENT

1. Frank Heald advised that at the last meeting, when he advised the board about the new truck purchase, he made a mistake. He had indicated that the truck would be a dual-purpose truck, but it will be a single truck. The two in one will be in a few years. They are still looking at a purchase price of about \$350,000.
2. Pete Kolenda said that he expects the used truck will sell for about \$10,000.
3. Frank Heald said the new truck would be a bid process. He added that the department would use \$50,000 of their funds in the FY 2010. The last \$15,000 payment on the aerial will be in FY 2010 and the first payment on the new truck will be in FY 2011. The truck will cost \$350,000; the department will use \$150,000 from the Fire Truck Reserve fund and the additional \$50,000 from their funds. There will be about \$283,000 in the Fire Truck Reserve fund at the end of this fiscal year. They will firm this all up before town meeting.
4. Bruce Schmidt asked if they need to continue to use a 16% increase in fuel costs.
5. Pete Kolenda said he does not know where fuel is going.
6. Frank Heald said that his sense is that crude will level out more than where it is today. That is really an unknown for FY 2010.
7. Pete Kolenda said that the sticker prices on all new apparatuses are scary due to all new federal and state regulations. The dual-purpose rescue pumper will probably be around \$500,000.

C. HIGHWAY

1. Bruce Schmidt noted that a new fulltime employee was added in March 2008. He asked Ron Tarbell if he feels that they have enough staff. Would it make more sense to add staff and use less outside contractors?
2. Ron Tarbell said they are still short one fulltime employee. They have 6 in the winter and 4 in the summer, including himself.
3. Bruce Schmidt noted that there are 52 miles of roads. He asked what the new person does.
4. Ron Tarbell said truck driver.
5. Frank Heald said that in most instances, it is cheaper on smaller projects to hire an excavator and operator than for the town to own that equipment. He added that he does not think that it makes sense to hire more staff if you use judicious use of outside contractors.
6. Bruce Schmidt said that the summer staff seems to be working.
7. John Neal asked if the costs for subcontractors in included in the various line items.
8. Frank Heald said that in most cases it is included in Summer Construction. Weston Mountain Road was a capital expense.
9. Bruce Schmidt referred to the \$11,000 increase in Streetlights and said that Ron Tarbell had no say in the choice of the streetlights especially with respect to efficiency.

10. Frank Heald said those are filed rates and there was some shuffling around between the town and village. Village also increased. He looked at the bills and the rates did increase.
11. Bruce Schmidt said that they would not be able to consider changing some to lower watt bulbs unless they changed all of them.
12. John Neal noted that the actual in FY 2008 was \$36,676.96 and the budget for FY 2009 was \$25,000. It looks like they are truing up to the actual costs.
13. Frank Heald said he can do an analysis of the rates. He agreed that they could not randomly change out light bulbs, as it would look foolish. He will do a rate study for the past few years.
14. John Neal asked if the \$500 increase in Vehicle Operations would be enough.
15. Ron Tarbell said that is actually costs of diesel fuel.
16. John Neal suggested they rename it Diesel Fuel.
17. Bruce Schmidt asked why they did not meet the budget for Retirement.
18. Ron Tarbell said that was resurfacing and they used what they needed.
19. Frank Heald said the \$85,000 is a real number.
20. Ron Tarbell said that he spoke to vendors and they expect that number to stay the same.
21. Bruce Schmidt said he would be cautious about decreasing Chloride \$500.
22. Frank Heald said they are using a different spray method.
23. Ron Tarbell said they still have some left from last year.
24. Bruce Schmidt asked about the tractor.
25. Frank Heald said that he recommends that they purchase (the one that is being leased.) He would move \$15,950 to Capital. They need to look at the most cost effective way to manage the acquisition. The machine makes sense. In the winter it is a loader and in the summer does roadside mowing. It can reach to the far side of a ditch.
26. John Neal asked if the money they paid in rent would go to the purchase price.
27. Frank Heald said yes.
28. Bruce Schmidt said they need to decide soon. The roads were much better done this year. They need to talk about it more.
29. Brett Sanderson said it would take about 2-3 years to get all of the roads completely done.
30. Frank Heald said that there will be a 7-8% rescission in state aid this FY and the town may be under-compensated there. The government released a list of cuts and so far, transportation is not on the list. We may need to revise our numbers before town meeting.
31. Bruce Schmidt asked if VLCT has recommendations for the stimulus program and do we have any projects that may qualify.
32. Frank Heald said there is the \$3.5 million water project that is ready to go, there is bridge work that will be ready in January or February, and the sewer lines from the High School to Pleasant Street Ext. bridge could be considered. They are the only big projects.
33. Bruce Schmidt asked about the Mill Street bridge.
34. Frank Heald said that he will discuss that in the Capital discussion. The engineering estimate to fix it for federal funding would be about \$1,000,000. He can't see that amount of money for that bridge. The abutments are in fairly good shape.
35. Bruce Schmidt said they need to make a decision. He has heard no recent complaints about the bridge being closed.
36. Frank Heald said that if they do not get state aid, the cost would be about \$300,000 for a US Bridge. They have a good life span.

D. POLICE DEPARTMENT

1. Bruce Schmidt noted a 15% increase in Insurance and 6% increase in dispatch fees (revenue.) He asked if the 6% would be enough to cover our costs.
2. Jeff Billings said that was the amount the board told him to use last year.
3. Frank Heald said that basis expenses are up 6%, so they increased the dispatch fees 6%.
4. Brett Sanderson asked about other area dispatch fees.
5. Jeff Billings said they are analyzing it. It is an anomaly. Many towns want out of dispatching and are making joint efforts. The state police are not taking on any more dispatching for towns.
6. Pete Kolenda said that Keene is much more expensive. They serve SW NH and SE VT.

7. Frank Heald said to keep in mind the number of calls for other towns (Cavendish, Plymouth and Proctorsville.) There are not that many. The Windsor County sheriff is another story and accounts for half of our radio traffic.
8. Pete Kolenda agreed that the volume of calls for the other towns was not large.
9. Bruce Schmidt asked about the Computer Services line item. The notes in the comments column indicated new dispatch furniture. He did not think it would be that high.
10. Jeff Billings said the furniture should be a capital expense. The Computer Services are new computers, state fees and maintenance on the state computer system and usually runs about \$8,000-\$9,000 per year.
11. John Neal asked about the revenue from the Windsor County Sheriff.
12. Jeff Billings said that Ludlow dispatches for them and it accounts for ½ of Ludlow's dispatches. It is a contract price. Dispatching for Cavendish, Plymouth and Proctorsville is not a burden. There is very little traffic there. He added that the Police Department does not charge Ludlow fire or ambulance for dispatch services. That comes out of the police budget.
13. Bruce Schmidt asked about the stability of the staff regarding possible staff turnover.
14. Jeff Billings said that he does not expect to lose anyone and is comfortable where the staff is. He may add another part time person down the road. He has more control over full time employees than part-timers.
15. John Neal asked about the reference to 2 additional officers in the comments column under insurance.
16. Jeff Billings said that it reflected existing officers who just started taking the insurance.
17. Frank Heald said the number indicated should reflect the number of people participating in the plan.

E. RECREATION

1. Earl Washburn asked if they would operate the ice rink this year.
2. Howie Paul said yes. It is a service to the community.
3. Earl Washburn asked about the \$4,000 for concerts.
4. Howie Paul explained that the Chamber of Commerce had been running 2 concerts per week in Ludlow, but decided to only run one.
5. Earl Washburn suggested asking the Enterprise Fund for funds.
6. Frank Heald explained that the Enterprise Fund history is for capital funds.
7. Bruce Schmidt referred to the decreasing revenue for the summer program and asked if Howie Paul thought they are going in the right direction with that program.
8. Howie Paul said that the state recommends a ratio of 1:7. He noted that enrolment is down and the number of employees has also decreased. He added that the cost per employee has risen. They have increased weekly fees since the program began. Many of the kids get state subsidies. Our daycare is not licensed, so we don't charge fees for it. Regarding the trips, if we did not run trips, some of the kids would not get a vacation at all.
9. Bruce Schmidt asked about the winter skating program. Is it smart to continue the program when it costs \$4,000 and makes only \$3,000? That does not even include Howie Paul's time. It is not a good business model. It is a good program if the winter weather is right.
10. Howie Paul said that they don't charge Ludlow residents and the only income is from non-residents. They try to have two people there on the weekends. He does not know how long they will be able to continue to rent skates and have staff there.
11. Brett Sanderson suggested charging locals for equipment rental.
12. Howie Paul said that a lot of his rental equipment comes from residents who donate the equipment when they are no longer using it. They lost a lot of non-resident business to Jackson Gore.
13. John Neal said that with recreation, there are a lot of kids who need it, but may not be able to pay for it.
14. Bruce Schmidt said there are lots of kids from Mount Holly who use the facilities, more so than Cavendish. There is lots of money spent on after school programs and are we subsidizing Mount Holly students.
15. Howie Paul said that our after school program is for Ludlow Elementary School only. The Union 39 program includes the Mount Holly students. The fees for Ludlow and Mount Holly are the same for swimming at the pool.
16. Bruce Schmidt asked if funds were included for maintenance of the Dorsey Park field.

17. Howie Paul said it stayed the same. Homestead sent the bid and it will be about \$10,000.
18. Bruce Schmidt asked if they were comfortable with that. It is a nice field.
19. Howie Paul said the town does some of the maintenance at Fletcher Field. Homestead just sprays the weed control there.
20. Bruce Schmidt asked if they had obtained a letter yet from Homestead regarding the repairs that are supposed to be done at no cost to the town.
21. Howie Paul said he had spoken to Homestead today and the town will get a letter. He should have it for the next meeting.

F. INSURANCE

1. Frank Heald said that the CIGNA program, through VLCT, that they offered last year was open access with the C drug program and if became apparent that they were being penalized for the C drug program. There are changes to the A drug offering and deductible and co-pays. He is suggested using a high deductible with Health Savings Account (HSA) program. It is more viable. It allows employers to fund the HSA account. Paperwork must be in to VLCT by the 19th and VLCT has already been in to speak to the employees. Basically, the current program gross costs to the town and village are about \$404,000. In 2009, the same program would cost about \$511,000 – a 25.5% increase. If we migrate everyone to the new program, our costs will be about \$476,000. The HSA would be \$2,250 for a single person and \$4,500 for family of 2 or more. The town would pay into that savings account. The employee can draw from that account to pay for non-deductible items. What they do not use may be rolled over for medical expenses the following year. The down side is that the money is theirs on a non-tax basis and would be funded quarterly in advance. If the employee uses up a quarterly advance early, the town could advance the next quarter's funds. He does not want to fund the full account amount in advance in case an employee leaves their job.
2. Bruce Schmidt asked if the employee would take the funds when they left.
3. Frank Heald said yes. The employee is more in charge of what and how they are spending the money.
4. Bruce Schmidt asked if other towns are doing this. He wondered about advancing the funds and said that now; the town has control over the money.
5. Frank Heald said not all of it. This would also get the town out of the benefits determination part.
6. John Neal said that he has an HSA and it works well. You do have to be more aware of what you spend the money on. It should only be a health related expense.
7. Earl Washburn said he thinks it is a sound program. Deductibles will probably be increasing. He likes the idea of an HSA.
8. Frank Heald said that rates would also increase. Right now, HSAs are under priced. We will save this year.
9. Bruce Schmidt asked Frank Heald to try to run the numbers with the non-union staff.
10. John Neal said it is a good program.
11. Frank Heald said the VLCT person thinks it is a good program.
12. Bruce Schmidt asked if that was the same person who last year suggested CIGNA over Blue Cross/Blue Shield.
13. Frank Heald said that moving from Blue Cross/Blue Shield to CIGNA saved the town 20% for the last 2 years. Utilization is up, medical inflation is up and the state programs for Doctor Dinosaur and Catamount are costs that are paid by all of us.
14. John Neal said there might even be a different program next year. This is a good program.
15. Frank Heald advised that the Police Department contract calls for special notification. He thinks the town will migrate 80-85% of the employees willingly. They need to decide by the 19th of December. This should save the town money.
16. Bruce Schmidt voiced his concern that there are few limitations on how people spend that money and that they keep the money when they leave.
17. Frank Heald said that people are penalized by the state if the funds are not used for medical expenses. He suggests funding quarterly in case someone does leave.
18. Earl Washburn said that people have to show receipts to the insurance company for purchases.
19. Frank Heald said that forms are filed with the IRS regarding the expenditures. He thinks this program is better than what they are offering today.

3. Executive Session/Contracts/Personnel

- A. Frank Heald advised that an executive session was needed for contracts and personnel.
- B. **Motion by Bruce Schmidt and seconded by Brett Sanderson to enter in to Executive Session for Contracts/Personnel. Motion passed unanimously.**
- C. Board entered into Executive Session at 8:42 p.m.
- D. Out of Executive Session at 9:17 p.m.
- E. No action taken.

4. **Adjourn**

- A. **MOTION by Bruce Schmidt and seconded by Earl Washburn to adjourn. Motion passed unanimously.**
- B. Meeting adjourned at 9:18 p.m.

Respectfully submitted,

Lisha Klaiber

Howard Barton, Jr., Chairman

John Neal

Brett Sanderson

Earl Washburn

Bruce Schmidt

RESOLUTION
TOWN OF LUDLOW, VERMONT
BLACK RIVER HIGH SCHOOL
GIRLS & BOYS SOCCER TEAMS
DIVISION IV VT STATE CHAMPIONS

WHEREAS: The 2008 Black River High School Girls & Boys Soccer Teams won the Division IV Vermont State Championships on Saturday, November 1, 2008; and

WHEREAS: The Black River High School Girls Soccer Team remains undefeated in 2007 & 2008; and

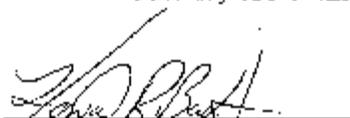
WHEREAS: The 2008 Black River High School Girls & Boys Soccer Teams have established a tradition of success and achievement in athletics; and

WHEREAS: The 2008 Black River High School Girls & Boys Soccer Teams displayed outstanding excellence in sportsmanship and preparation; and

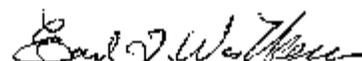
WHEREAS: The 2008 Black River High School Athletes and Coaching Staff and their accomplishments are a true credit to the school and community.

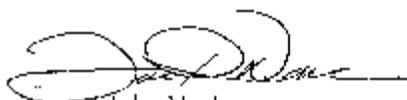
NOW, THEREFORE: The Select Board for the Town of Ludlow do hereby congratulate the 2008 Black River High School Girls & Boys Soccer Teams for their outstanding victories and the acknowledge the season-long support from the citizens of the Town of Ludlow, Vermont.

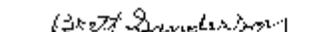
IN WITNESS WHEREOF, WE have signed this **RESOLUTION** officially and caused the Executive Seal of the Ludlow Select Board to be affixed this 3rd day of November, 2008.


Howard Barton, Jr., Chair


Bruce Schmidt


Earl Washburn


John Neal


Brett Sanderson