

**DRAFT MINUTES**

**TOWN OF LUDLOW  
SELECT BOARD**

**SPECIAL MEETING MINUTES**

**MONDAY, JANUARY 18, 2016**

**Board Members Present:**

Howard Barton, Jr.  
Logan Nicoll

Bruce Schmidt

John Neal

**Staff Present:**

Frank Heald

**Others Present:**

Ken Tofferi

Torin Tofferi

Ken Tedford

**Call to Order:**

- a. Howard Barton, Jr. called the Special Meeting of Select Board to order at 7:00 pm.
- b. MOTION by John Neal and second by Logan Nicoll to amend the agenda to include an executive session at the end. All in favor and the motion passed.

**FY 2017 Budget Workshop – Continued:**

- a. Frank Heald reported that the town budget is now less than 2.5% and the county tax remains the same.
- b. Frank Heald said when you include the Cemetery budget, which has an increase over \$10,000, the total percent increase over last year is 1.7%.
- c. Frank Heald said one area that helped to reduce costs was a fixed fuel price for next winter which took 10% off the cost of #2 fuel. He said propane is more difficult to fix.
- d. Howard Barton, Jr. said there is a big savings between last year's budget.
- e. Frank Heald said there were several "tweaks" bringing the town budget to 2.35%.
- f. John Neal said the goal was to get the budget to 2.5%, so this is good.
- g. Bruce Schmidt said the budget is pretty solid.

**Consider & Approve 1% Local Options Tax:**

- a. Howard Barton said they discussed the 1% local option tax at the last meeting and would need to decide how to disperse it, and if approved, put it on the ballot for voters to decide.
- b. Frank Heald said it would be worded in the warning. He said it would be up to the Select Board to make the decision and put it forth to voters at Town Meeting.
- c. John Neal asked if this would be by Australian ballot.
- d. Frank Heald said yes.
- e. Howard Barton, Jr. asked if we will need to know the percentage now or later.
- f. Frank Heald said now because the warning should be worded in a way that shows what to do with the money if approved, such as tax reduction in 2017.
- g. Bruce Schmidt asked if we recommend dedicating 45% toward tax reduction or 2 cents, how much will it raise.
- h. Frank Heald said he wasn't sure but if you use the figures from FY 2015 it would equate to \$262,000 raised from rooms, meals and alcohol.
- i. Bruce Schmidt asked if other towns go with a set percent or 2-cents.
- j. Frank Heald said you could consider a dollar amount and with the remaining going to infrastructure, or a set percentage. He said Killington dedicated the money to economic development, Middlebury used the money for a new bridge and Stowe was ambiguous in the warning so other agencies received a piece.
- k. Bruce Schmidt said if we go with a percent it would be easier to look at.
- l. Frank Heald said in off years you could put more into the tax relief or infrastructure, which will also provide tax relief, i.e. paving which would reduce the budget.
- m. John Neal asked under sales, what is taxed and what is not taxed.
- n. Frank Heald he is still trying to connect with the tax department on the options (gross, retail, use, which doesn't apply) to answer questions, but has been playing phone tag.

- o. Torin Tofferi said he looked into this and the published release from the state indicates some goods aren't taxed such as soft goods or essential clothing, but ski boots and running shoes would be taxed. He said between the sales, meals, alcohol some towns have opted in and others have not.
- p. Frank Heald said there is no choice on sales but we can do rooms, meals or alcohol or all three.
- q. Ken Tofferi asked how much the State of Vermont will take.
- r. Frank Heald said the state will take 30% plus transaction costs, so we are looking at 70% of the 1%.
- s. Bruce Schmidt questioned if we are better off saying 50% will go to tax relief and 50% will go to infrastructure because it's an easy figure and voters would understand.
- t. Frank Heald said that soon we will have to pay for the local share on Walker Bridge and could bond similar to what we did with the Public Safety Building.
- u. Bruce Schmidt said an easy way to explain would be ½ to tax abatement and ½ to infrastructure.
- v. Howard Barton agreed it was a good idea.
- w. John Neal asked those in attendance how they felt from a retail standpoint.
- x. Torin Tofferi said this will have an impact on sales. He said it is easy for a customer to purchase in NH rather than spend in Ludlow due to our proximity. He said he is dealing with race services with expensive, low margin product. He said it is harder for people in town to spend money in Ludlow when we are so close to NH, so he doesn't want to see another tax rate that would drive people away.
- y. Torin Tofferi added that customers who are here part-time find it easier to drive to NH vs. locations such as Stratton or Stowe.
- z. Bruce Schmidt asked who else can compete with your business with product and expertise other than Loon or Waterville.
- aa. Torin Tofferi said there is an online tech presence that will have an impact. He said he hates to penalize a customer who purchases snow sports equipment with higher taxes because it makes the sport less attractive and feels this is an insult.
- bb. Torin Tofferi asked Bruce Schmidt what was the mountain's perspective is on the 1% option tax.
- cc. Bruce Schmidt said Ted Reeves would be the contact to talk with as he would like to stay somewhat neutral. He added that the mountain feels this may not be as impactful and is in favor of spreading it out to keep taxes lower. He said it is an option but he is neutral.
- dd. Torin Tofferi said another concern is a worker who is earning a low wage and has to purchase lunch will have to pay more. He said that tax now goes from 9% to 10% and penalizes a large percentage of the workforce at a time that it is already difficult to find labor in general.
- ee. Howard Barton, Jr. said property owners will see more savings in their taxes.
- ff. Torin Tofferi said most of his staff rents and doesn't feel the cost of rent will come down proportionately. He added that it is difficult for seasonal workers to afford to live in town.
- gg. Ken Tedford said that as a resident and taxpayer living here for the past 7-8 years he doesn't think it will have a significant impact on shoppers in town. He said \$1.00 from \$100 or from large purchases won't change the way people shop. He said the majority we see in town on the weekends are here to enjoy themselves and won't find it a significant expenditure. He added that the taxpayer burden will be reduced and added that the local option tax is overdue and should have been put into place 4-5 years ago.
- hh. Ken Tofferi asked if we will be taxed on vehicles.
- ii. Frank Heald said no because that is use tax.
- jj. Howard Barton, Jr. said 50% could go toward tax reduction and 50% toward infrastructure and will be put on the ballot for consideration.
- kk. Howard Barton thanked everyone for coming and for their input.

**Receive & Accept Town Financial Statements:**

- a. Howard Barton, Jr. said next on the agenda is to receive and accept the town financials.
- b. Frank Heald said there is a clean management letter.
- c. Frank Heald talked about the state pension plans that are mildly underfunded. He said there are 4-pages in the financials that describes how they arrived as our proportionate share that we will carry this on our balance sheet.
- d. MOTION by John Neal and seconded by Logan Nicoll to accept the town financial statement. All in favor and the motion passed.

- e. Frank Heald said the second piece is the single audit that is required with expenditures over \$500,000. He said there was a pass-through piece of business with Tuckerville. He said the single audit is clean with no issues.
- f. Motion by John Neal and seconded by Logan Nicoll to accept the single audit. All in favor and the motion passed.

**Set Date to Warn Town Meeting:**

- a. Howard Barton, Jr. said they need to set a date to sign the warning for Town Meeting.
- b. A special meeting date was set for Thursday, January 21, 2016 at 8:00 am in the Town Hall Conference Room.

**Enter into Executive Session:**

- a. Howard Barton, Jr. advised that an executive session was needed.
- b. Motion by John Neal and seconded by Logan Nicoll to enter into executive session. All in favor and the motion passed.
- c. Board entered into executive session at 7:46 pm.
- d. Board exited executive session at 8:00 pm.
- e. No action was taken.

**Adjourn:**

- a. MOTION to adjourn by John Neal and seconded by Logan Nicoll. All in favor and the motion passed.
- b. Meeting was adjourned at 8:01 pm.

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