

PRELIMINARY MINUTES

**TOWN OF LUDLOW
BOARD OF SELECTMEN/TRUSTEES**

SPECIAL JOINT MEETING

**MONDAY, JUNE 17, 2024
6:00PM**

HEALD AUDITORIUM

Select Board & Village Trustees Joint Special Meeting- Zoom Link

Meeting ID: 437 305 4865

Passcode: 255344

SELECT BOARD MEMBERS PRESENT:

Brett Sanderson	Scott Baitz	Justin Hyjek
Noah Schmidt	George Tucker, Jr.	

TRUSTEES PRESENT:

Bob Brandt, Chairman	Justin Hyjek	Julie Nicoll
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STAFF PRESENT:

Brendan McNamara	Ulla Cook
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OTHERS PRESENT:

Eric Alden	Lisa-Hamm Greenwalt	Judy Lushinks
Dean Alexander	Heather Kelly	Alice Nitka
Linda Alexander	Craig Kovalsky	Rebecca Prasse
Michelle Brandt	Carol Lighthall	Jean Strong
Aaron Galley	Jay Lushinks	Sherry Tucker
Andrea Goldman		

I. Call to Order

1. Brett Sanderson called the meeting of the Select Board to order at 6:00. Bob Brandt called the meeting of the Trustees open at 6:00 p.m. Brett Sanderson led with the Pledge of Allegiance

II. Consideration of any Changes, Additions or Removal to the Agenda.

1. No changes were needed.

III. Discussion of the Village and Town Merger Process

1. Brendan McNamara said that this has been discussed by both boards and it is felt that merging the Town and Village is the best option for the Municipality. There are pros and cons. We will be holding multiple meetings to get public input, receive and answer questions. He said the Town of Johnson recently looked into merging the town and village. He said that his personal opinion is that this would be good for Ludlow. The redundancy at the administrative level is a burden. He thinks that they should find an outside counsel to guide us through the charter process. This would not necessarily be our current town counsel. He said there are 2 entities - Ludlow Electric and the Water/Wastewater Department. The Electric Department would not need much in change. The people who are not on the Water/Wastewater system would ask why pay for services they are not receiving. In Cavendish, if you are not on the system, you don't pay. This will have to go on the ballot. The decision whether to put it on the ballots, lies with the Select Board and the Trustees.
2. Alice Nitka said she does have some concerns about the Sewer and Electric services. If the town towns the sewer plant, will it be equal to get on the service. Who would be eligible. It could have a massive impact on development. There was a lot of concern about Jackson Gore. Will individual home owners who were told they could not get on the service, will they be allowed now. Would all people who want to get on the sewer be able to. She said that years ago, people on South Hill had CVPS as their electricity provider. Will they now be able to get Ludlow Electric. Another big concern is too much power in too few hands.
3. George Tucker, Jr. said that a couple of years ago, the town received a grant to pave the access road. The Village did not receive a grant. This year, again, the Village did not receive a grant. If the town and village had merged, they would have received enough money to pave the entire road.
4. Michelle Brandt asked what the concerns for the village residents are.
5. Brendan McNamara said that the concerns are manageable. The Water/Wastewater costs for people. At some point we will have to draw the line on additional services. We will reach capacity. We do not have the capacity to pump from the lakes. The drawbacks are unknown. He said that on the administrative side, bills and payroll must be split. He said that dealing with FEMA was tough. Damages had to be reported separately, for the work in the town and work in the village. If we merge, day to day operations, people would not know the difference. We had to have 2 ARPA meetings. This will streamline operations. He said that he does not think that the Town or Village would lose anything. Day to day services would be the same.
6. Andrea Goldman said that the entire town would benefit and it makes sense. Now, we must have accounting and auditing for 2 entities. We must have a Town meeting and a Village meeting. We must separate legal and staff between the town and village. Concerning too much power in too few hands, she said that she agrees. She countered with - now there are 3 people controlling the Village. What happens in the village impacts the entire town. We all benefit from the village. She would rather see one large, single board and remove the power from just 3
7. Eric Alden said the issue of the Wastewater plant - they have plenty of volume and probably room for growth. Regarding power, by State statute, these boards can increase the number of members.

IV. Discussion Regarding Local Options Tax Structure and Process

1. Brendan McNamara said that this issue can be polarizing. There are pros and cons and there are reasons to explore. He said it is paramount to get public input. It will help offset the tax base. We have some huge purchases coming up. It is up to these 2 boards to decide if this issue will go on the ballot. We could end up with a local options tax in the Town and not the Village, in the Village and not in the Town, in both or in neither. These boards will meet to discuss the benefits and detriments. A municipality may choose to levy a local option tax on 1) meals and alcohol; 2) rooms; and/or 3) any items subject to sales tax. The state takes 30% of the local options taxes that

are collected by the towns. The money can be earmarked for specific projects. It is not wise to put the funds into the general budget. We have some major infrastructure projects coming up. If we do not have these funds available, the projects will be put into the general budget and we will have to bond to pay for them. We could use funds from a Local Options tax to pay for them. We will continue to meet and receive public input on this. Nothing is pushing this except for what is best for the Town and Village.

2. Lisa Hamm-Greenwalt said that we are way over taxed in this state. The legislature just passed at 14% property tax increase today. It is nice that we can do a Local Options tax, but we should not tax because we can. It feels like you are reaching into our pockets. What would we use the money for. The timing for this is not good with the property tax increase.
3. Alice Nitka asked what is considered "Retail." Benson's, Aubuchon's, clothing. Is it limited.
4. Justin Hyjek said some towns have excluded certain items, such as propane, fuel oil and groceries.
5. Brendan McNamara said no vehicles. He said it is 1% in addition to the State 6% tax, unless the town excludes something.
6. Justin Hyjek said in 2018 there was talk about taxing winter gear. Why would we do that when people could go to Killington and get the same item without the tax.
7. Alice Nitka said that Aubuchon's is struggling against the big box stores. We want to keep them in town. Would it be worth it to lose them?
8. Brendan McNamara said it would be about \$650,000 if we taxed every item that would be eligible.
9. Alice Nitka said Rooms/Meals - Ludlow is not in great shape due to the flood.
10. George Tucker, Jr. said the recent flood caused big expenses for the town. The dams need major work - amounting to about \$40,000,000 and we would be responsible for 25% of that. If we can't find the \$11,000,000, we will have to add it to the budget and bond it. He said there are people who don't pay property taxes, this would be a way for them to help.
11. Andrea Goldman agreed that we are in dire need of money and it will be paid by the taxpayers. She asked if the tax includes Air B&B, other Short-Term Rentals (STR) and what goes on on Okemo and also the EPIC passes. We need an analysis of what the potential numbers would be for Ludlow's portion of an options tax. What would it do to our taxes? Our taxes should be decreased. We need specific numbers.
12. Justin Hyjek said that if the STRs are paying taxes to the state, the state would know if they are paying a local tax.
13. Noah Schmidt said that local taxes would apply to EPIC passes. He said he thinks that \$650,000 is low.
14. Justin Hyjek said that he thinks they should form committees to explore merging the town and village. He asked if both the town and village pass the local tax, does that mean there will be 2% on the Village. And, if the Town passed the tax and the Village did not.
15. Brendan McNamara said no to the 2%. He said if the town did pass the tax and the Village did not, the tax would apply to purchases outside of the Village.
16. Justin Hyjek said they should form a separate committee to explore the Local Options Tax.
17. Brendan McNamara said if the boards do want to form committees, he will serve on both.
18. Justin Hyjek said that drafting the charter will be tough.
19. Brendan McNamara said he has been doing research on which attorneys are experienced in drafting charters.
20. Rebecca Prasse asked if they can apply a tax to Meals and Rooms, can Alcohol be separate.
21. Brendan McNamara said he thinks they are bundled.
22. Dean Alexander asked if this will be a town vote.
23. Brett Sanderson said it would be voted on by both the Town and Village.
24. Dean Alexander said it is important for people to know where the money would be used. When the lottery was started, it was for education, but then they took it away and used it elsewhere. He doesn't want to say it is to offset property taxes, then down the road it is just a tax. He likes the

idea of using it for the dams, but when the dams are done, the tax should go away. People are leaving this state because of the taxes. If passed, the use should be designated and when that is done, the tax should go away.

25. Noah Schmidt said that Killington did have a Local Options tax and no longer does. A town can discontinue the tax. We need to know where the money will go.
26. Carol Lighthall said she likes hearing public engagement and the Chamber will help get the word out about meetings.
27. Eric Alden asked if we can get real numbers. He said that most of the commerce in Ludlow is for the 4 months when the tourists are here. Can we really say that the tax is being paid by visitors. What would the tourism portion of the \$650,000 be? Vermont has a high-income tax and property taxes. He said that the Town needs to do a better job getting word out about these meetings.
28. Justin Hyjek said the vote would be in November - state level.
29. Michelle Brandt asked if the tax were on Rooms and Meals, what about STRs?
30. Noah Schmidt said they do pay taxes.
31. Brendan McNamara said the \$650,000 is just a number that was thrown out. If we form a committee, they will get the actual numbers to give to people.
32. Eric Alden asked if the town is allowed to earmark specific uses for the tax.
33. Brendan McNamara said yes, we can designate specific uses. He said that some towns do use it to offset the tax rate. This board has specific projects and when completed, can rescind the tax. We will not put it toward the tax rate. He said if committees are formed, there should be at least 2 board members on each committee. He said he will do public outreach to find other members for the committees. He asked Board members who would like to be on which committee:

Merger Committee

Justin Hyjek

Brett Sanderson

Local Options Tax Committee

Julie Nicoll

George Tucker, Jr.

34. Noah Schmidt suggested they also reach out to Ludlow Electric and the Water Commissioners to have a member on each committee.

V. Review and Adoption of Local Emergency Management Plan

1. Brendan McNamara said that towns are required by the State to submit a Local Emergency Management Plan. It really is not a plan, but a contact list for all people who would need to be contacted in case of an emergency. Some changes have recently been made including Fire Chief and Ludlow Electric contact.
2. **MOTION by George Tucker, Jr. and seconded by Noah Schmidt to approve and adopt the Local Emergency Management Plan as edited. Motion passed unanimously.**

VI. Select Board to Discuss New State Child Care Tax Contribution & Decide on Possible Payroll Withholdings

1. Brendan McNamara said that this had not been sent to towns, but it takes effect July 1, 2024. All employers will pay a payroll tax of 0.44% on employee wages that are subject to Vermont income tax withholding. The employers have the option to withhold up to ¼ or 0.11% of the tax from the employees' paychecks. The full 0.44% would be \$6,050.00 semiannually or after taking out the 0.11% from employees it would be \$4,550.00 semiannually.

2. George Tucker, Jr. said that we have just given the employees raises and for this small amount, he suggested that the town cover the entire 0.44%.
3. **MOTION by George Tucker, Jr. and seconded by Scott Baitz for the town to pay the entire 0.44% Child Care Taxes. Motion passed unanimously.**

VII. Adjourn

1. **MOTION by Justin Hyjek and seconded by Scott Baitz to adjourn. Motion passed unanimously.**
2. Meeting adjourned at 6:53 p.m.

Respectfully submitted,

Lisha Klaiber

BOARD OF SELECTMEN:

Brett Sanderson, Chairman

Noah Schmidt

Scott Baitz

George Tucker, Jr.

Justin Hyjek

TRUSTEES:

Bob Brandt, Chairman

Justin Hyjek

Julie Nicoll