The Meeting of the Board of Selectmen held on Tuesday, November 30, 2021 began at 5:30 p.m. Remote participation due to COVID-19.

Members Present: Derek DeBarge, James Gennette, Antonio Goncalves, William Rosenblum and Manuel Silva.

First Order of Business: The Pledge of Allegiance

Visitations:

5:30 p.m. – Continuance Tax Classification Hearing, Joe Alves, Assessor

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Mr. Rosenblum: We have a visitation tonight which is a continuance, the 5:30 continued tax classification hearing, and this is a continuance. Do we need to reopen, no? You want to come up? How are you sir?

Mr. Alves: Not bad.

Mr. Rosenblum: Could you state your name and title, please?

Mr. Alves: Yes, my name is Joe Alves, I'm the Town Assessor and we are here for the fiscal '22 tax classification hearing. So fiscal '22 is an interim update year, the work was completed and has been approved by the Department of Revenue. Fiscal year '22 values are at as of 11/21 are based on sales between 11/19 and 12/31/20. Our current assessment level is approximately 99 percent, the DOR allows assessments levels between 90 and 110. Just to touch on that we were normally at 94,95 but due to the market conditions that has raised the table a bit which is, not at comfort levels be at 99 percent, quite honestly. The 95 gives you some room to wiggle up and down but the sales definitely pushed that up. The value increases as a result of the interim adjustments by approximately 3-6 percent the total evaluations of the town increased by 6.2 percent. The new growth increased by approximately 7.3 percent from $538,861 last year to $578,193 for fiscal '22. The minimal residential factor is 87.261. Now the tax levy has increased by $396,224 roughly .9 percent from $46,315,881 for fiscal '21 to $46,712,106 in fiscal '22 which is 1.147 million dollars, roughly 2.4 percent below the maximum allowable levy to 47,859,958. What that means is we have room to wiggle this year and to spend money, last year we were very close to that limit. I believe it was twelve thousand Kim? We were really pushing the limit on our spending and the budget. But through budget proceedings credit to town manager and town accountant to get us down to this number which is a good position to be going forward. The tax rate at 100% will be $19.99 compared to last year's $21.08 that's a reduction of $1.09 so a 5.2 decrease from last year. Under the current classification rate of 100% the average single family tax bill will increase by $55.00, roughly 1.1 percent from the average of $4,976 last year to $5,031 this year. The average commercial tax bill will decrease by $67.00 which is roughly .6 percent from $11,000 last year to $10,833. Any attempt to shift more of the tax ... residential to the commercial industrial and personal property classes will result in a significant increase to the commercial taxes since these classes comprise only of 20 percent of the total value of the town. The impact on any further shift illustrates on the Tables 2 & 3 will explain this a little further. Due to this proportion of increase created by imposing a split rate the Board of Assessors strongly recommends keeping the classification rate at a hundred. Do you guys have any questions? Any thoughts?

Mr. Goncalves: Ah, just a question before we go on. Mr. Chairman?

Mr. Rosenblum: Mr. Goncalves.

Mr. Goncalves: The new growth increased by 7.3 from 538 to 578, what does that new growth comprise of, what's that...?

Mr. Alves: So, so, so those are final tax dollars that comprise for any new building, any new construction that we had in town. New growth has to be, let's say an addition is a new growth a kitchen renovation is not, um so on those lines. New buildings, new homes, you know, anything brand new is part of the growth.

Mr. Goncalves: Do you have an idea how much or rough ballpark percentage of that 578 is commercial?

Mr. Alves: Probably, along with our rate 80 percent of that is residential 20 probably commercial.

Mr. Goncalves: So, so like for instance the Kentucky Fried, the med Med Ex, the ... way is only about $100,000 of this?

Mr. Alves: Ah, yeah you know, we also going back a year in assessment as of 1/1/21 some of that wasn't 100% finished yet but it's starting to catch up so that's good growth coming in from that area.

(?): For the next year?

Mr. Alves: Yeah, next year you'll see the full amount of taxes from them.

(?): Oh great, ok.

Mr. Alves: Its very little construction, commercial, when you compare to the residential in town. I mean the residential construction in town is just, you know, is pretty healthy. It's phenomenal, actually.
So, if you go to page 2 kind of gives you a lot numbers, I'm just gonna focus on a couple here.

Mr. Silva: Hold on...

Mr. Rosenblum: Mr. Silva

Mr. Silva: Before we go forward, we have to go back to the tax levy.

Mr. Alves: Ok

Mr. Silva: You kinda represented that we have 1,147,000 of allowable, that is not what we have allowable. That is the maximum levy that we would have been done if we had levied each and every to form max. We cannot go to that. We can only go to the 47,712, so the max, the levy that we have, um is probably according to your figures here are four hundred thousand, only. Not the one million one four, I don't want people to be misinformed that we could go up to that. That's in fact not true. Right?

Mr. Alves: Yes.

Mr. Silva: Yeah, because um, so that they know that is not allowable. Where it says, you know 2.4 below maximum allowable levy, that's in fact not...

Mr. Alves: ...

Mr. Silva: I just want people to realize that...

Mr. Alves: That we don't' have that money spend

Mr. Silva: Right, that we could not go anything above that $46,712,146 would put us over the levy capacity and we'd have an unbalanced budget, so we have to stay within that. Okay.

Mr. Alves: So, yeah on page 2 I'm just gonna focus on some of the bigger numbers here and the average single family tax bill is $5,031 last year was $4,976 so that's a very minimal increase, and again that's all about the budget proceedings that we have done to really hone in on that. The commercial bill the average is $10,933 and that's down a little bit from last year, so the commercial bill did go down, but again that could be a little misleading as well but at the end of the day their bills did go down. On table 2 the rate shifts down below will give you a percentage rate of what would happen if you do decide to split on an increment of any sorts. It kind of plays it out on what would happen to the tax bills. So, we can just go on table 3 the impact of a shift so we see real dollars for it to shift to 1.05 meaning putting 5 of that percent over to commercial. The tax bill for residential will be down $63 but in turn the commercial will go up $547, that would be the minimum shift we could do. You can see any more of that shift how it kinda really impacts um you know the taxes for the business there.

Mr. Debarge: Very unequal.

Mr. Alves: Ah, its misleading too because you know our town is residentially heavy so the residents really pay the bills here, commercial have a small percent of that umm, you know so its uh, I don't think the first 1.05, that's not a big deal it's when you start going down 10,15, 1.20 that's when it starts to really tax businesses if you guys were to vote in that direction.

Mr. Rosenblum: Anyone else have any questions or comments? Yes, Mr. Silva.

Mr. Silva: So, umm its good information residential we don't have anything on the minimal, I mean the uh resident exemption?

Mr. Alves: Ah no, the minimal residential exemption? No, we do need a vote on that today.

Mr. Silva: Yeah, but we don't have any information.

Mr. Alves: No.

Mr. Silva: And as well as the smoke commercialism.

Mr. Alves: No, I don't think I gave you guys a print out. I think it's sitting on my desk. Can I go grab it?

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Mr. Silva: Not if they need it, ah I mean I'm...as everyone pretty much knows some of these things some of these gentlemen might want to see what happens with a minimum residential factor where we can shift some of the tax burden to the upper end, uh assess values to give the break to the lower end. It's, by doing that you give the lower income some relief but it's burdened by the umm by the higher valued properties. So, it'd be nice to have ah something that shows...

Mr. Debarge: We'll go get copies of something

Mr. Silva: If you wanna see it, I mean I pretty much figured it all out myself and I pretty much know what is going on so...

Mr. Alves: We should spell it out before the Board votes, I think?

Mr. Silva: Yeah, I think they should have some information as well as the small commercial, which the small commercial again is a shift within the commercial only given a break to...and what you can do, you can actually um have um shift to commercial properties but then you can also give an exemption to the smaller commercials so they don't get a burden as much as the upper end.

Mr. Alves: On the residential exemption, would that put any burden on rental properties?

Mr. Silva: Rental properties will be exempt from it. These, the residential is exactly what it says, residential. You must reside in it, it cannot be a second home and it cannot be rented. That would a...would be paying for the warrants.

Mr. Alves: ...to be shifting tax dollars from the lower class to the higher class. I'm thinking the small commercial exemption the reserves are slightly different but commercial properties are occupied by businesses with an average annual employment of no more than 10 people an assess evaluation of a million, so, that's a small, and again if they qualify that goes to the larger businesses.
So, the first bill would be to either do a single tax rate or the split tax rate.

Mr. Rosenblum: Is there any public comment?

Public: Well, I'm here to ask, my name is Grace Garony I represent the DRC Five Town Chamber of Commerce and we are representing our Ludlow businesses and we're asking for a single tax rate. It has been a challenging year, couple of years and with the cost of doing business, shortage of employees, shortage of product and rising cost of product this would be one more burden that for so many it may not be something they could accept and continue to do business. And when our businesses are doing well, we do give back to the Town umm you know if it's supporting our youths, if it's supporting concerts in the park, scholarships, back to the high school, that's all part of what the businesses give back to the

community and usually if I'm not mistaken, I think when they do with split rate they do recommend when your business population is 20% or more is when the split rate works out better. So, I'm just here to ask again on behalf of businesses that we consider keeping it at a single tax rate this year um and taking into consideration the burdens that they have endured, it hasn't been business as usual for the last 20 plus months.

Mr. Rosenblum: Thank you, Mr. Silva?

Mr. Silva: ...to your point, our business is twenty point I think, three or four percent of the total value so it's getting close and it's getting up there to that threshold that people look at; yes, we're getting up there. Most of our communities and cities they have thirty to forty percent which the burden doesn't shift quite as much but we are getting up there, I don't know Joao did we go up this year, in percentage? I don't have last years, hm?

Mr. Alves: ...nineteen, I think last year.

Mr. Silva: So, we went up to twenty percent and in fact the commercial is going down this year.

Mr. Alves: Right.

Mr. Silva: ...in taxes. And that's just an average of ahh, was it $67?

Mr. Alves: Yeah, up to $67 less.

Mr. Silva: So, they are getting a break this year, going down and I don't know, I mean you'll have to look at the analyzing of, did commercial values go up or did they not go up like residents' that is something that the assessors would have some kind of knowledge about but umm it did come down this year so, and the average was, I'm sorry Joao, the average commercial value was what?

Mr. Alves: The average commercial value was $546,900.

Mr. Silva: So, five hundred thou... twenty...so a million actually is going down a couple hundred dollars almost.

Mr. Alves: Yeah

Mr. Silva: Which is, I'm sure one's its good with residents, commercials going down every each and every other ...

Mr. Goncalves: Chairman, may I.

Mr. Rosenblum: Mr. Goncalves.

Mr. Goncalves: The people have to look at the fact it is an average and if it was ten businesses that opened up with a $300,000 evaluation that's going to drive the average down. So, I think if we looked at a means instead of the average it could paint a different picture but the average is kind of unfair because you can factor in a lot of smaller businesses and it's going to bring the average down doesn't necessarily mean everybody is getting a break across the table.

Mr. Alves: Your larger entities like, you Eversource, Eversource Cast, Sprint that's who would feel most of the burdens. Not so much your local shops. You know, from my...a single rate is nice but as a Board, the Selectmen need to think, how much burden do you want to put on your residents? Ludlow residents absorb a lot for the town as well. I think they are grateful but they are also at a, just like the businesses, they are at a stress point. So, you know, when is it time to break away.

Mr. Goncalves: I think a lot of times we think of the businesses as an inanimate object of sorts but the line chair businesses in this town are owned by people that live here also, so it's not shifting the burden to a business is shifting it to somebody else, to another person that lives in town that probably has a resident and a business. So, you know, they are gonna, they may save a little here but they are going to get hit on the other side.

Mr. Alves: Yes, absolutely.

Mr. Goncalves: And being small businesses in this town even that small shift is a lot of money.

Mr. Alves: It is, and I can tell you over the years, even without COVID, let's say we had a hundred new businesses in town fifty of those would disappear by your end, meaning they wouldn't just succeed after three months. So, you know that's a good gage to see what you do to smaller... the smaller business are the ones that would suffer the most. The larger ones will be fine they can pass on the buck to another person. But to your point, most of our businesses are local, they own locally the workers in there are from town so you kinda gotta do a double think there.

Mr. Goncalves: Which helps the value of everybody's home in town makes it a more desirable place to live and that's why we saw the spurt in residential property going up so much in this community it went everywhere but Ludlow especially had a really good run and increase in property values because it is a great place to work and live, both, you know.

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Mr. Rosenblum: Yes, sir

Public: May I speak?

Mr. Rosenblum: Could you state your name, please?

Public: My name is Michael Lentowski, I live at 69 John Street, Ludlow since May 18, 1953. I started of as a Campaign Selectmen...

Mr. Alves: So, we need the three motions and the votes needed today.

Mr. Debarge: Mr. Chairman

Mr. Rosenblum: Mr. Debarge

Mr. Debarge: I will say this Joao, since I've been on the Selectboard we've always discussed the split tax rate. I know I have always asked about what you think about it and obviously what Mr. Silva thinks about it, the twenty percent is an interesting thing I think if in a better climate to your point ma'am it may be time to have a more in depth conversation about that but I don't think at least for this time that it would be prudent to put and I totally agree with Tony, Mr. Goncalves, a lot of these businesses...I mean up and down East street the small businesses they're all residents, they all live here. So, the burden really wouldn't be pushed back on them, I couldn't agree with that more. I know the way I would go is to keep it at a single rate and I appreciate this information. That's all I have.

Mr. Rosenblum: Thank you.

Mr. Rosenblum: I, myself I'm where we stand with this and I understand as we talk about the different the average evaluations with the commercial, with the CIP is that, I think what it does it actually down the road could help with a split rate, more is it, we are still attractive to business outside of the town. Do I think we are close, yes but I think if we attract more business in and we raise that percentage and then it gets us even closer to a split tax rate. That's just the comment I have.

Mr. Roseblum: Does anyone have anything else? Or does anyone want to make a motion on the first one?

Mr. Gennette: Mr. Chairman

Mr. Roseblum: Mr. Gennette

Mr. Gennette: I just kind of wanted to resonate with kind of what Derek said, you know, I don't think we can really put pressure on, currently right now I'm kind of a single tax rate, I don't know if I really like the split yet, I don't have enough knowledge about this currently to be able to make an informed

decision about it. I'd like to do a little more research on it. I don't know if I would make any kind of decision for myself today.

Mr. Roseblum: Mr. Silva

Mr. Silva: Just to, for more knowledge, the problem with splitting rates is that you have a lot of rental properties and once you split rates the taxes go up so the property owner actually, this is what they do, they just pass it on to the least whatever renter whatever they have and it makes the rentals a little higher, you have high rent you also have vacancy, when you have vacancy your income approach to value also decreases. So, it's kind of a catch 22, yes, you'll benefit on one end but it comes off on the other end because suddenly your property might devalue a little bit cause your tax rate is higher and your cap rate changes. So, it is a difficult thing to do, yes, the residents will get a little bit of savings however is it costly down the road. As we know, there are several communities, well no, not communities, I believe there's mostly cities I've done; Agawam, Chicopee, Springfield, Holyoke meanwhile they all have split rate but they do have a high commercial base, so and I agree with the situation that's happened with covid and businesses struggling right now probably not a good idea at this time.

Mr. Silva: So, Mr. Chairman.

Mr. Roseblum: Mr. Silva

Mr. Silva: I make a motion that we do not adopt a residential exemption.

Mr.Goncalves: Second.

Mr. Silva: Now that's residential exemption, mind you.

Mr. Goncalves: Right.

Mr. Roseblum: Motion has made in Second, all in favor?

Mr. Debarge: I
Mr. Goncalves: I
Mr. Gennette: Abstain.

Mr. Roseblum: Motion carries 4-0 with 1 abstain.

Mr. Silva: Mr. Chairman

Mr. Roseblum: Mr. Silva

Mr. Silva: Make a motion that we do not adopt a small commercial exemption.

Mr. Goncalves: Second.

Mr. Rosenblum: Motion has been made and seconded. All in favor?

Mr. Silva: I
Mr. Debarge: I
Mr. Goncalves: I
Mr. Gennette: Abstain

Mr. Roseblum: Motion carries 4-0-1.

Mr. Silva: Mr. Chairman

Mr. Roseblum: Mr. Silva

Mr. Silva: Make a motion that we adopt a minimum residential factor of 1.

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Mr. Debarge: Second

Mr. Rosenblum: Motion has been made and seconded. All in favor?

Mr. Debarge: I
Mr. Goncalves: I
Mr. Silva: I
Mr. Gennette: Abstain

Mr. Rosenblum: Motion carries 4-0.

Mr. Goncalves: Mr. Chairman, I make a motion we close the public hearing at 5:59 p.m.

Mr. Debarge: Second

Mr. Rosenblum: Motion has been made and seconded. All in favor?

Mr. Debarge: I
Mr. Silva: I
Mr. Goncalves: I
Mr. Gennette: I

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CORRESPONDENCE

231. Department of Public Utilities Department of Telecommunications and Cable Regulator Bulletin – advising preparations are being made in response to weather-related outages and downed wires across the Commonwealth.

Moved by Mr. Goncalves, seconded by Mr. Debarge to file. Vote 5-0. All in favor.

232. Sewall Top Car, LLC – New Class II Motor Vehicle License – Board to schedule a hearing.

Moved by Mr. Goncalves, seconded by Mr. Rosenblum to schedule a hearing for Sewall Top Car, LLC for a used car license. Vote 5-0. All in favor.

233. Moved by Mr. Goncalves, seconded by Mr. Debarge that we put the application for Jorge Laires for property located at 244 Hubbard Street on Town Meeting in regards to his application for zone change from Residential B to Business B and to forward it to Planning Board for action. Vote 5-0. All in favor.

234. Daniel J. Valadas, Chief of Police – advising the Board of the annual Christmas Food Drive being held on Saturday, December 4th from 9:00-12:00 p.m., weather permitting.

Moved by Mr. Goncalves, seconded by Mr. Debarge to file. Vote 5-0. All in favor.

UNFINISHED BUSINESS

Moved by Mr. Debarge, seconded by Mr. Silva to approve and sign the Raymond Haluch, Inc. gravel bank permit. Vote 5-0. All in favor.
Moved by Mr. Silva, seconded by Mr. Gennette to approve and sign to change the Health Insurance co-pays from Town 81%/Employee 19% to Town 78%/Employee 22% and add a 1% increase to their base pay for non-union employees. Vote 5-0. All in favor.

Moved by Mr. Goncalves, seconded by Mr. Debarge to implement the change for the percentages on the health insurance and the 1% increase for non-union employees to become effective July 1, 2022. Vote 5-0. All in favor.

Moved by Mr. Debarge, seconded by Mr. Goncalves to approve and sign the Executive Session Minutes of October 12, 2021 with Mr. Goncalves, Mr. Silva and Mr. Debarge present. Vote 3-0-2. All in favor.

NEW BUSINESS

Perused the Executive Session Meeting Minutes of October 19, 2021.
Perused the Executive Session Meeting Minutes of November 9, 2021.

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BOARD UPDATES/MISCELLANEOUS

American Rescue Plan Act (ARPA) Funds Updates:
Mr. Rosenblum beware that some items may incur an audit.

CLOSING COMMENTS

Mr. Debarge: Hopes all had a good Thanksgiving; agreed to the audio was bad and hope it improves; looking forward to lighting up of the Town Hall for Christmas.

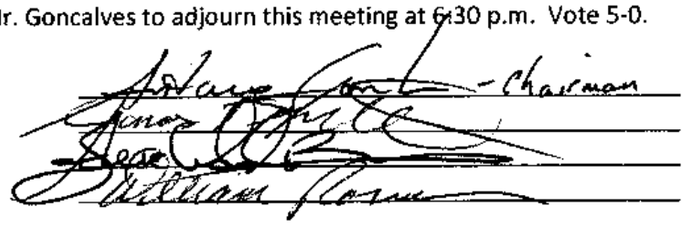
Mr. Gennette: I have nothing at this time, Mr. Chairman. Thank you.

Mr. Silva: Reiterate what the Classification did, stating that a $55 increase is a small increase compared to some communities with much higher tax increases. Reminding residents that the Town of Ludlow is looking out for everyone as much as possible and trying to keep the taxes as low as possible and continue with our services.

Mr. Goncalves: To follow up to Mr. Silva's discussion, there was potential for upward of a $2 rate increase over a period of two-three years yet the Board has done great cutting back expenses and by comparison to other communities, the Town of Ludlow is still a couple of thousand dollars less and that's a tribute to everybody inside Town Hall tightening their belts and making Ludlow a great, safe and affordable place to live.
On another note, the Better Business Bureau frontpage shows big scams, such as gift cards for Christmas, buy one get one, 25% off, must be really careful with these promotions. Also, beware of phone calls regarding delivered packages and most recently, scams involving completing surveys. Be careful and be safe.

Mr. Rosenblum: Continues discussion on scams speaking of a personal experience, and reminding everyone that on Facebook if you get a second friend request from an already friend or family member not to accept before looking further into it because they have been hacked.
Going back to tax rates, stating people get hung up on tax rate, but again you have to look at the bigger picture to as to what your tax bill is and states, I think we are in a good place but there could be a date where we go split rate because we are a very attractive place for businesses but we are a very tight residential. Hopes everyone had a great Thanksgiving.

Moved by Mr. Goncalves, seconded by Mr. Goncalves to adjourn this meeting at 6:30 p.m. Vote 5-0. All in favor.



Ludlow Board of Selectmen

All related documents can be viewed at the Board of Selectmen's Office during regular business hours.