

HUDSON, NH BOARD OF SELECTMEN
Minutes of the October 18, 2011 Budget Review

1. CALL TO ORDER - by Chairman Jasper the meeting of October 18, 2011 at 7:00 p.m. in the Selectmen's Meeting Room at Town Hall.

2. PLEDGE OF ALLEGIANCE - led by the Road Agent Kevin Burns.

3. ATTENDANCE

Board of Selectmen: Shawn Jasper, Roger Coutu, Rick Maddox, Ben Nadeau (arrived late at 7:02 p.m.), Ted Luszey

Staff/Others: Steve Malizia, Town Administrator; Donna Graham, Executive Assistant; Kathy Carpentier, Finance Director; Kevin Burns, Road Agent; Mark Pearson, Assistant Town Administrator; Gary Webster, Town Engineer; Lisa Nute, IT Director; Bernie Manor, Chairman Sewer Utility; Leo Bernard, Chairman of Water Utility

4. BUDGET PRESENTATIONS

Highway (5515, 5551 to 5556)

Chairman Jasper called forward the Road Agent.

Good evening. Mr. Burns indicated he would give his very brief opening statements annually. Overall my budget, including salaries, is down \$80,000.

Chairman Jasper started on page 1 of your tab, which is Highway facility. That is exactly level funded. Questions on page one? I'll note for the record that Selectman Nadeau has braved the traffic across School Street and arrived at 7:02 p.m.

Selectman Luszey had a question and I'm not sure where to bring it up. Based on our conversation on the waste contract - I think it was at our last meeting - I received a number of phone calls that expressed...Chairman Jasper said if it's about that, we will get to solid waste. When we get there, we'll discuss it. This is on questions on facilities.

Chairman Jasper turned to page 3. That area is up about \$12,132. Any questions? It looks like the increase is due exclusively and then some to insurance benefits.

The only question Selectman Coutu had was line item 122. I just received an explanation from the Finance Director. The line item went from \$26,000 to \$51,000, which is almost a 100 percent increase. I guess you have one person left and you have a flex person coming in. Ms. Carpentier said it was vice versa. A flex person was replaced by a person taking full insurance. Chairman Jasper indicated that you can see that the flex went down by \$12,000. Selectman Coutu said that would affect the budget by \$25,000? Selectman Nadeau stated if they took the family plan yes.

Mr. Malizia said that flex went from \$12,000 to zero. So that \$12,000 you take off the \$25,000. If you add that to the insurance, it would be more like \$37,000 - \$38,000. So it's the difference between the \$37,000 and \$38,000 and the \$51,000.

Chairman Jasper said the whole area is up just over \$12,000. On page 7, Streets. That area of the budget is down about \$18,000 roughly.

To be perfectly open, Mr. Burns does have a replacement built in on this line item. It's 50 percent in this line item, 25 percent in drains, 25 percent in sewer to replace my 936 front end loader CAT. It's a 1984. We've had it since I've been here, which is a long time. It's tired. I build that in to the budget, the lease purchase, as was done with most of the fleet.

Selectman Maddox asked if that was the 401.

Chairman Jasper noted that the street overlay has held steady at \$290,000, which is down. We have been down a little in the previous few years, so that may be something we need to think about as we move forward. We know to keep even we should be putting \$1 million a year into that line. So we're barely over a quarter of what we should be spending. Thankfully we've put money in at the end of the fiscal years to boost that up. Did we do that in the last fiscal year or not?

Mr. Burns said this year we didn't do it from the budget but we got impact by these to do Derry Street. We did Central Street. We did the Pelham Road intersection and not out of the tax rate. Just a couple of numbers - 290 is very low. I was going to ask you to consider - I know it's very early in the budget process to say could you consider upping the budget, but as you get near the end of the process if you were to at least take into consideration, just a quick couple of dollar figures. If we were to

rebuild Robinson Road - I picked two roads, one on each side of town - Robinson Road would cost be about \$546,000 to reclaim and repave that. Pine Road down the south end \$224,000. Today's prices it's costing me about \$182,000 per mile. With 200 miles of road and only \$290,000 on that 100 year paving cycle.

Kevin on the 404, Chairman Jasper indicated that was what you just said. The loader was in...Mr. Burns said 404 is the trucks. Chairman Jasper asked if he was replacing 3 trucks this year. Mr. Burns said no. This would be the second payment. Chairman Jasper said the narrative needed to be fixed for the Budget Committee. It says, "This is the first year of a 5-year lease purchase." Mr. Burns said the trucks are already in. That's what was throwing Chairman Jasper for a loop when I read that this was the first year of a 5-year payment. Mr. Burns wasn't buying 3 more, just making payment. I will correct that.

Chairman Jasper asked if there were any questions in this area. Seeing none. Page 15 is the next area - equipment and maintenance. This area is a little under \$24,000.

If you were to read the backup on it, Mr. Burns said it is to do major repairs to our excavator. We need to rebuild the boom and the stick, which is the working end of the machine. That \$20,000 increase I offset with a \$20,000 decrease in streets. Using the same dollars but moving them around from year to year to put them in the appropriate place.

Chairman Jasper asked if there were any questions or comments.

Ms. Carpentier said page 19 of the work screens.

Chairman Jasper indicated it was up a little over \$4,000. Questions or comments here?

Ms. Carpentier indicated solid waste page 24.

Chairman Jasper thought he did say solid waste. This actually has to do with the monitoring of the 2 landfills - Burns Hill Landfill and West Road. How are we doing with the water quality out at West Road? Mr. Burns said that this was not his jurisdiction. It comes up in my run but I don't put the numbers in there. Chairman Jasper asked if it was Gary. Mr. Webster just received a contract. It's obviously the same thing I mentioned last year. It's a yearly thing between Burns Hill and West Road. They have to monitor those wells. I think brought it down a little bit from last year. I think Kevin probably put the same amount in and it should be the same this year.

Chairman Jasper said it's fluctuated. It went down and then it went back up. Gary at some point could you just give us a 5-year report or something on the water quality for those two so we can see what's going on out there. Both landfills just to see what the water quality is doing.

Ms. Carpentier indicated page 26, grounds maintenance.

Chairman Jasper said it was flat funded at \$20,000. Questions or comments?

Selectman Luszey asked if this was where Benson Park came out of or is that separate. Mr. Burns indicated it was separate really.

Ms. Carpentier said the next department is 5577, which is IT but I believe that the IT Director will be handling IT for every function. So if you jump way down to the back of your book under the 5900, Non Departmental. We'll go to the solid waste contract of this collection.

Before we get into this, Selectman Coutu asked a question of the Road Agent. The question most asked when it comes to solid waste is the second barrel. People expect that they paid for the barrel; they should get their money back for the barrel. Can you give the citizens an explanation about the second barrel so that I don't have answer this question 10 more times this week.

Mr. Burns said the second barrel costs \$50 when we originally bought them. So if you consider the expense of the barrel, and everyone was we tried to explain to everyone that it was good for the 5 years of the contract. Basically \$50 went to buy the barrels and \$25 I guess you could sort of say went towards disposal. So you have 5 years worth of disposal for \$25. I think a really good deal. If we had switched contractors, they would never have honored a barrel from Pinard. So the barrels would not have been good anyways. What I am trying to do is I'm in the midst of negotiations with Pinard to see if they would be willing to buy back the barrels at a reduced fee. They're not going to pay them back full price for a 5 year old barrel. They are entertaining the thought of doing a buy back. Just like you called them to order it, you would call them to have it removed and they would come out and pay you a fee for that barrel. I know we're talking a number, but I hate to say that number right now because it's not a done deal.

Selectman Coutu wanted people out there to be aware that I'm sure you get as many calls as I do. As a matter of fact, we've had mutual contacts. I know that we have based on the e-mails I had. I don't want people to think that we or your department is insensitive to the fact that people bought a second barrel. Some people didn't buy them 5 years ago; they bought them much later than that. I think people, Mr. Chairman, failed to understand the bargain you get by being able to put

out two barrels and the cost of dumping twice as much as other people might. People like me I put out my barrel once every 3 weeks. We do a lot of recycling. I've had people come to me and tell me that they are ashamed of themselves. They do no recycling. They should partake in the recycling program to save us some money. I just wanted people to know that we're not insensitive and neither are you about the second barrel. Now it's out in the open that you're working on it. It may not come to fruition but at least you're making an effort to try to be able to give them some of their money back.

Mr. Burns said he stopped the sale of the second barrels as soon as I proposed it. I didn't want people buying them and saying that they just bought it 2 months ago and now you're pulling the plug on it. Once I knew I was going to recommend this, I stopped the sale.

Selectman Luszey assumed that barrel is recyclable right? Mr. Burns said yes. Selectman Luszey said they can put it into the recycle bin to have it recycled later on. Back to my original question or comment. Like I said, I did receive a number of phone calls over the last week since our last meeting regarding the leaf pickup. There's a number of folks out there that I believe this is going to cause a great hardship if we don't have at least one. I don't know if it is too late to add that cost back into the contract. I would like this Board to reconsider that. The ideal would be to do a spring cleanup and a fall pickup. If that's not palatable, at least one in the fall and as late as we can so that we can ensure the leaves are on the ground.

Chairman Jasper was wondering - I really don't like the idea of everybody paying for a few people to do it. Could we look into seeing if they would provide the service to people on perhaps a spring and a fall pickup at a cost to the individual residents? That's something that can be an option that they're willing to do. Mr. Burns said he could ask. I can't see them looking upon that favorable. One stop once a year, it's not going to be worth their while to try to chase down payment, who paid for their leaves to be picked up and who didn't. Chairman Jasper was thinking something along the idea of the service that is provided for those who have white goods to get rid of. I don't see it as any real difference than that. Mr. Burns said it is somewhat different because first of all the leaves can't be mixed in with household trash. They have to send a dedicated truck. You'd have to pick a day. If it makes your decision somewhat easier on this, if you asked me to I think I can get one leaf pickup in there and not change the bottom line. I think if we get a handle on the landfill, I can squeeze the \$9,000 out of that to do one fall leaf pickup and I'll use my magic globe to pick a date. Chairman Jasper didn't think that was a bad thing. I'd like to know how many people we're actually servicing. Again, I don't think everybody should have to pay for something that a very few people take advantage of. I mean if it was a large number of people in town perhaps. This is one of those things that we don't have to do at all. I don't think we have any obligation to do this.

Being a person that lives in town, Selectman Nadeau is lucky enough that I have a place that I can dispose of mine in town. If you look around here on the leaf pickup days, the average house around here probably has 5 or 6 barrels out. Some of the neighbors over here have 10 or 12 of those bags. Some of them have up to 30 bags all stacked up out there. When I go out towards my parent's neighborhood, you might notice a barrel of twigs or 5 or 6 bags here or there but not as much out in the outskirts of town. Around the TR zones behind T-Bones, Belknap Road and that area, you see a lot of the barrels out there. If Kevin thinks he can squeeze one leaf pickup in, then I think we should try to at least get one leaf pickup in as late as we can in the fall. The other thing I've seen here in the fall is we had that leaf pickup around November 20th or something and we had snow that same day. Those bags got all beat up and half of them never made it in. This year the leaves are falling faster but next year it could be a little different. It's hard to pick a day but I think we should at least do one leaf pickup in the fall.

Chairman Jasper thought that was not a budget discussion at this particular time. If he thinks he can squeeze it out of the budget, I'm not particularly in favor of it but if you can make it happen and that's what the Board wants that's what you can do without changing the bottom line. With that being said, I don't remember if I just announced it. This area is down \$100,000. Great job.

While we were going through this, Selectman Luszey said it was something that Kevin said and it's about the overlay where we really have a fixed amount for overlay which seems to have become inadequate. If you take a look at the past years, we were doing probably a mile, mile and a half. I think the amount that we have budgeted now is not even quite a half a mile. It's just over a half a mile. It's \$180 a mile and a half. Would it be best or a different approach would be to have Kevin come in with a list of streets and say next year we want to do street X and budget for that versus a fixed amount of overlay? It does change.

Chairman Jasper said we gave direction to come in with a zero budget. I did ask Kevin to tell us what he would be paving. I know he's been hesitant to do that because playing one street off perhaps against another but I think we need to get a better handle of what in a perfect world what he really feels needs to be paved. I look at Robinson Road and maybe I wouldn't necessarily do all of Robinson Road but you need to do it from Old Derry Road probably at least to up about the north end of Parker Drive is in really bad shape. Obviously it's better to do a whole street at once than to do parts of it.

Selectman Luszey indicated maybe not a whole street but at least to your point I think is define a project saying we want this next year versus a set amount. Depending on that stretch of road, that amount may be more or less than what we're currently doing at a flat rate, which I think is a...Chairman Jasper thought Kevin would be happy to come back and provide us with some top picks. As he said, Robinson Road alone would be half a million dollars. That's \$210,000 more than budgeted. With that in mind, I don't see that having him go through an exercise at this point is going to be productive. That way, we have the information. We know what we're doing and we have to decide whether we want to bump up that number or not.

Selectman Luszey said that was true but I think it will give us information then to start taking a look at what a realistic overlay budget might be versus what we're doing. Chairman Jasper said its \$1 million a year. Selectman Luszey didn't think it was a million dollars. I think it's somewhere between what we're doing and a million.

Selectman Coutu asked how far we were behind. Chairman Jasper said that's the problem. I don't know what that number is based on but a 20 year cycle, we're behind. We're well behind. We have never put \$1 million into the road. Even when asphalt was much cheaper than it is now, we never put in enough money to really fully fund that.

Selectman Maddox thought Mr. Burns does a good job of utilizing his best judgment to do the sections of roadway that are in the worst shape. I think if we start naming roads, it's going to be become a political football for everybody to go play with. Mr. Burns goes out and tells us what the worst roads are and those are the ones he does. We have always tried at the end of the year if there's money in the budget we try to put more money into that. It's a function of trying to keep the tax rate where we're trying to keep the tax rate. Of the 200 miles of road, a lot of them are residential streets. They're not in bad shape at this point. That's a terrible number but as long as the main thoroughfares are being maintained. Chairman Jasper thought that was the problem. You have a fire station on Robinson Road and that's beating the hell out of equipment. Hyland Street is really getting to be quite a mess. I consider both of those roads to be main roads. At this point, those are the two worst ones. You're probably looking at a million dollars just to do those two. At the rate we're going, it will take us 4 years.

Just a suggestion Mr. Burns has been tossing around. I hear it all summer long when my phone is ringing. How come you're not paving my street? What about a warrant article with a dollar figure attached. Let the people decide if they want to pay to pave the roads or not.

Chairman Jasper has actually been tossing that around in my own head for the last couple of years. We've put in this and then we put in a warrant article for additional money to pave. I think that may be a reasonable thing to do. If we want to do this and perhaps put in another warrant article for half a million dollars of additional paving or pick a number...Mr. Burns said he'd get a lot of work done. Chairman Jasper said that still would only be about ¾ of what we should be putting in there but it would get us a long way. The good thing about doing that is if that were approved, that increases the base. From there on, we'd be in good shape relatively speaking. Some of these roads could probably go a lot longer than the average. When we get to the end and we get to warrant articles, let's keep that in mind. That's something I've been thinking about as well.

Selectman Luszey said any year we don't do it, it gets worse. Pay Peter now or later.

Mr. Burns remembered when he started doing this; I remember I had been here as long as the loader we're getting rid of. I paid \$18.18 a ton in place. Now we're paying almost \$80 a ton. Chairman Jasper said we were budgeting a quarter of a million I think back when you started or even more. Selectman Nadeau remembered it being in the 350s in the early 90s. Four hundred was the highest I've ever seen it. Chairman Jasper thought for years because what we used to do is the money we got in the block grant for highways from the State was the number that we plugged in for the paving. When I started on the Budget Committee in the 80s, it was around a quarter of a million. It did go up eventually to 400,000.

Mr. Carpentier said we currently have \$550,000 highway block grant budgeted. Chairman Jasper indicated that we haven't even kept up with what we were doing from the block grant.

Just a question. Selectman Nadeau asked what we're doing with the block grant money. Mr. Malizia said it goes into the general fund revenue. When we talk about offsets to the tax rate, that's just one of the offsets to the tax rate. Ms. Carpentier said its budgeted flat year over year.

Sewer Utility Ops & Maint. (5562)

Chairman Jasper recognized Bernie Manor and Kevin Burns.

Just as a refresher, Mr. Malizia said obviously the cost of running the sewer utility is born by the sewer users. Whatever the rates are that are in place generate the basic revenue that you see here. This is not taxed. This is a utility charge. So the revenues here are put together and they basically offset the expenses that follow these revenues.

Chairman Jasper indicated that we'd be pulling almost a million out of the capital assessment reserve. Mr. Malizia believed that's for Nashua Wastewater Treatment programs.

Mr. Manor stated that they met with Nashua last week and they're actually going to be sending a bill for less than we expected. So they're going to be doing less. Our cost will go down this year coming.

Chairman Jasper said they'll be expecting that \$966,000 for the next fiscal year.

Ms. Carpentier turned to page 5 is 5561, billing and collection. Chairman Jasper indicated that it was down slightly. Any questions there?

Ms. Carpentier turned to 5562, page 8, sewer operations and maintenance. Chairman Jasper said it was up about \$28,000.

Mr. Burns said that is basically all rolled into a replacement generator for the Rangers Drive pump station, which is 25 years old. We can't get parts for it. Currently now we have backup power on all of our sewer and water pumping stations. This is one that just needs to be updated badly.

Ms. Carpentier turned to 5564, capital projects for sewer, page 15. Chairman Jasper said it was down about \$166,000. Ms. Carpentier indicated you can see the corresponding expense for the Nashua Sewer Treatment Plant there - \$966,000. Chairman Jasper indicated that we had budgeted 1.24 million in the current year. Mr. Malizia indicated that Kevin identifies it in another area under street to replace the sewer. So this fiscal year I think it was Greentree. Next year it's Hurley Street. There's an ongoing sewer program. It's noted in the backup as you'll see it in the backup. Just so folks know that there's an ongoing program to replace sewer lines before they go.

Chairman Jasper said it was a relatively small one. This will be the smallest that you've done in a few years. Is that good news? Mr. Burns said that is good news. We have a very good infrastructure in our sewer. Very good. A very valuable asset.

With that said, Ms. Carpentier said that was the end of the Sewer Department.

Community Development (5571, 5572, 5581, 5582, 5583)

Chairman Jasper recognized Assistant Assessor Mark Pearson. How are you this evening?

Mr. Pearson said very good thank you. My opening statement is that the Community Development is 4 percent of the tax dollars collected on the town side. The budget is down \$14,117 or 1.7 percent. Salary and benefits were down \$10,560 or 2 percent. Operating expenses were down \$3,557 or 2 percent for a total of 4 percent. That does include Planning, Zoning, and Zoning Board of Adjustment, Planning Board, Engineering, Building, and IT for the support.

Chairman Jasper indicated that page 1 and 2 is Planning and that budget is down about \$500.

Ms. Carpentier turned to page 8, Planning Board. Chairman Jasper indicated that was up about \$500. The Planning Board is only \$14,560.

As we go through this because Selectman Luszey knows that I'll be getting the questions during the budget presentations. Back on small equipment repairs, you kept it flat at \$200. What type of small equipment do you have that needs repairs?

Believe it or not, Mr. Pearson said it was things like typewriters. We actually have a typewriter in the Planning Department. There's very few in the building. They have to type up certain things like labels and some other things that they can't do on the computer. I'm not saying its computer labels. It's some other things that they have to do. Selectman Luszey said that we'd talk. Selectman Coutu does labels at the store on the computer.

Ms. Carpentier can also say we have a typewriter. The IRS has forms that you need to type numbers on.

Mr. Pearson said its small equipment such as typewriters. We only have one but there's the microfiche machine and little things. If a light bulb in a microfiche machine and that type of thing.

Chairman Jasper printed off a government form for my quarterly last month and when it came out, it looked like Russian. Every 10th or 20th word was in English and the rest was total gibberish. Right off their site. I wrote them a letter and I never heard back from the.

Ms. Carpentier thought we're up to page 10, Zoning, 5581.

Selectman Coutu had a couple of questions though they're minor. Chairman Jasper indicated that the budget is down roughly \$5,000. One of the questions Selectman Coutu said Selectman Luszey may face at the Budget Committee, and I'll ask because it resulted in a lot of scrutiny last year, Mr. Pearson in line item 105, Zoning, Salaries Overtime. Why do we need to spend overtime?

For instance, Mr. Pearson said at the current time we have the Administrative Aides that are scanning in various documents. As you remember, we had the interns that were here and we utilized them to scan in the large amount of documents but also some of the smaller things. Once a file is completed - working file and it's closed out, it needs to be scanned into the system to keep up with the document imaging system. What we're finding is that in the course of the duties during the day, they're not able to keep up with all those files. The \$300 in both the Zoning and Planning, because you'll see that line item in Planning too, allows those two Administrative Aides a total of about 17 hours to stay after work and to work overtime on various days to catch up on that scanning.

Just so people get an idea, Chairman Jasper indicated we're talking \$300 in this overtime line item. Selectman Coutu said we were talking less than that last year. I don't see the need for \$300 worth of overtime for 17 hours of scanning. I think that should be done during the regular work day.

The other item Selectman Coutu had was what is the line item - forgive me I didn't bring my glasses - 236. In 2009 and 2010, we didn't spend any money. In 2011, the actual expense was \$90. Last year an appropriation was made for \$500 and you're requesting another \$500 for education reimbursement. Can you tell me what that is?

Yes Sir. Mr. Pearson indicated that was a contractual item in the contract for tuition reimbursement should an employee in the collective bargaining units go to school and ask for reimbursement. Selectman Coutu said it's only been the past 2 years. Chairman Jasper said that shows the actuals. Selectman Coutu said 0-0-\$90 and then \$500 was asked for last year. I don't know what they're going to spend. Chairman Jasper said the point is if you went back to the approved budget in the previous years, you would probably see the \$500. Nothing has been spent in that. The money is then returned. What you're seeing is this year's approved \$500, last year's actual expenditure, and then the actuals for the two previous years. So it is a contractual obligation. It doesn't mean that it will be used.

Selectman Coutu asked what Mr. Pearson was planning to buy in furniture for \$300.

Mr. Pearson has no plans for the \$300. I felt that the \$300 would be something as simple as if a chair brakes, or if a desk or something related to the Zoning Department which basically has 4 people in it - 4 work areas, that if there was a piece of furniture that broke or needed to be replaced that's why I budgeted \$300.

Ms. Carpentier pointed out that in this department that we're holding a vacant secretary position for \$1.

Ms. Carpentier indicated Building was next, page 14.

Selectman Coutu said line item 202, Small Equip. Maintenance \$1,150.

Mr. Pearson stated that the explanation is a lot of equipment that needed to be replaced. As you can see back in 2011, items such as flashlights, cameras, gloves, glasses, vests, a flexible camera for inspecting some electrical - if somebody closed in a wall and came for the permit afterwards to look up in the wall and so forth. That equipment was purchased in 2011. You can see the numbers there. We're up to \$1,000. That is just for this ancillary equipment that comes up from time to time. The inspectors are not completely outfitted with a list of items like traffic vests and so forth. We only have a minimal amount. We do make purchases as needed to replace what they need in the field.

Selectman Coutu asked if that was proper Mr. Chairman. The line items specifically say small equipment maintenance. I would assume it's to maintain the equipment we have and not purchase other equipment. Don't we have a separate line item for purchasing equipment? The justification disproves the intent of the line. Chairman Jasper said the backup just says small equipment. I think it's supposed to be small equipment...Mr. Pearson said tools and maintenance. Selectman Coutu understood his justification. The inspectors need to have this. I can understand they're going to need this equipment. Mr. Malizia said it might be better served in account 340, which is small operating equipment. Selectman Coutu thought that would make more sense. It just gives the impression that we're repairing something. That's the impression it gives in case that comes up in the budget deliberations.

Chairman Jasper said to Mr. Pearson that you don't actually do any maintenance out of this account then. So we should change that then. Will you take care of that KC? Ms. Carpentier said yes.

The other question Selectman Coutu...I'll yield to Selectman Luszey at this time.

Selectman Luszey thought there used to be a line item 403 that was small equipment purchases. Then there was one for maintenance. We did that in the Budget Committee a few years ago so that we could get a summary of those so that we kind of had an idea. Do you recall that? Ms. Carpentier said not 403. I don't recall. Selectman Luszey thought maybe it was 203. There were 2 different line items. One was for the purchase and one was for the maintenance so that we could actually get a top level summary of just those line items for the whole town. It sounds like we slipped away from that all of a sudden. Ms. Carpentier said she would change this one and review that.

In your justification for line item 221 \$3,650, Selectman Coutu said it says 4 cell phones and 3 laptop air cards are going to cost us \$3,650. Mr. Pearson said yes. Selectman Coutu asked if we rented them. We don't own the cell phones? Mr. Pearson indicated that was just for the service for the cell phones. We own the cell phones. Selectman Coutu said it was for rental. It doesn't say anything about service. That would come under communications or something else. Mr. Pearson said that was a line item where that was plugged in and the cell phones were always carried there. Ms. Carpentier said right it is. Selectman Coutu asked if most departments that have it in equipment. No. Ms. Carpentier said some of them put it under 238 for phone. He's consistently doing what his department has done.

Chairman Jasper said the laptop air cards what's...Mr. Pearson said that's the access with the air card for the Toughbooks that the inspectors have. Chairman Jasper asked if that was a purchase item or a rental item. Mr. Pearson said it was a monthly charge to have the air card to have the access. If you do have it here, Chairman Jasper said that Mr. Pearson

should have the breakdown on what each cell phone is and what the air cards are. Selectman Coutu said he would like to see those numbers. Thank you. Chairman Jasper asked if Mr. Pearson had those with you. Mr. Pearson said he happened to know that its \$44.00 per air card. So if I use that math there, I could figure out what the rest of the cell phone bill is. It would be 3 times 44 or \$132 a month for the 3 air cards and the remainder is the telephone, which is the cell phones. On our bill, we have cell phones for the Rec. Department. We have one bill that the Rec. Department pays for their share. It's one where we have this bank of phones on the same bill to get a reduced monthly charge every month and what minutes aren't used by one phone are carried over to another phone so that we don't have this overage of paying some unstable fee every month because somebody used more minutes and somebody used less. We're all on the same plan and we don't go over every month. So we stay with the minimum charge in that plan.

Selectman Coutu said what would we do without cell phones. Chairman Jasper indicated that in a lot of ways, we were not nearly as efficient because people would run back to the building and get sent out to the area that we were just driving by. There is certainly some sense to that.

Selectman Maddox looked into the Fire Department. Their 202 is facilities, small equipment maintenance and 203 is small equipment repairs. So I think both of those lines seem to be interchangeable. Ms. Carpentier said there's also people who use them differently. There's large equipment. Selectman Maddox said that was 204. Maybe we need to look at that at some point. Chairman Jasper thought the problem has always been somebody somewhere along the lines wants more detail and we create another line. We end up duplicating things instead of just saying equipment. Some people wanted to know what was large or what was small. We can never make everybody happy Captain Chaos. Ms. Carpentier said those 4 are probably not consistently used. Small equipment, small equipment maintenance, large equipment, large equipment maintenance. Selectman Maddox was just trying to clarify that other departments do it in other.

One final thing Mr. Chairman, Selectman Coutu asked if Mr. Pearson could tell me first of all how many vehicles are assigned to your department. I know there's a pool out there. Mr. Pearson said 3. Selectman Coutu said this year's budget you're requesting \$7,250. I know we have vehicles in transition with the Police Department. So in order to clarify for the taxpayers and those watching tonight and for the Budget Committee, can you give me the status of the vehicle which would obviously be the one that not necessarily the oldest but the one that's most beat up so that we have a firsthand appraisal from you what it's like.

Mr. Pearson said it's a 2006 Crown Victoria, 8 cylinders. It's in the 80,000 mile range. The vehicle that we were proposing to replace it with was one at the Police Department that we delayed in the past budgets. That would be a 2007 Trailblazer that would not be an 8 cylinder. We're hoping that with the change in the size of the engine that it would more economical gas wise. I do have experience with the Crown Victoria and they do not get the mileage that these SUVs get and some of these other vehicles. The intent would be to replace it with a lower mileage vehicle that is better on gas and be able to carry more equipment efficiently for the inspectors and its 4-wheel drive. Selectman Coutu had no objection to the vehicle. I just wanted to make sure that people understand. I know we have one vehicle in your pool that's pretty well beat up. Not necessarily beat up but we had one crushed. Mr. Malizia said it was beat up and defeated.

Selectman Luszey was assuming this was the replacement for the crushed vehicle because that one hasn't been replaced. Mr. Pearson said that was replaced this year. Chairman Jasper indicated that we had to wait for the new cruisers to come in to do that. Chairman Luszey asked if the price in here reflected the salvage cost of the one that you're going to get rid of. Mr. Malizia believed it's the trade value that the police are giving up. Selectman Luszey understood that but he's got a Crown Vic. that he's going to have excess that I'm assuming we're going to sell as salvage. Mr. Malizia said we trade in with the Police Department. Chairman Jasper said that would be reflected in the police budget.

If I could Mr. Chairman on that particular amount, Mr. Pearson indicated that you'll see that that is an increase of \$1,000. When we were trying to determine what the value was of the vehicle last year, I believe that the Police Department suffered on the actual trade in value because we weren't sure on what the trade in value was on the vehicle that we had. In fairness to the Police Department, I subjectively put it up that \$1,000 to try to make up some of that ground. I know that the Police will speak to their budget but I know that they ended up okay because of a miscalculation on the vehicles because it was a crushed vehicle, and there was a deductible with insurance, and so forth. I'm just trying to make up the ground to give them the fair market value for that vehicle that we anticipate we could receive from the Police Department. In turn, they would actually have a pretty decent car for the trade in.

Mr. Malizia said you know the benefits we put in there so it will be over there is when push comes to shove, its available to the police if the needed to put some more 4 wheels on the street. We've had that conversation in the past where I believe they can change the lenses out or at least commandeer the vehicle when necessary. Even though it comes over here if in a crunch they needed something, they could. I think the past they have come and gotten those vehicles to use in snow storms, major emergencies, and more guys on the street for that purpose. Just so you know that that is also something that they do and have been.

Selectman Luszey had a comment about vehicles in general and it goes back to even my budget days. If this department needs a vehicle, why wouldn't we buying them a new vehicle when they need one versus the continuing of hand me downs. If this vehicle is good enough to stay in service over here, why isn't it good enough to stay in service where it's coming from? Chairman Jasper said because it is a police department vehicle and they put on a lot of mileage. We don't put on anywhere near the mileage that the PD does. There is that tipping point where if you keep it too long at the PD, it has very little

salvage value. If we were to buy a similar vehicle over here, we're not really paying anything here. We're just transferring money around. We'd actually be paying out substantial more cash for a vehicle that is not going to get the mileage that makes a lot of sense to buy a new vehicle. We've gone back and forth on this over the years as a Board of Selectmen. I've always felt this was what makes the most sense to the taxpayers. We know their maintenance history. We're taking the best cars out of the fleet that have a good history. It's worked out very well for us.

Selectman Maddox said if we buy a new one, they mostly rust out before they wear out because we just don't put that many miles on them whereas we're taking a cruiser that has 60,000 miles on it, use it for another 25,000 could take them 3 or 4 years to do that. You're buying a used car that you know who owned it.

Selectman Luszey said that actually brings up another whole one, and I might change my vote on the mileage reimbursement based on this conversation. What is the utilization of these vehicles? We have to insure them. We have to register them and all that. Based on that, what's it really costing the Town to have these vehicles sitting in a parking lot rusting away? How many miles are we putting on these vehicles on a yearly basis? Chairman Jasper didn't know if you have those miles logs that you can forward to the Board. I can say that they get used on a regular basis. They're out there. The engineer may not do a lot of miles but the engineer has to go out probably pretty close to every day but it may not be a lot of miles. It may be 20 miles but he has to have the equipment that he needs that you can't ask him to put that in his personal vehicle. He has stuff in his vehicle that stays there. There's a lot of plans. There's any number of things that he has in his vehicles. The fleet at Town Hall doesn't get a lot of mileage but it gets used on a very regular basis. What Selectman Maddox was saying about rusting away, if you try to get the 60,000 on a car before you're looking to trade it in or 100,000 to trade it in, you'd be looking at quite a few years and since they're not garaged vehicles, they're sitting out in the weather. It just doesn't make any sense.

Mr. Pearson has a calculation in my head that we're talking about in the area of 10,000 to 12,000 per year per vehicle just based on the simple math of about 50,000 miles a day.

Selectman Nadeau had a couple of things. The first one is we take these cars from the Police Department that are first responder vehicles - fast, quick, get there and we put them over here, slow them down. We don't use them as much. A lot of times in the summer you'll see the summer interns out all day with the car doing their projects. That day Gary doesn't happen to go out. Two days later Gary happens to you out, the interns are doing stuff here, and the cars are always on the move here. It might only be an inspection here today and sitting around, but I think rotating them from the Police Department over to Town Hall is a good use instead of buying a \$40,000 or \$30,000 Blazer and letting it sit out back. Paying \$7,250 is definitely a lot better way to go with the vehicles.

To the point about rusting Mr. Chairman, Mr. Pearson said we did have a Ford Explorer that was experiencing that rust and so forth. I've instituted purchasing those car wash coupons and we have a book in each glove compartment. I do make sure that they go through the car wash during those bad months and that they do get the salt off. Obviously I don't want to come before you with another rusted out vehicle. It made sense to Chairman Jasper.

Ms. Carpentier said page 19 would be the Zoning Board, Department 5583. Chairman Jasper said it up about \$500.

Mr. Pearson said there's an increase in the amount of postage. As you know, you see copies of those letters that go out certified mail. You can see the history of the postage. What I did do is I had each department be very specific when they're sending things out whether it's from the Zoning Board or the Planning Board or if it's from the Zoning Department, or its from the Building Department, or Engineering does their own. I wanted to have the right accounts and the right figures with a history on the postage instead of just going to the postage meter and just putting in the same number. For tracking purposes, I think you need to know. This particular account here, as you can see by the history, it's tracking an increase. You may see some other accounts that are tracking a decrease. I've made those adjustments accordingly just so we can track which department is using the most postage.

For the record Mr. Chairman, I don't think the difference, which is a slight increase is going to save the post office one bit despite what Mr. Pearson wants to do with that line item. It makes sense. We have more activity as well so there's more postage going out.

Ms. Carpentier said the only other department is 5277, page 21 which is IT. The IT Director will handle that. I believe the next item is Gary Webster, Engineering.

Engineering (5585)

Chairman Jasper said it went up \$12.

Mr. Webster said the budget for Engineer is down from last year at this time. We kept everything level funded across the board. Obviously you'll see where the salaries dropped. We did add a little bit more to the engineering fees. Last year I spent the complete budget last year on the engineering fees. I was fortunate I had enough money to - I don't have an IT budget - I was lucky enough to use some of that money to upgrade our computer system - our 2 computers in there, and bought a GPS unit. We're well stocked. So this year we kind of kept everything on the same level as far as spending goes. I did overspend my mileage account this year because my vehicle was out of action. I took some of that money out that was

taken out from last year. That was a good question about the vehicles. The Ford I have is a 2005. We leased it for 5 years. The only thing that we've actually done to it is I change the oil every few thousand miles and I put brakes on it. That's the only thing that's been done to that vehicle. Maintenance wise, it's been a blessing. We paid \$16,500 plus the cap so it was probably \$17,000 for everything. Five years I have 39,000 miles on it right now. I had the interns using it this year. It was a safer vehicle because I was stuck here anyway. They used it more this summer than using the S10 that we have. Wayne uses that S10 and it didn't pass inspection. I thought we were going to probably put in the auction. It probably will happen this year. Maintenance wise, I have to pay for the stickers too and so forth. We have to pay our own sticker now. They don't do it up at the garage anymore so we have to pay for that.

Chairman Jasper indicated that he and Gary started a conversation last week. Did you want to talk about that?

Mr. Webster said his work load has doubled and I'm a one-person operation. KC came up and I thank you very much for putting something together for us. I wish I had copies for you. I was thinking with the Civil Engineer's position is there but it's not funded. Hopefully down the road, and KC costed it out at 24 hours, 32 hours, and 40 hours - obviously full time which is a big difference. Like you said, my work load is getting larger and larger even when things are slow out there. I do a lot of the State work and so forth, keeping track of a nightmare accounting. I put this in here. Next year I'm not sure what I'm going to do. I'll probably retire. It would be nice to have someone - in my position there was always a civil engineer and when the Town Engineer left, I just stepped into it with no problem. You didn't see any difference in service. If somewhere down the road it does happen next year, it would be nice to have somebody in there. It's a position where you just don't take it over. It's a lot of things and Mr. Maddox you can vouch for some of that. We have so many projects going on right now. There's a lot of commercial stuff and I made a quick list of 15 items I'm working on right now on a daily basis. I have a couple street acceptances; we're finishing up the water line; 25 Flagstone is just starting down there. That's a water line. So things are happening. A big addition they're putting on there. I have a lot of things that's happening here and keeping track of the well, the water. We're looking into water. I received a letter today about another spot we were looking into. It's a lot of work. I kind of took advantage of my interns last year. They were excellent. They were doing some of my inspections. I couldn't do it. So they filled in for me going out. I trained them and so forth. I'm throwing this out just to look down the future and look ahead here.

Ms. Carpentier wanted to speak to the numbers. If you were to hire somebody at a Step 2 level 24 hours, it would be approximately \$36,000; 32 hours it would be \$48,000; and if you did a full time with full benefits, it would be a \$90,000 position. None of these numbers are represented in the budget. It's just a talking point that Gary wanted to bring up.

Chairman Jasper thought that this is a critical area for us because of the knowledge that Gary has having worked for the Town for over 22 years. He knows our infrastructure like nobody else. Obviously the Highway Department knows it in a different way than Gary knows it. We should be planning for that. We know his work load is there. We always had 2 full time positions until Mr. Sommers left. I'm suggesting perhaps we ought to fund for the next year at 24 hours for \$36,000. We really ought to do that. There's two ways potentially to do it. Hire somebody part time or wait until Mr. Webster retires and see if he's interested in working for us part time to train the new engineer. Either way, we would be well advised to put the \$36,000 in the budget.

Selectman Luszey said what we're really talking about is succession planning here. I would support bringing a person in to a 24 hour part-time position level if we get a commitment that the person is going to retire. That's how we did it in private industry. If we don't have that, then I couldn't see bringing a person in yet because we have no definite time frame as to when we would get back to our current level of expenditures.

Mr. Webster mentioned it to Shawn and he's talked to a few others here. I said this last year. I would not have any problem staying around helping another engineer because like I mentioned, you just can't walk in there. There's a lot of things that go on here. Engineering will know it but I think it takes a while to train them. I would have no problem doing that. I mentioned that before. I wouldn't want to see the Town left.

The question Chairman Jasper has is what Selectman Luszey is looking for is a guarantee that you would be looking during fiscal year 2013 to retire from a full time position. Selectman Luszey said the person we'd bring in part of the conversation, the expectation of that person would be backfilling Mr. Webster's position full time. It's kind of a whole package for me. Chairman Jasper thought we'd be looking at hiring somebody full time and Gary stepping down to the part time position is what I'm sensing that he wants to do. That would be best of all worlds I think for Mr. Webster and certainly for the Town of Hudson to be able to do that. Selectman Nadeau said it's kind of like what we did in the Highway Department for the secretary.

Selectman Coutu said they covered it all. I thought you were all going in the wrong direction. I thought we were going to try to bring someone in at 35 and hope that he retires and then get the job. The guy is not going to last. We'll lose him. I'd rather hire a full timer and consider asking Mr. Webster to stay on as an adviser for whatever length of time. We have to be mindful that if we were to bring in Mr. Webster based on the numbers that we have here, we're talking \$36,000. We're talking an additional increase in the line item position that we're going to bring in a civil engineer, which would be a higher salary. Mr. Malizia said a Civil Engineer is a lower salary than the Town Engineer. The Town Engineer is the top a Civil Engineer is lower. Depending on what you backfill if you replaced him with a Town Engineer, I'm not sure if he'd go to be a Civil Engineer. I'm not sure what arrangement you'd make with Mr. Webster. If he retires and then stays on as an

adviser...Selectman Coutu said an engineering advisor. We'll figure something out. If it's amendable to Mr. Webster, Mr. Malizia said that's probably what he'll do.

Chairman Jasper forgot already on the retirement. Mr. Malizia said 32 hours. Chairman Jasper said 24 hours is no problem. I should have known that. I see his time slip every week.

Selectman Coutu thought, too, so that we put all of our cards on the table, I've been sitting in this seat now going on 3 years. You've been here a lot longer. So have you Selectman Nadeau and Selectman Maddox. I've been in this building, as you have, a countless number of times. We don't make appointments. We have keys. We come in. We read our documents and sign off on things. Mr. Webster is in the building on Saturdays. I've seen him in here on Sundays. I've seen him in here in the evenings. Mr. Webster is one of the best values that we have in this Town. As you stated, we need to have somebody that's going to have first-hand knowledge of the infrastructure. That's not going to be available. Mr. Webster with his years of experience and knowledge would be a critical part of making the transition so much smoother. Even if we only did it for a year that many will not get 15 or 20 percent of what he knows about our infrastructure. I know Gary well enough to know that he'll always be just a phone call away. That's the kind of person he's always been and that's the kind of person he is. As I've said, we may not have agreed on everything that's come before this Board, and he understands the political responsibilities and the political ramifications of some of the things we do and how we have to deal with it, but the next day he's up and adam doing his job. He talks to every one of us as if we were his best friends and there's no ill feelings. I respect that of the man and I respect the value that we've gotten from this man over the years. Thank you.

Selectman Maddox thought the \$36,000 whether it's in that line item or professional services, I don't think we want to make Mr. Webster commit that he's leaving in 2013. I think there's enough work in there at this point with all the projects that we have backed up between water and sewer to be able to utilize the 24 hours a week starting July 1, 2012. We need to put somebody in there at the civil level at least for 24 hours so that we can get some of this backlog cleared up as well.

Chairman Jasper asked if the \$36,000 was with the roll ups. Ms. Carpentier indicated it would only have taxes. It's \$35,938. Do I have a motion to add \$35,938 to salaries, 102 part time, and 108 broken up appropriately.

Motion by Selectman Luszey, seconded by Selectman Coutu, to add \$35,938 to salaries, 102 part time, and 108 broken up appropriately.

Selectman Luszey would support it if there is a time table put on to when Mr. Webster would retire. The way it's currently worded, it's open ended. We'd be increasing the head count to the Town without any commitment to bring it back. Selectman Luszey first of all, Chairman Jasper said putting money in the budget does not fill the position. I think we're not being totally fair to Mr. Webster to try to put him on the spot to pick a date. I think what we can say is until a time that he says he's ready to retire, that's not going to be filled. This would be intended to be his part time position. If he says July, fine. If he says April, fine. I don't want to push the man into that. I think what we need to do is simply say if you don't retire we're not filling the position because we're not going to hire somebody else part time. He's the part time person. Selectman Luszey said that the motion doesn't say that. Chairman Jasper said it doesn't matter. To Selectman Luszey, it does matter. It sets the expectations for the taxpayers too as to what our intentions are clearly. Chairman Jasper said this is a budget discussion and we really don't have in a budget discussion there's no detail there. We can say it here. It ends up in the minutes. This Board in July 1, 2012 unless one of us leaves the Board for a reason other than election, there's at least going to be 3 of the majority of the Board will still be in place in July. You know what you've done. We do budget motions here which is simply to amend line items.

Selectman Coutu didn't know that he could support that motion and I want to tell you why. For the same reason that I had just a little while ago. We're going to go out and try to find a part time civil engineer basically or a town engineer. Mr. Webster needs help. I don't doubt that. The person that we're going to hire may or may not be the person that will transit into the job depending on a degree. I think we would be better served putting in some money in a line item and hire interns.

Chairman Jasper thought Selectman Coutu misunderstood. Mr. Webster has indicated that his intention is to retire. He's told us that. His intention is to retire during fiscal year 2013. Selectman Coutu said he never heard those words. Mr. Webster said he wasn't giving them an exact date but if I stay on, I stay on. One thing when I decide, and I'll give you a 3 months' notice or whatever, that we have that opportunity even to hire and take my place and I just reverse roles. That's what my intention was. Chairman Jasper said that's the intention. So there is no intention and I will not vote to hire a part time civil engineer. When Mr. Webster decides that this is too much for me I'm going to go part time, we hire the full time new engineer and he becomes the part time. Selectman Coutu said we're right back where we started where I thought there was confusion and we're still going to do it that way. If that's the way we're going to do it...Chairman Jasper said to put in money in the budget. Selectman Coutu said if that's the way we're going to do it, I'll support the motion. Chairman Jasper said he's had enough of being a one man show in there. I'm going to retire. He's got age and time. He's going to retire but I'll continue to help the Town by coming part time. So there won't be any motions that I'll support to hire somebody to come in.

Selectman Coutu said he was on the same page. I agree with you and I agree with what you said. I'm on the same wave length as Selectman Luszey. I know this is a budget discussion. I would still like to see some clarity on the motion. Chairman Jasper said at a regular meeting - I don't know what the point is. The problem is where does this show up any place? Nothing happens. Regardless of any motion, we could make all the motions we want. The next Board can do

whatever the Board wants. Selectman Coutu had a compromise. Can we put a narrative line to explain why we're adding that \$39,000? We're going to put it somewhere in the budget. We're going to have a part time item line and to explain what it's for. Ms. Carpentier said yes. Selectman Coutu will support that if everybody is amenable to doing that so it's clear what we're doing and what the intent is.

Ms. Carpentier asked what would you like it to say. I hear what you're saying, but you want it to say "part time civil engineer"...Selectman Luszey said "receipt of the retirement notice of the Town Engineer". Selectman Coutu said he'd be happy with that and I will support the motion. Chairman Jasper said that works. Just understand that there's a narrative somewhere besides the minutes. Whatever Board of Selectmen is sitting here at whatever time can do whatever it wants within the budget. There's nothing we can do about that. Selectman Coutu was fine with that. Selectman Luszey was clear about that but it also helps us to explain to the voters our true intent in what we're trying to accomplish.

To be clear to everyone and to the Budget Committee, Chairman Jasper said this is not a new position. This is an open position that has not been funded except at a dollar. Selectman Coutu said it was formerly a full time position for short time. Whatever Mr. Webster feels comfortable. If this guy has it, he'll be on his way and that line could either be X out or see how busy the engineer is. Chairman Jasper said this position does not need to go back to the voters. The Board of Selectmen has the ability through the budget process fund this full time at some point.

Vote: Motion carried 5-0.

Water Utility (5591 to 5596)

Chairman Jasper recognized Town Administrator Steve Malizia and Chairman Leo Bernard.

As usual, Mr. Malizia said he and Gary have done the dirty deed of putting this budget together. Basically we look at the revenue stream that we have, look at the indebtedness of the water utility. As you're well aware, we're probably about almost half way of paying for the actual purchase of the utility. When you look at the operation, we look at the billing, and we basically come up with this budget. Again like the Sewer Utility, the water utility users pay for this budget. So you'll see a revenue here an estimate of \$3.793 million and the expenses equal that same revenue figure. Over time, the utility has managed to keep the 10 percent rate cut without any rate increase through some capital improvements, pay down the debt. Bottom line, I think we have a fairly decent sound system. Obviously you can always improve on things. Again, the utility we've been running it since 1998 and I believe the quality and the customers have been served well.

Relative to the takeover of Pennichuck, Selectman Coutu asked if that was going to affect us on our end at all. If you recall, Mr. Malizia said former Chairman Ken Massey and I met with the Mayor and the transition folks over there. At this point in time, it is our understanding that all agreements will be honored and it won't affect the Town of Hudson's water utility. Selectman Coutu wanted the people to be aware of that. Thank you.

Chairman Jasper said thankfully in this case it's really a continuation of the same entity just owned by...Mr. Malizia said all the stock is owned by the City of Nashua. Obviously kudos to Pennichuck. They served us well as far as the quality of the water, the safety of the system, recommending improvements and what not. It shouldn't go unmentioned that they're very capable and really running a lot of the day to day...Selectman Coutu said they're proactive. Again, Mr. Malizia indicated that we're very fortunate. We have a decent water system.

Ms. Carpentier said page 5, 5591 water admin. Chairman Jasper said it was down slightly.

Mr. Malizia said it appeared that a reduction in legal fees was important here because we're not going to be reallocated the actual bill fee. We really weren't spending it here. Now that it appears to be Pennichuck now, the situation has been resolved. That helps with some of that decrease.

Ms. Carpentier said page 8, operations and maintenance for the Water Department.

Selectman Maddox questioned line item 210. You've budgeted \$500 this year and 2013 and you haven't spent a dime for the last three. Mr. Malizia believed the generator at the Marsh Road tank - the 2 million gallon tank at Marsh Road where we put that generator I believed last year. I believe that's natural gas. That was one of the last pieces of infrastructure that did not have backup and we found that out during the ice storm. They were using a portable pump and now we've hard wired it basically.

Chairman Jasper went to page 10, water supply. There's a fairly substantial increase.

Mr. Malizia indicated a couple of things account for that. One obviously we're purchasing water from Pennichuck and as (inaudible) goes by, they increase their tariff. So there is a past due charge to us for water that we procure from Pennichuck. Two, we're looking at obviously continuing to explore for additional groundwater sources or well sources. Three, the Weinstein well, which is one of our three wells and it's actually the workhorse well, needs to have some corrective action taken to it. As you recall in previous discussions, the cleaning or the last time it was cleaned there was a problem with the screen. Some of the yield has been reduced because of the well head and the casing. We're embarking on, and it looked like we're trying to keep our capacity at that well by perhaps relocating the well head so that we can actually pick the yield

back up to where it was permitted. I don't know if it's 800 or 900,000 gallons a day. Mr. Webster said 1.15. Mr. Malizia said that was a critical piece of our infrastructure. It's great to go look for new wells, but we need to protect the one we have. So we've put some money in here to continue that process to basically secure and keep that well producing what it needs to produce. That yield has been reduced. We need to get that yield back to what it was. So there's money in there to do that, explore for new wells, and obviously we still procure water from Pennichuck. Just looking at the average that we've procured at the current retail rate, that's why that number is represented as 318,000. Again, that's a best estimate based on what we've done and the retail rate that they charge.

Ms. Carpentier said page 17 is the Debt Service Principles of the water.

Mr. Malizia indicated we're on payment 15 of the 30 year original bond, which is great. That's half way. So the light is coming to the end of the tunnel or payment #8 out of 20 for the year for the capital improvements we've made in the south end. If you recall, we looped the south end, we put the water tank in, and I believe the Wason Road booster station. If you recall, we refinanced the original bond a few years ago too.

Ms. Carpentier said that would wrap it up for the departments under the Water.

On a positive note, Mr. Malizia said there were two capital reserve funds that we've been funding all along. The repair one appears to have reached the amount that we would need in there which is about \$300,000. So we haven't been putting any more - we didn't last year and we didn't this year, put any money into that. We still put money into the capital expansion, the other reserve fund which is now over \$1 million. What the benefit of that is if we go to do a large scale project, we may not have a bond and we wouldn't have to borrow anything. We might be able to tap into that fund. So we continue to fund that to about \$135,000 through this budget, and through the last budget, and for budgets in the future. It's basically a savings account so that when we go to do other improvements, we'll have the money at hand as opposed to trying to go for a bond perhaps. Getting to be on pretty good financial footing here. A lot of challenges at the beginning but I think we've managed well.

In addition to those monies in the capital reserve, Chairman Jasper said we have a very healthy cash balance in the checking account. That money could also be drawn upon to go to capital projects.

In fact, Mr. Webster said Steve and I have worked on this and we have word that we're going to try to start doing the preliminary work on the Weinstein Well, do the test well. I have a memo for the Selectmen's meeting. We're going to put test wells in to make sure we have the yield and so forth. If something does happen and what Mr. Malizia just mention, you had that capital back there if we ever had to get that going. That's the main thing. I think we're in pretty good shape. The next budget is going to put the well actually in for us. I think we're in pretty good shape if something does happen.

Chairman Jasper asked if anything has been scheduled to test the Nash Well. Mr. Webster just got a new one today that we should go after. We'll see that. Before I came in here, it was sent to me. As far as the Nash Well, Chairman Jasper asked if we were still planning...Mr. Webster said yes. We talked about pumping that but this one here is what they're looking at for the hydraulic is much better. What we want to do is we have to pull everything out and do that. We can do that anytime. That's on the schedule just to make sure. If you have two wells that produce 150 or 200 gallons a minute, you have 2 wells. You're not going to find the gold mine that we have at the Weinstein Well where it produces. So if you have 2 wells for backup, that means a lot. This one here that they're looking at. Surprising it was a lot higher. Its gravel and it's not that far away. Chairman Jasper asked if it was far from our supply lines. Mr. Webster said it might be closer to our new supply line. That's coming up too. They're waiting for us to get back to them on that extension. They didn't want to start doing the survey work. They want to do it this winter so they can start planning. They're just waiting for a few things.

Mr. Malizia said it was in very decent shape. I think the ratepayers have been well served with that 10 percent reduction. Show me other utilities that do that. Thirteen years with no rate increase.

On another note, Mr. Webster said we're going to eliminate the Hillindale pump station. We made the connection today. I turned the water on. We'll test it. We'll do all the bacteria test and so forth. Once that goes on line, we can take that little pump station on Hillindale off line, which is an expense for us. It's just a matter of a nice easy little thing we'll be taking that. We eliminated the other pump station up there. That's going to go on line in the next few weeks. It's been tough but it's there. We didn't have to pay for it, which is nice.

Chairman Jasper thanked Mr. Webster and Leo Bernard.

Information Technology (5330)

Mr. Malizia indicated IT was under the 5330 tab. That's the main tab.

Chairman Jasper said the main IT budget is down a little over \$1,000. Would you like to start with an opening statement?

Thank you Mr. Chairman. Ms. Nute said this Board had requested that we all come in level funded. We've done that. We've done actually a little bit better than that both individually and my IT account as well as all rolled up with all the other departments. We went to one umbrella. As you know, we felt it was in our best interest and the taxpayers to show the

individual cost centers in each of those departments. I did just want to mention one thing that Mr. Luszey had brought up at your last meeting. I made sure we did not double dip. The 10 percent exercise was based on their bottom line, which included the IT for that division, and then my 10 percent exercise was strictly on this cost center alone 5330.

However having to come in level funded, Ms. Nute said there is one thing not in here that I need to make you aware of. Captain Tousignant had gone before you for the Police Department to explain the dire need to replace the security system there. You had given them instructions that if there was money at the end of this year that you would consider allowing them to do that. That cost, if it is not available, is not in this budget. We will have an issue if we don't find that money sometime at the end of the year.

Chairman Jasper said you have a vacancy and you can just...Ms. Nute said to please support that though if we do find that money.

Despite the Board of Selectmen's exercise to cut 10 percent, and Ms. Nute understood the reason to do that and it sent a message, I did feel I would not be doing my job if I didn't explain the reality of it and what I do need. There is a warrant article also attached to my budget for a part time entry level technician. I see the frown but the reality is I could use a full time person. I didn't feel that this Board would give me the support to do that. I'm asking coming half way at least a part timer. I don't have a lot of hard calls for service right now. We do have a ticket system now in place, but we haven't been using it long enough to really have an accurate count of calls for service. I can tell you that when we started 4 years ago, we were averaging over 50 hours a week for more than a couple of years in a row. I saw the toll it was taking on my team. They still put in beyond a 40 hour work week. We cannot catch up. We have projects that don't get attended to that have been on the "to do list" for four years now. Our calls for service, we try to get to everybody but we're all doing them. It doesn't matter if its one hour spent with an employee where it was strictly user error; we're the people who need to help them through that. A low end tech would mean better use of our resources where you're paying an IT Director. You're paying an IT Specialist for that expertise to get to those projects, to get to that back end server work that you can't push forever. Every day we have to be in there doing security stuff. Every day we have several things we have to do. There's just too much to tend to.

What Ms. Nute would like to do is start at 5330 as we indicated and then we'll go through each of the other departments in the order of cost center if we may. As Chairman Jasper said, this is down a little over \$1,000.

Selectman Luszey asked Lisa if we were going to talk about that warrant article a little more at the end or do you want to talk about it now. Chairman Jasper said normally we'd talk about warrant articles when we do warrant articles. Selectman Luszey indicated he'd add his two cents when we talk about the warrant articles. Chairman Jasper thought it would be more productive if we actually spoke about it when we do warrant articles. Mr. Malizia indicated that there are only 2 right now. She has one and I think the fire has one for an ambulance. What a lot of times as you may ask a question when the department is here. We don't have a separate night for warrant articles.

Since we don't have a lot, Chairman Jasper said at the end of Ms. Nute's presentation, we'll focus on that. I don't particularly want to take a vote on it until we finish our budget so we know where we're at. I want everybody to ask all the questions that they have so that we will be prepared to vote on it when we wrap things up.

Selectman Coutu had a couple of things that concern me. The Finance Director explained me to, again, about the flex benefits and why line item 122 went up by \$13,000 because somebody dropped the flex and picked up the insurance. What I'm concerned about are a couple of items that permeate somewhat through your budget that has always been raised when I've had any serious discussions - when I don't have too many serious discussion about IT. I'm about as smart about IT as you are which is next to nothing. What concerns me and one of the questions that keep coming up is that the implementation of computers and programming were going to be the do all, end all. We're not going to need clerks any more. We're not going to need this. We're not going to need that. Basically what I see over the years, it certainly has facilitated the work load but it's created another bureaucracy. Then within the bureaucracy, I see costs escalating every single year. Equipment gets outdated in two years and we have to replace and get the latest technology and spend more money. I look at two items right here. Large equipment maintenance has gone from \$2,009 to \$5,200, and we're not talking a lot of money but when you compare it with 2012 \$4,700 to 2013 \$8,200, it's a 43 percent increase. The next one is publications. Publications to me are like magazines. We've gone from \$2,243 in 2009 and we're up to \$6,150. A 33 percent increase over last year. Where did these costs flatten out or is this going to be an ongoing thing? Why do we need \$6,150 worth of publications? If there's not enough time and the staff to do all the work, whose reading all these books?

Chairman Jasper told Selectman Coutu that he did need to go back to your backup. This is really not named well. Selectman Coutu read it and I looked at it. Comcast internet e-mail connections. Selectman Luszey indicated that's your internet service. Selectman Coutu said there's an example of where things are not explained carefully. They're explained in the narrative but the line item says publications. That looks to us by somebody reading the budget and doesn't get the narrative. The general public if they went on line they'd say they spent \$6,000. Chairman Jasper agreed with Selectman Coutu. We need to find a better way of labeling.

Ms. Nute said when we look at the 215, the list, it's titled "publications and subscriptions". Our antivirus and things like that are subscriptions that we need to renew. I can put that anywhere. Selectman Luszey said you could almost put those under the support contract line under software maintenance - 269, which I think is probably closer to what those are versus a...I know they're a subscription base but that is more closer of the narrative than publication/subscription. Chairman Jasper

thought once you go back here, it's going to be the same thing in the Budget Committee. It's better broken out here than it is to be put in everywhere else. I think this pulls it out better. It may not be a publication, but it certainly is a subscription. Selectman Luszey indicated as long as they go and read the narrative, this is not something you read. This is the right to use a piece of software.

Ms. Carpentier indicated she will add publications and subscriptions to the Munismart report.

Getting back to 204, when Selectman Coutu looks at the narrative - large equipment. I asked and that was a 43 percent increase from the \$4,700 to \$8,200 for SMS maintenance, or crucial Window servers, support of EqualLogic storage device. It sounds to me like we're buying a floppy disk and a cabinet. That's what it sounds like to me. That's what it looks like.

May I explain that? Ms. Nute said we have very little hardware. This is the hardware. These are the actual boxes and things. These are the servers. We have very little on maintenance but our crucial systems, all the servers that are running all of these databases and all these machines needs support. If something happens to the hardware, we have within 4 hours, 8 hours, whatever the contract happens to be for each piece, the reason that it's increased like that is because as things come out of warranty, and that's what happened here, we had done some virtualization. Our servers were pretty much around the same time where we were able to reuse some old things, rebuild those. There were some new things added. Those go out of warranty, that now increases your but then down the road, it's going to happen again. We try to keep them as steady as possible. Equipment comes and goes on a warranty and then it has to be covered once it's off.

Mr. Malizia asked if this would be police and fire like dispatch servers. Ms. Nute said correct. This is the IMC servers. This is Munismart servers. This is our backup mission critical. Selectman Luszey said you're down, you're business is down. Ms. Nute said that's all it is. We're not doing a lot of work stations or anything like that. We used to and I cut back on all of that when we came on board here.

Selectman Coutu had one other question. Relative to, let's not get into names - let's just get into positions, I want to make sure I understand this clearly. We have one person dedicated full time at the police department? Ms. Nute said no. He's dedicated full time to the IT Department but I physically have him down there 1) because I have a lack of space here, which I did have the conversation with Mr. Luszey is a problem, and 2) because there is a big enough network there that we'd be running down there probably a lot anyway back and forth, back and forth. We have the Highway Department right there. We have the animal control facility, and I have Robinson Road. So he's a little more centrally located to that end of the network. When I have a highway problem and the ticket comes in, I'll send him. He's going to see it anyway. He knows that's his first responder and same with Robinson Road. I had to deal with the space that I had. I can't fit 3 people in here. Selectman Coutu understood that. I've been there. You're in a closet now.

Selectman Luszey said timing is everything. I think it was yesterday I actually was with Lisa walking this building talking to her about that very specific issue - her space. To get the full benefit of all her people, the Town would be well served if we could consolidate her group into a place. What I told Lisa is I would be coming forward to this Board with a request to take a look at that with some thoughts on how we could do that without disrupting this whole facility.

Selectman Coutu thought that was in our advance plans if we move. Selectman Luszey didn't know anything about any advance plans. If you have some, great. Selectman Coutu said we were going to move over to the HCTV studio. Selectman Maddox said we would have that space and would move over there and leave this room able to be dived up for space within Town Hall. Selectman Coutu indicated we were talking about putting either Finance in here or IT. Chairman Jasper said that was the first I've heard of that. Selectman Coutu said you were involved in the discussions. It was discussed right here. Chairman Jasper new there was going to be a room there. I do not recall anything about us vacating and going over there and giving this room up. Selectman Luszey said it will be coming forward. Great question. Thank you.

The reason Selectman Coutu asked was only because a couple of people have asked me how come we have a full time IT person. I thought, again lack of knowledge, I thought maybe there's a server there that connects to all the other servers. I keep forgetting that. I know highway is across the street and the dog pound and whatever else is up there that it's easily...I understand now. That makes sense to me that I know highway has to have it and animal control. Thank you.

Just an explanation Mr. Chairman of 252. Selectman Maddox indicated that Ms. Nute already has a part time person for 32 hours for 31 weeks. So the warrant article is in addition to that person? Ms. Nute's fear was that town people do not allow the warrant article to go through and if this gets cut, now I have nothing. This is an IT intern. The problem with having somebody so short term, and I'll still possibly have the same problem with a part timer, we become the training ground and it becomes a revolving door. I bring in a student here, there's a lot of ramp up time to train them. This is somebody out of college so they have a good base, however, probably first time using virtualization which has been the case for every intern we've had. They might be weak in one area. There are some things they can't do. Anyway, we spend the time to train these students and then they're right back out in a very short time. So this is not ideal. An actual person would be but if I take it out here now, if I did not put this in here, I would have nothing if the warrant article doesn't go through. This is at least something. We have an intern working right now.

Chairman Jasper didn't think there's any reason why we couldn't structure a warrant article to state the total cost but to also state an offset. Selectman Luszey said basically to replace this line item with that...Chairman Jasper said right to say part time person at whatever the total dollars are, X amount to be funded through taxes, and X amount to be funded from line

255-330-252. Selectman Coutu said the net would show us a lesser impact if we agreed to go that route. Chairman Jasper didn't think there's any reason we couldn't write a warrant article to do that. Mr. Malizia said it's obviously all taxes. Right now we've already had an intern in here. So what you're saying is if you did this warrant article and not hire somebody full time, the net effect would be the difference. It would be modest at best.

Selectman Maddox asked if it would be a full time person. Chairman Jasper said no, part time. Selectman Maddox said if we get somebody for 32 hours for 31 weeks...Chairman Jasper indicated that she's not talking 32. Ms. Nute said the warrant article is for 20 hours a week. Selectman Luszey said what they're trying to do is get some stability in a person. The interns come and go as the school years come and go. This position is more of a part time position for someone to be hired as a regular part time position year round - 52 weeks in a year for 20 hours a week.

KC, could you help out this Selectman. Selectman Maddox said you're paying him \$14.00 an hour. Ms. Nute said that included taxes. I figured a part time person does not get paid a vacation. I considered it 50 weeks. Selectman Maddox asked what would be 20 times 14 times 50 weeks. Chairman Jasper indicated you may not necessarily pay the part time person the same rate as you would pay an intern. Ms. Nute did figure that but included the taxes. So you have to put FICA in there too, which the intern does not have.

Selectman Coutu said we're talking going from something that exists in a line item at 992 hour and go to a warrant article so we can create an additional 48 hours. Chairman Jasper indicated that we don't have to go to a warrant article. For part time, we don't need to go to a warrant article.

Ms. Carpentier said any time you've ever created a position, I believe you've done a warrant article. With some exceptions like cable, which is a work pool; crossing guards is a pool of people. But when you're creating a position...20 times 14 times 52 is what you were looking for Sir - \$14,560. Ms. Nute said plus the FICA brings it up to \$15,673. Selectman Maddox wanted to know why it was only \$5,300 to do 32 hours for 31 weeks. Ms. Nute said that this part timer is only 20 hours a week. Selectman Maddox thought that they would be pretty close and not \$10,000 apart. Ms. Carpentier said what she has in the budget here is 384 hours at \$14 an hour equals the \$5,376. Mr. Malizia said the backup is wrong. Ms. Carpentier said to forget about the verbiage. Look at the numbers that she has under the columns. In the budget right now she has 384 hours at \$14 an hour is \$5,376. Chairman Jasper said it's not 32 weeks. Its 12 weeks. Ms. Nute said the figure was correct there. My verbiage was wrong. Selectman Coutu said that's what I was saying. We had 992 hours as opposed to 1,040. For 38 hours, we need to go to a warrant? Even though we haven't talked about the warrant article, Ms. Carpentier said the Board would like to see it netted down by this amount. Leave this amount here if it were to pass and minus from the \$15,000.

Chairman Jasper said if we do the budget, that's the way it should be done so we don't double budget. I don't think there's any reason we can't word a warrant article that way. No. Ms. Carpentier said if it were to say no, we fall back to this. I don't think no means no would have applied to this. Mr. Malizia said raise and appropriate the difference. In other words, instead of making it 15, make it 15 minus...Chairman Jasper thought we'd have to show the gross. We can worry about the verbiage if we get to that point.

Selectman Maddox stated when we get to the warrant articles. If you put this on the warrant and it doesn't pass, then this job goes away in my estimation. Chairman Jasper said not it doesn't. Selectman Maddox said it's for a part time person in IT again, and the voters say no, then there's no part time person. Chairman Jasper said yes there is because it's in the budget. Ms. Carpentier said no. You'd be getting consulting hours. You would not be getting a part time person. Chairman Jasper said its consultant. There's no taxes. This is an intern. Ms. Carpentier said we're not hiring this person. Chairman Jasper said this is not a town employee that we have. Selectman Luszey said that's the difference. It's a very significant difference.

Ms. Carpentier asked if it was your intention to review warrant articles a different night because we didn't schedule...Selectman Coutu hoped so. Selectman Luszey said they could do it another night. Mr. Malizia said you've heard about it so at some point in time when you go into a recalculation, you'd say do we want to support this through the warrant yes or no? Do we want to support this to the warrant yes or no? You could certainly do that on the wrap up night.

Ms. Nute asked if we are done with 5330. Would you like to quickly go through the others? There's really not much of a change. What Ms. Carpentier can say to you is if you went to page 7, it lists out all of the comparisons year over year. If there's one in particular you'd like to go to or if the IT Director instead of going all through this book. Chairman Jasper said they're looking at a decrease overall of \$6,000. There's one significant thing that's making that decrease. Ms. Nute said a lease that has ended on the large scanner upstairs.

Selectman Coutu said that Finance went up \$400. Ms. Carpentier said she prints a lot of documents. Selectman Coutu said they were all set. The bottom line is minus 1.1 percent.

Ms. Carpentier said DRA gave us our official tax rate. It did go down one cent because they rounded it. So the town piece is \$5.18. Currently after the one motion you made tonight, you'd be at \$5.14. So a four cent decrease in the tax rate as it stands right now. I'd be remiss to say if you read the Town Administrator's Memo at the front, we have not included insurance at this point. We hope to have the rates early next week.

Selectman Maddox asked the Chairman if he ever heard of that term that we heard today. "GMR". Mr. Malizia said in the contracts for the insurance rates. Ms. Carpentier said gross maximum rate. I was asked if I have a GMR. Chairman Jasper said he never heard that before.

Ms. Carpentier asked if you wanted to decide about what's going to happen Saturday. Chairman Jasper said we are not going to meet Saturday. We are going to take up whatever we can on Thursday night. We can stay a little later then perhaps on Thursday night. See if you could schedule some of these people that are scheduled for Saturday to come in on Thursday. The rest would be the next Thursday. Ms. Carpentier said some of them are me anyways - Trustees of Trust Funds is me; Town Treasurer is me, and Finance is me. I can go to any night. Chairman Jasper said obviously we can't ask the Budget Committee to come in on Thursday because they're meeting. We can do Finance and many of those other. Mr. Malizia said that Cable was coming in on Thursday too.

Just for clarification, Selectman Luszey said we'll do most of it Thursday and then the remaining the following Thursday the 27th. Ms. Carpentier said then there's the first of November workshop that would be a follow up if you had to have a carry over.

Selectman Nadeau had a reminder. C.H.I.P.S. has their Fright Night this Friday night at the Community Center at 6:00 p.m.

5. ADJOURNMENT

Chairman Jasper said the Board stands adjourned at 9:02 p.m.

Recorded by HGTV and transcribed by Donna Graham, Recorder.

HUDSON BOARD OF SELECTMEN

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Roger E. Coutu, Selectman

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