

HUDSON, NH BOARD OF SELECTMEN
Budget Review Minutes of the October 17, 2017 Meeting

1. CALL TO ORDER - by Chairman McGrath the meeting of October 17, 2017 at 7:00 p.m. in the Selectmen's Meeting Room at Town Hall.
2. PLEDGE OF ALLEGIANCE - led by Selectman Routsis.
3. ATTENDANCE

Board of Selectmen: Marilyn McGrath, Roger Coutu, Angela Routsis, David Morin

Absent: Ted Luszey

Staff/Others: Steve Malizia, Town Administrator; Donna Graham, Executive Assistant; Kathy Carpentier, Finance Director; Kevin Burns, Road Agent; Paul Inderbitzen, Moderator; Lisa Nute, IT Director; Fire Chief Rob Buxton, Erika LaRiviere

4. NEW BUSINESS
 - a) 2017 Tax Rate

Chairman McGrath recognized Finance Director Kathy Carpentier.

Good evening. Kathy Carpentier mentioned one of the things we do in the fall is set the tax rate. The estimated tax rate for the entire town as you all know we just had a revaluation. I'm before you to ask for your permission to use the budgeted \$600,000 of the undersigned fund balance. We have \$5.7 million. We had budgeted to use this \$600,000. If you use the \$600,000, the tax rate would be \$19.74 per thousand. The tax rate is decreasing because the valuation in the town went up \$430 million which means a lower tax rate to the average single family home. If you use the \$600,000 as budgeted, the undersigned fund balance will still be leaving us with 7.2 percent of gross appropriations. Even after funding the fire station, we're still sitting at 7 percent of our gross appropriations. Before you, I'm asking you to make a motion to authorize the use of \$600,000 to support an approximate \$19.74 per thousand tax rate. Do you have any questions?

Selectman Coutu asked what is the existing tax rate. Ms. Carpentier said \$21.97 was last year's tax rate. Selectman Coutu asked on the increase in property value, I know it's quite a bit across the board. I noticed mine went up I thought significantly. Do we have a breakdown by percentage how much of the increase in the tax value is business versus homeowners. Ms. Carpentier indicated I do not know that number. The Assistant Assessor could give us that number and I'd be more than happy to follow up with an e-mail or he will in the morning. Selectman Coutu asked to make that an item please and the status of the fight with the electric company.

Steve Malizia explained the electric company has outstanding I believe for '14, '15 and possibly '16. So there's outstanding tax abatement cases which have been reserved for at least 50 percent of those and also been reserved for. We put money on the books in case we don't prevail. Selectman Coutu asked so they haven't been settled. Mr. Malizia didn't believe they've been settled. I believe they've dropped 2012 and 2013. Selectman Coutu said that could significantly impact the tax rate. Mr. Malizia said that's why reserved monies on it so we could pay out any kind of claims.

In other words, Kathy Carpentier said we have \$1.4 million set aside just for utility abatements in addition to the \$5 million that I'm referring to. At the end of the fiscal year, the Assistant Assessor will tell me if we have any claims. We already take that money and put it aside. Not 100 percent, most cases we're at 50 percent but we have a \$1.4 million set aside for those cases.

If the ruling would be that they uphold our assessment and they have to pay the entire amount, Selectman Coutu asked what happens to that money does that go into our operating budget or does that go into the general fund. Kathy Carpentier reiterated if they uphold our case. It would just go back to the undesignated fund balance. Right now it's designated for abatements for the future. It could increase that \$5 million.

Motion by Selectman Coutu, seconded by Selectman Routsis, to authorize the use of \$600,000 of the Town's \$5,719,535 Unassigned Fund Balance in support of a tax rate of approximately \$19.74 per thousand, as recommended by the Finance Director, carried 4-0.

Kathy Carpentier had one more business to take care of. Sometimes there's rounding issues with the tax rate or DRA will offer more revenue that we didn't anticipate. That number could change slightly. At this point I usually ask you do you want me to change the surplus to stay at \$19.74 or do you want to change the \$19.74?

Selectman Coutu said if we get additional revenues. Historically well we've not received much in additional revenues. If there's an opportunity for us to reduce the \$19.74, I'd like to take advantage of it. That's my position.

Kathy Carpentier said at this point we usually just ask for a consensus.

Selectman Coutu said mine is to help offset the \$19.74 if we get additional revenues.

Kathy Carpentier said reduce the rate if we have additional revenue.

Selectman Routsis was in agreement with that.

Selectman Morin was in agreement as was Chairman McGrath.

Chairman McGrath stated the consensus is to reduce the tax rate.

5. BUDGET PRESENTATIONS

Chairman McGrath recognized Town Administrator Steve Malizia for an introduction to the budget.

Steve Malizia explained this is the Fiscal Year 2019 budget. It's hard to believe. This budget runs from July 1, 2018 through June 30, 2019. As you recall, this Board directed Department Heads to submit level funded budgets with zero increase other than the labor and the contractual items up there with any major item submitted separately for consideration. As you go through some of the budgets, you'll see at the back end of that department you may have a separate request.

Mr. Malizia said the operating budget including sewer, water and library request equals \$32,095,064. This is on the summary sheet at the beginning so folks following at home they can see it in the first section on the budget at home. That includes the sewer budget, the water budget, and library budget which is part of our general fund. That equals an operating budget tax rate of \$5.53 per thousand. Just taking our assessed value and taking the offsetting revenue that we get from things like motor vehicles and permits, it gives us an estimated operating budget of a tax rate of \$5.53 per thousand. That's a \$.23 decrease from this year's rate of \$5.74 that you just discussed. The \$5.74 is the town piece. That's what we're discussing as the town piece. We don't do the school. We don't the County. That's what we're focusing in on here.

Warrant articles that are being proposed that are in the book, Mr. Malizia said add another \$.09 per thousand. Obviously you can decide to forward them or not forward them and if you forward them, we always have a choice of voting for them or not voting for them.

Steve Malizia noted all funding for the capital reserve funds has been removed from the operating budget. As you recall, the law changed and we are no longer allowed to fund existing capital reserve funds through the operating budget so they've been stripped away from the operating budgets even water and sewer. There are some requests for warrant articles. I believe there's at least a couple to fund some of those reserve funds.

Steve Malizia said we do not have new health insurance rates yet. They have not been received so they have not been included. We may be getting some good news but until we get that official number, we have not adjusted any of the health insurance rates here. That just kind of sets the scenario for the budget.

Selectman Coutu asked to go back to the articles. The articles lead how much if they were to pass. Mr. Malizia indicated if all the articles were to get forwarded and passed, they would add \$.09 per thousand to the tax rate. We have no labor contracts up this year. Selectman Coutu asked about the warrant articles. The warrant articles what I heard you say were that some of the capital reserve funds that we normally have

in the budget will appear on a warrant article. Not all of them are going to...? Steve Malizia said not all of them. Some have not been. We have not made requests to fund some of the reserve funds. Some we have. As you hear the budgets you'll hear either that department explain what they did or what they didn't do. Selectman Coutu said we'll hear pro or con on their particular warrant article that ran from year to year. They'll explain why they didn't ask or why they did ask. Mr. Malizia said certainly and you can certainly ask them at any time.

Highway (5515, 5551 to 5556)

Chairman McGrath recognized Road Agent Kevin Burns.

Ever so briefly if I may. Kevin Burns noted my budget is level funded as directed. As I historically have done over the years, I move money within the budget instead of asking for additional money. You will notice one change in parks. There is a body in there now. It is not an additional body. I've moved a body out of Streets into Parks as the beginning of a Parks Division. It is not an additional head count.

Chairman McGrath asked didn't we discuss doing that though. Mr. Burns said yes. I just didn't want anyone to think it was an additional person. Does anyone have any questions or do you want to go through the budget? Any questions on 5515 the highway facility.

Selectman Coutu had one just so the public at home is aware. The highway facility total went up \$4,000. That's contractual correct? The bottom line on facility total. Kathy Carpentier indicated it would be the last two columns. Selectman Coutu noted we're level funded.

Page 4 - 5551 Admin.

Kevin Burns said there's nothing added. Its level funded except for the salaries account.

Kathy Carpentier said I guess if I directed you to page 5 instead of page 4 in the bottom right hand column you can see operating budget. He has \$5,635 prior year and \$5,635 current year. Chairman McGrath said it's a zero percent change...Ms. Carpentier noted of operating budget which the department heads are in control of. The other is contractual for benefits.

Page 11 - 5552

Kathy Carpentier said, again, it's about \$200 difference in an operating budget.

Page 12

Ms. Carpentier said this one on page 12 he did take down as he referred to the one head count which changes over to Parks.

Page 13 - 5553 Equipment Maintenance

Page 15

Ms. Carpentier said you can see he's up \$20,000 but I think somewhere else in the budget he's below. Kevin Burns indicated it was offset by a \$20,000 reduction in drainage which is also a taxpayer funded. Chairman McGrath said you increased the large equipment repairs. Steve Malizia said line items in any cost center may change but overall his overall budget he can take it from drainage and put it into equipment. He could put it from equipment to grounds. What he's trying to strive to do is things change in his line items. Bottom line, his operating budget is the same.

Page 17 - 5554 Drainage

Kathy Carpentier noted this is where he's down the \$20,000 and also the \$15,000 for the capital reserve fund. You can see it's zeroed out.

Page 21 - Parks Division

Ms. Carpentier stated this is not a new department because they ran operating expenses through here before. At the top right, you can see that this is where he's moved a person over.

Selectman Coutu asked if that was a lateral transfer. Kevin Burns said it would be a transfer with a promotion. Selectman Coutu asked you've selected a person you have confidence in that could run that department if we were to add additional staff at a later time. Mr. Burns noted I have a couple on board that I think would be interested that could do it so yes. Steve Malizia said he's not named anybody just yet but he's got the salary number there so that he could use that down the road if an when...Selectman Coutu indicated the intent is to transfer from within.

Selectman Morin asked what's this going to do to your manpower for the other divisions. Kevin Burns said streets historically 100 percent been the manpower for parks. It shouldn't affect the manpower at all. Selectman Morin asked is he just staying in the park or doing parks or is he going to go to streets when you need extra help. In the spring, summer, fall, Mr. Burns said he would be full time in the parks. In the winter, he'd be working streets as well. If I have to plow, everybody has to plow.

Page 24 - 5577 IT

Kathy Carpentier noted this is an IT Department. We usually will review all department ITs when the IT Director is here later tonight. With this, there's no outside budget request from the Road Agent and there's no warrant articles. I don't know if he has any closing remarks.

For the purpose of clarification Madame Chair, Selectman Coutu said when the insurance rate is announced, this could impact all of these budgets. In the 100 series, Mr. Malizia said it could definitely impact that positive or negative. Kathy Carpentier reiterated we are being told that we're going to be happy. I'm assuming that that's zero or down with the insurance rate.

Solid Waste (5970)

One more thing for the Road Agent. Kathy Carpentier said its way back down in section 5900, page 13. Kevin Burns said this is up a little bit because of a contractual obligation. We're looking at a 2 percent increase next year in the contract. With the extension, Pinard waived the 2 percent increase this year and the year before. That's why there is a slight increase this year.

Benson (5063, 5563)

Chairman McGrath recognize Road Agent Kevin Burns and Chairman Jim Barnes.

Jim Barnes indicated 5063 is for the committee and there were no changes in that. Nothing has changed there. It's the same as last year. 5563 there are a few changes.

Selectman Coutu asked on page 23 I'm going to pay attention to some of these things a little better than I have in the past especially small items. The request is for the \$1,200 and in 2017 you only spent \$304. We're talking about meals in town, printing and sign, office supplies, and there's nothing for capital reserve. Do we need \$600 for meals? Mr. Barnes explained the reason the \$600 is there is in case we need funds for the volunteer lunches when we're doing the volunteer work days in the park. So far, the people who have volunteered to divide those lunches have been able to take care of them. There's one instance in 2016 I believe where they weren't and we had to go out and buy pizza and sandwiches and things like that. Usually there's not much expense here that you really needed just in case. We have about 7 monthly volunteer days each year. \$100 I think for each one of those is pretty reasonable I think. Generally we don't spend it because we've had volunteers providing the lunches for the workers. Selectman Coutu said thank you. I'll give you a pass for the time being.

5563 Benson Park Operations

Jim Barnes said this is where several changes here that I'll speak to. The first one is the salary and benefits. That went up because my understanding is because the salary for that level went up. This is just the

overtime that they provide in the park. That was the change there. Electricity - we raised our request from \$800 to \$900 and that \$900 is what we spent in FY2017. I think it was \$890 or something like that. I'm expecting that we'll be over budget on electricity for this year and so I just raised the sum by \$100.

Selectman Coutu asked on the electricity I know you watch utilities very well. I've heard your discussions in budget committee. The money that we were spending on electricity did it not include the elephant barn and now they're going to have their own meter? Jim Barnes said that is correct. They will be getting their own meter. They do not have that yet. Once that happens, then the Friends of Benson Park will be paying their share and then we won't be spending as much here. Selectman Coutu asked will they have a meter by FY2019 budget. Mr. Barnes said they might. There is still some additional work that has to be done to put in a new transformer in the park. We have to figure out how to get that done. Selectman Coutu said presently we are paying that electric bill in total. Mr. Barnes said presently we are paying that. That is correct.

Jim Barnes noted the last change was for portable toilets. That is raised from \$7,000 to \$10,000. In FY17 we spent just under \$9,000. We wanted to increase to cover that and also the fact that maybe some increases along the way. There are sometimes when we need to bring in more portable toilets and we wanted to have that opportunity and that flexibility.

Chairman McGrath asked if there were any questions, comments. If not, thank you Mr. Barnes.

Jim Barnes indicated we will have a warrant article coming for the restroom facility. It is not yet ready.

Town Clerk/Tax Collector (5030 & Warrant Article D)

Kathy Carpentier stated the Town Clerk/Tax Collector unexpectedly could not make it this evening so I'm asked if we could review her budget for her. Pretty much she's level funded on operating budget. Her overtime is up due to a short term disability that happened in her department. She expects it to happen again next year which is why she level funded the overtime at \$1,500. Other than that, its level funded.

Steve Malizia said it comes out of the Clerk's upstairs and all that function that people see when they come into Town Hall. Selectman Coutu said she explained the overtime to me.

Steve Malizia said there is a warrant article I've prepared for your consideration is to give the Town Clerk a 2 percent raise. As you're well aware she's an elected official so any raise for an elected official has to go through the warrant. So under Warrant Article D you'll see the backup for that 2 percent. I've given you a history of his salary of that position and what the 2 percent with the appropriate pension and FICA really is. That's for your consideration.

Selectman Coutu asked did the warrant article pass last year. Mr. Malizia said yes it did. There was one year it didn't. I can't remember which one it was but it was a couple of years ago. Ms. Carpentier indicated '17 did not. '18 was a 2 percent. '19 we're recommending 2 percent which is \$1,120 in salary but the total raise and appropriate would be \$1,333 which is not even a penny on the tax rate. Selectman Coutu noted her budget is fine.

Moderator (5041)

Chairman McGrath recognized Moderator Paul Inderbitzen.

Paul Inderbitzen asked if anybody had a question on a 99 percent increase. As you know, the Moderator budget is a function of the number of elections we have and in Fiscal 2019 we will have a State Primary, State Election as well. There's a Town Meeting and a Town Deliberative Session. We went from one meeting and a Deliberative Session to three.

Selectman Coutu asked in light of the e-mail we just received, I would assume Mr. Inderbitzen that the request that you're making does not include having a special election should we decide to have a special election. Mr. Inderbitzen said if we did it would be in this fiscal year. It would be extra money that we would have to spend. I had a discussion today with the Pelham Town Moderator who happens to be my own lawyer and they're not interested either although there were a couple of people that wanted to know when

is the special election. Selectman Coutu said your recommendation is that we wait until the next general election. Paul Inderbitzen said right September for Primary of '18 and November of '18 for...Selectman Coutu said unless we want to discuss this further, I'm assuming everybody got the e-mail. Is it apropos to make a motion that we will not request a primary or can he act on consensus? I'd rather it be in the record that the Board either supports it or doesn't support it. Steve Malizia said it's always up to you. If you were going to have it, I would make a motion so if you don't want to have it, I guess you could make a motion to do that too.

Chairman McGrath thought aren't we kind of jumping the gun because he has to go through the nomination process. Mr. Inderbitzen said you have to wait until there is actually a vacancy. Selectman Coutu noted he hasn't even been approved. Mr. Inderbitzen said it's something to think about in the meanwhile. That's why I got that to you after talking to Mr. Scanlon at the Secretary of State's office and the process we would have to go through. It turns out we don't have to.

Just as an informational point for anybody that's watching this meeting, Chairman McGrath said we're talking about Speaker Jasper that he's been nominated to become Agricultural Commissioner. If he ascends to that position then his seat will be vacant and that's what we're talking about. Any other questions about the Moderator's budget? If not, thank you Mr. Inderbitzen.

Information Technology (5330, 5X77's & Warrant Article L)

Chairman McGrath recognized IT Director Lisa Nute.

Good evening. Lisa Nute thanked the Board for this opportunity to present my budget and answer any questions you may have. I'd like to introduce John Beike for our viewing audience. He is one of our two IT Specialists. Our second IT Specialist is Vin Guarino. We have a part-timer as of this calendar year Don Bohnwagner who has been helping us with Helpdesk and he's an entry level technician part time. I am prepared to go through my budget and the IT areas of each of the other departments and at some point this evening I'd like the opportunity to discuss capital reserve funding which the Finance Director has stated has gone away now. Like the Road Agent, I have moved line items within my budgets too. I remain level funded based on current needs and increased software costs and things that are contractual.

As I mentioned, Lisa Nute said I am level funded. The shifts where there is significant change is in my training account. Both of our IT Specialists are well qualified and I am very fortunate to have their expertise. Between the two, they've got 30 plus years each. At any rate, a lot of their training actually is done on line. We do have that opportunity today to do a lot of on line. I am finding a real need for some quality training, specifically in the security area and our virtualization type things. There are some real quality kinds of training but they're not always local. What I have found hasn't been in our area. I'm not looking for something that a value added resource is giving because they're trying to sell you something. I'm talking about quality training where we send him away for a week. The way I thought we'd do this is to send two people away once per year and then the following year two other people so that every other year if this is working out and if the Board so chooses to continue this, we can keep our people up to date and that is crucial in the IT area.

Chairman McGrath asked you're talking about your employees within your department and not other department employees. Ms. Nute said thank you that is correct. These are technical courses.

Selectman Coutu said you're asking for an increase of approximately \$15,000 for training. Ms. Nute agreed. These courses as I said are five days off site. They generally do include travel to somewhere like Chicago or Texas. They range from \$4,000 to \$6,000 depending on the course.

Chairman McGrath asked about the security training. Is that to prevent breaches within all of our software, all of our programs so that say Finance can't be hacked? Lisa Nute said yes there are a number of quality courses everything from the monitoring of hackers, learning a little bit more about how the hackers were advance penetration testing, and things like that. Like I said, there are a number of courses so I would like to be able to continue things like this. One year it may not be security for both staff members. It may be something more on the virtual side depending on what is coming and going as we progress.

Chairman McGrath asked have you encountered or have any departments encountered any attempts at getting into their systems. Ms. Nute said on a daily basis. Chairman McGrath said that's important to know and it's not just important for us to know it's important for the people that are going to be paying for this to know. One of my brother's had one of his bank accounts hacked. They got a lot of money out of it. Fortunately it's being replenished every day. We have some I think some sensitive areas whether it's the Police Department, Fire Department, Finance Department. All of those departments need to have really good secure systems and we need to have people that know how to prevent it from happening.

Lisa Nute stated on another area I will point out that is a significant change - again my bottom line has not changed in the operation. It is level funded but the 252 account is other professional outside services. We are at a point in my opinion and I'd ask that you support this to revamp our current website. We've put that in place almost 10 years ago and in this day and age it really needs to be more citizen oriented and interactive I think with our citizens for services and more opportunities to search for things themselves and a little more interactive. That's what I'm looking to do.

Chairman McGrath asked are we getting complaints from citizens about that. Lisa Nute said no and I think our site does provide a lot of good information. It is there. It may not be as easy to find as I would like it to be. I would like for more easily assessable searching and things like that on the inside. I would like to have people be able to word search even minutes and things like that. Right now I think our citizens would have to call Donna and she would have to go through her software and do things like that. I don't see why that can't be online and available through our website and a little more transparent for people.

Selectman Routsis asked if we were able to do updates to the website and use software to update, are we able to integrate and renewing their registrations on line as well. Ms. Nute said there will be. My hope is opportunities for permits and things like that to be paid on line. That is an ultimate goal.

Selectman Coutu questioned the bottom line on page two. The Fiscal Year 2018 budget is 637. The Fiscal Year 2019 request is 651 - a difference of \$13,000. Steve Malizia said its labor. It's the 100 accounts. If you look at the next page after on page 4, you'll see that the actual part that's not labeled is flat. It's exactly the same. It's the contractual labor. Selectman Coutu said if I'm looking at page 1 and I'm adding across and subtracting the difference in the budget I see a \$94,000 increase. You start adding up and subtracting the increases versus the decreases where she's \$94,000 ahead. Mr. Malizia asked did you subtract out the \$76,000 that we're not putting in reserve fund. Selectman Coutu noted I'm all set.

Selectman Routsis said I had done math real quick but it was probably me and there was roughly a \$7,700 difference. I didn't know like it shows me a page 3 215 that there's a 63 percent drop. Lisa Nute said I did notice that. Selectman Routsis said that's why I did the math and my math could be off but there was roughly \$7,700 difference for me. Ms. Nute noted if you look at page 4 at the very bottom line operating budget, those columns do add up properly. It's the same across each fiscal year.

Selectman Morin asked where are you getting the money for training and the other. Those are pretty big jumps. Lisa Nute said what we've done Selectman Morin is certain projects every year and that's why I wanted to talk about the capital reserve too. For the last several years, we have had projects going on so besides Helpdesk, we're also having to deal with things like the phone system was replaced just recently at the Police Department. So there's an example of a capital project basically that is redone and that's a chunk of money. Then what I did is turn that same bucket into the next budget and we tagged them with a project and that is in this fiscal current year we're in. It is the core piece of equipment in our data center here at Town Hall. So then the next FY19 I rolled that over and that's where you see what I've shuffled that money and made it work so that the bottom line wouldn't change like that. Throughout all the other departments as well, you'll see that contractual software agreements, maintenance, subscriptions. Those all do nothing but go up. The same with telecommunication costs. That's where we've managed to save printing costs in a lot of departments. We've used copiers more than printer cartridges so that helped us set a lot of things. Every year it's just a shift like that.

What you have in front of you is the three year plan for current capital reserve funds. Lisa Nute said most of you have seen a matrix like this from me on a yearly basis where I talk about the next upcoming big projects, where that money I project would come from, and how that affects our capital reserve fund. If you look at the bottom where its highlighted yellow, we currently have available the \$148,000. Also in yellow in the very bottom row I show you in each fiscal year starting with '19 the amount that would be taken out for

those projects above. On the far right column the total from capital reserve equals \$147,000 which is basically draining your capital reserve. We have enough money for projects for the next three years. Anything after that would obviously be a warrant article unless we're able to reverse this legislation. I found in the past and recent review remember it's very difficult to educate 3,000 to 6,000 voters on why we need to keep updated on software operating systems and things like that. Capital reserve has been a very wonderful thing for IT where you are the agents to expend. I can explain in greater detail with documents, etc. and show you why we need something, what the return on investment is. It is very difficult to do that for someone in a booth who doesn't go to Deliberative Session or takes that opportunity. I'm hoping that we might be able to reverse that legislation but in the meantime, this is where it stands. I project three years and we'll be out of the funding.

Chairman McGrath said you're not proposing that we do a warrant article this year for capital reserve. Lisa Nute stated not this year. I do have a warrant article that we can either talk about tonight or I could come back another time if that's the preference here. I don't know. Kathy Carpentier noted it doesn't pertain to capital reserve.

Ms. Nute would like to do is I do have one item that is not in the budget because it would have been over. It was a recommendation by Chairman Luszey. I wholeheartedly agree and appreciate his support on it. It's page 6 in your budget. Ms. Carpentier noted this is the first outside of the budget. Her request is not added in any place. If the Board took action, it would be an increase to the current budget that's in front of you.

Lisa Nute explained as you may remember, I have spoken before about the need eventually to replace a Munismart software. This is our financial package. It is our building permits. It is our code enforcement. It is our tax program. It is our utility billing. It is everything that we do including these budgets. These are the screens that you're getting here tonight is coming from a piece of software called "Munismart". They are no longer doing research and development. They will not sell these modules to anybody else. They are still supporting it but it is eventually going away. There are a number of replacements. Some would require a lot more customization than others. No one in house including myself is an expert to say okay I've got the perfect program that works for us. A consultant in this case would help us by looking at our current processes, interviewing people in each department, determining their needs, figuring out where we're shining in certain processes where it's nice and tight and awesome, and where things could be better either with software that's working better for them or for whatever reason. Then they would know because they are dealing with this on a regular basis. They would know that for our size agency our approximate budget and our needs we could go with vendor A, B, or C. They would organize the demos for our team that I would put together here, show it to us, and tell us okay with this vendor's package this is what you'd get and it would require let's say 20 percent customization and fill 80 percent of your needs off the bat. This one will fill 90 percent of what you need to be more efficient or just to fill your needs and this percent of customization. That is huge. The best I would do with my time is to go on what I know is going on here and I don't work in each office. Is everybody doing the best they can with what the software is giving them? Absolutely but is there software out there that can actually be doing better for them. I would surmise to say yes. There are also plenty of cloud version softwares now will that fit our needs or is it better to remain on premise. Things like that are crucial to make the right decision and a consultant in this regard could assist us immensely. I do have more of an in depth meeting with a consultant who does just this and has some good reputation this coming Thursday for a more in depth questioning and figuring out exactly where we are. It's like three different phases that could assist us with and the \$50,000 that I projected out is that first process analysis and then if we liked them and so chose, then we could take that information and pay them something additional - again this is proximate - to say vendor A, B and C and help us with those demonstrations or we could then cut the cord and go on own and look at those vendors.

Selectman Coutu said just for the purpose of my own clarification. Munismart is a system by which we are connected with the State, etc., etc., correct? Ms. Nute agreed. Selectman Coutu said the State is also going to be removing Munismart from the system correct. Lisa Nute said I'm not sure about. Until Munismart says we're no longer - I think that Munismart will...John Beike noted it's the other way around. Munismart supports the State so they interact with the Clerk's Office. Lisa Nute said in other words, Munismart customizes the software any time the State needs a change. That vendor is working for us and they need to make sure that we are working with the State. If the State decides to change something which they just did, it was Munismart in that office upstairs that worked with them and customized what we needed so that the Town Clerk's office then went down. The State implemented their piece, Munismart was already tested

with it and any agency working with Munismart was now up and running. Other cities or towns had different vendors and they had to do the same thing work with the State to meet those needs and to figure out how to change that so that we are working properly. Munismart I think will always support us when we have a problem. They are there to answer the phone and they do fix our issues. In getting customization more or certainly getting improvements is pretty much they're not really interested in doing that. It took a very long time for Patti to get a change that she was asking for quite some time.

Selectman Coutu asked how is changing vendors going to help and then still maintain our accessibility to the State operating system. Lisa Nute said we would not go with a vendor that couldn't work with our State motor vehicle software. We connect into the State from ours. Steve Malizia asked does the State use Munismart. Lisa Nute said no. The State has totally different software. Our vendor Munismart - Harris is the vendor name - they have customized Munismart to make it fit the needs of the State to make it work so that when the Town Clerk's pull up a registration, they are able to log into the State directly from our software. They're able to put in the money that they're collecting, etc. and information is going back and forth with the State so that it's working seamlessly. That's the job of the software vendor to make sure that it's working for us.

Selectman Coutu asked if we changed software and go to a different vendor it will be customized with all of the connections we make outside of our system. Ms. Nute indicated that would be the goal. That's what the consultant is going to help us determine. Eighty percent of that works that way but we're going to have to customize 20 percent of this package or you could go with package B and only 10 percent customization is required. Out of the box, it's going to fulfill 90 percent of your needs and things like that is what the consultant can help us find.

Selectman Coutu asked what is the anticipated - you want to do this in 2019 budget. Lisa Nute indicated my IT Liaison Chairman Luszey and I discussed this. He thought the sooner we get a consultant in the better. That would be the first step. I don't foresee us changing the software in FY19 no. This is a huge project. Huge project. I would like in this current fiscal year FY19 to get our core equipment up and running as we're currently going to be replacing that. That was something that was sought out and is in current budget. I need to do that piece before I can focus. This is going to be 99 percent of my time is working on this project. It's going to be quite a bit of time. I'm looking at more like FY2021 even as I'm at matrix, I have the funding coming out of further replacement software itself. If we were not able to get a consultant in this FY19, certainly by 2020 that would behoove us to do.

Selectman Morin asked what other outside agencies are you looking to work with. You said it's working well with the State. So what are the other agencies or other connections do we need to make? Ms. Nute said not so much other agencies other than State for Munismart - KC can correct me if I'm wrong. I think it's just the State but what has been nice about Munismart for all these years is that it's also interfacing between departments. When let's say utility billing takes in their fees, etc. or let's use sewer for an example and they have somebody who hasn't paid their sewer, it's not automatically interfacing with the tax module and that now turns into a lien and now she's dealing with it in her module and now becomes part of the tax bill. Things like that are working seamlessly. It's not just within Town Hall. Police Department is using that, etc., budgets, anything that comes in from cash receipting is interfacing with accounts payable and receivable. It has nicely worked. Munismart has been unique in that it also has building permits and code enforcement and the taxes as well. A lot of towns and cities actually have to use two or more vendors to accomplish what we're doing with one. For our size agency it has been I think doing quite well and it's too bad that they're not deciding to maintain that. They do have other packages that will be a vendor we can also look at to see if some of the other packages will fit our needs. That might make converting our data a lot easier too going with the same vendor but I'm not sure. I haven't looked into totally everything that they offer.

Kathy Carpentier noted some of the other things is like Patriot Properties - the Assessor. It's not a different agency but its connecting with Patriot Properties who is our property valuation the Assistant Assessor uses so the data can be converted from that software module into this one. As Lisa pointed out, everything ties right up into the financial package. Not all of them are financial but a permit has a fee, the fee would automatically be in the revenue report. The budgets would automatically be in our actual versus budget report. Everything is connected. It is a great financial tool but it has other municipal motor vehicles, the permits, the inspection piece, and that type of thing - modules that a regular software company wouldn't have. It was custom made for municipalities.

Selectman Coutu said I don't disagree with you. Munismart has been operating seamlessly for us. We've had tremendous success. What I just hear you say and correct me if I'm wrong, I'm interpreting what you said is that Harris may still be a player in this game. Ms. Nute indicated with a different software package. Selectman Coutu asked rather than paying \$50,000 is request for a professional outside service, wouldn't it behoove us to contact Harris and say look we're still a player here and they come in and show you their new software and what they can and can't do. Ms. Nute said we actually it was at least a couple of years ago where the Finance Director and I made a call to them to try and get the skinny on this. Like how much time do we have? Are you going away? Can you guarantee me that you will always be here to support us? They guarantee that but the most at the time - I haven't looked at them in the last year - at the time the most compatible package was actually still being developed by them. Their goal was to take the Munismart customers and to offer this other package. They were apparently working I think it was in the Midwest at the time and they projected that by the time they go from Midwest to mid-Atlantic states and then finally to our area would be like 6 plus years from now. That was a couple of years ago. It's something that we need to be prepared for and know that it is coming up. I don't feel comfortable not planning for something when a company is refusing to sell this to new customers and is not putting any more research and development into it. That is not something that we should expect to be on long term. My goal here was to start planning for that. I agree a consultant can be very helpful. Does it have to be in FY19? No. If the money is out there, I wanted you to know ahead of time what this was. If we couldn't do this in this fiscal year, I'd like to really seriously consider that for next fiscal 2020.

Chairman McGrath asked have you contacted any of the other municipalities around that are similar in size to us and see what they're using. Lisa Nute said yes and the Finance Director has given us a name. Town Clerk has several names that I have from other departments because they do business with others as well. What I have found thought is that for those that are not using Munismart, there's more than one package. So your Tax Collector for instance will be totally separate and will not interface with the sewer lien. You now have to either redundantly add data back in. The problem with that is that now you have to enter things twice because they don't interface and the same thing with building permits and code enforcement. It is unusual for that to be included and interfaced within a financial kind of municipal package. They did some customization for that and we were actually the customers who helped BETA that. It was brand new at the time and a couple of our clerks upstairs were able to say well I don't like how that's working can you have it do this. They used us as the guinea pig to our advantage that helped us customize it to fit our needs as well and allowed them to create a tickler system and things that they wanted. It had its benefits but yes it does create a little bit more work for our team as well. Chairman McGrath said it also causes more human error if you have to enter it twice. Two different people are putting in the data.

Chairman McGrath asked are there any other questions, comments.

Kathy Carpentier stated I'll mark this as a "will come back to" so you guys can make a decision whether you want to vote it in or not at the end of the budget cycle. Turn the page from page 6 to page 7, it stops going through all the department budgets. You're on 5077 town offices budget. These budgets are all in your budget book in their respective department areas but we put an extra copy here in ease for you to just walk through them with the IT Director.

Town Offices - 5077 - Lisa Nute indicated no change whatsoever. If you don't mind, I'll blast through. 5177 - Town Administration is up just \$100 and that's because Donna's printer is on its last leg and we're seeing a replacement this year. Kathy Carpentier said if this is up \$100, there's \$100 down into department head's budget.

Lisa Nute said 5277 Land Use - no change whatsoever. 5377 - no change that's Finance. No change to the bottom line. 5477 - no change to the bottom line. I would like to give kudos to department heads - Chief Buxton, the Assistant Assessor, our Water Department and KC's staff. We put in networking in our copiers some time ago with the assistance of the Finance Department. They've helped to encourage people to use those. Community Development is also a big one. We saw big savings in our cartridges and that's how we've been able to help offset the maintenance costs and things that do continue to rise. That's where we've shuffled the majority of things. Highway 5577 - no change to the bottom line. 5677 - Police, there is a slight change and even though we've had quite an increase in subscriptions and software maintenance, we still managed to be down just a tiny bit. Kathy Carpentier noted they also zeroed out their \$5,000 capital reserve. Lisa Nute agreed. That helped us. We did add some software like cross agency where they are

sharing records with other agencies that participate. That was an additional maintenance cost and a couple of little things like. 5777 - Fire is down quite a bit. That was mostly due to software that we purchased in this current one now is only maintenance instead of the actual software costs. Recreation - that one is up slightly and the reason for that is because we put some equipment on maintenance that was out of warranty. This is the camera system that we use at the senior center where they take IDs. They sign up for their programs and that's the equipment that now is being covered. That is in a nutshell all of the departments.

Selectman Morin was seeing a lot of the departments are already not going forward with their capital reserves. What's going to do in the future? Are we going to be playing catch up and at some point it's going to break and then we're going to be...what is it going to do for you if we're not putting in your capital reserve? Lisa Nute said as you saw for three years, I'll be okay but this is not a good way to work. What it means is that if the voters decide they don't want to give me an upgrade to something, it comes down to that security again. You have to stay on top of things and technology changes so fast. The reason that I fought to have this group here of Board members as the agents to expend is because technology does change so quickly. For instance our Kaspersky. I may be coming in mid-May when our subscription is up to say I'm changing vendors and this is the difference in the costs. Hopefully I'll have that in my own budget as I just roll that money over. I may not until I look at that in more detail. I do have something coming up in a few weeks.

Selectman Morin asked about the police capital reserve what is that going to do to them. Lisa Nute said the Police IT capital reserve I could talk on was only \$5,000 which was their portion of software updates. The majority of that was in mine. That goes hand in hand with what I'm doing as an overall department-wide, network-wide upgrade. It will be difficult not to have that opportunity to come before this Board and say things have shifted quickly and I need money to do this. To have to wait a whole year or a year and a half and then maybe even have the voters decide no is going to be very, very difficult.

Chairman McGrath stated that's something right now that's beyond our control. Selectman Morin understood that but at some point it is going to be in our control. We're going to have to play catch up which is going to cost us a lot more. That's why I'm going to ask because it's going to be an issue. Chairman McGrath said it's going to be the voters that are going to decide whether or not we're going to be able to fund some of these projects going forward because...Selectman Morin said I get that but are we just too nervous to put them in to see what's going to happen. That's what I'm asking is should we be doing it anyway and see what happens because if we get it.

Steve Malizia explained there was a Bill introduced as you are all well aware we went out to the Speaker of the House. There is legislation introduced. There is a Bill introduced. I believe there is more than one sponsor. That obviously has to wind its way through the legislature this year. They could very well reverse the Bill that to change it. So we could be back to doing business the way we used to do it. It's possible. It's also possible that it won't happen in which case we'll have to make one or two decisions or a couple of decisions. Either start doing more warrant articles or doing things through the budget or through a warrant article just for that specific task. The easiest one to think about is ambulance.

Selectman Morin understood all of that but what the Board has done and we've done it again this year is told all the departments to come in level funded. Now they're second means of trying to progress a little bit with the capital reserve funds has kind of been stopped. At some point, this is all going to come to a head and we're not going to make any progress because we're going to be making up all of the stuff in the past that we should be working on. That's why I'm asking should we attempt to go for some of these capital reserves?

Kathy Carpentier said some of the department heads as the IT Director did and others did different things. She didn't fund \$76,000 into a capital reserve fund but took the opportunity to get some training done, do the items she spoke on. Instead of putting it in the savings account - the capital reserve fund for the future, she took the money and addressed current needs. Lisa Nute indicated I'm going to try to tackle some of those things. Ms. Carpentier said which is what some department heads did and some chose to put in for actual warrant articles which is what the Fire Chief did which you'll see next. It's not like they pushed everything off into the future. If you do a lease agreement instead of saving to buy a purchase in five years, it's going to cost a little more on finance charges but we're still going to go buy whatever that big item is. We just have to spread it out over time versus saving for it for the future which is what we did.

Selectman Morin understood that but it's going to cost us more that way and if we can get a capital reserve approved, we don't have to pay that extra. I get that there's an issue here but at what point do we have to make a decision to see what happens. Again it's a long shot but we need to somehow educate the voters too that what they're doing. I haven't seen much of that going on either. There's been a lot of questions. There's been a lot of discussions but we need to start doing that soon because that's coming up if we're going to do it. They need to understand the effects of this either way.

Kathy Carpentier noted we have at least three different capital reserve funding ones that department heads chose to put through. One was from the Assistant Assessor and two from Fire. A couple of department heads did decide to go that route where some others threw it in the operating budget.

Selectman Morin asked what's the total number of capital reserves we normally have. Ms. Carpentier it depends first on how many zoning - it's about 13. Mr. Malizia said there's about 13 or 15 capital reserve funds. Selectman Morin said basically we're looking at 3 this year. Ms. Carpentier noted 3 additional ones have been asked for so far.

If you'd like discuss Warrant Article L, Kathy Carpentier said the IT Director has put in Warrant Article L which is in the back of your books.

Lisa Nute stated I first of all would like to say that I really appreciated this Board's support on at least giving me a part timer. The person I have in here has been very good to be our first line of support. The first thing to go check on things and the majority of the time can fix that. If not elevates it higher to one of my other team members. As you know I have both John and Vin at some point telling me they're going to be retiring but we don't have a date yet. We're in a position where we need the expertise. Besides the expertise though, we really need somebody who has had an opportunity and it can take up to a year to be totally honest working and understanding what we are doing, and how everything is working, and how installations and specific areas work. There is a lot of equipment and systems in all our departments particularly in police and in Town Hall. Every business and every department is basically a little business in itself. Unlike a lab of PCs that you can wipe and redo, I've got just a handful of PCs in one office running totally different sets of applications and software than another one. Each of those have their own quirks, and their own things that go on, and things that interact with it. We are running a very professional but also a very in depth and complicated in my eyes a system. To lose one of my people and then have somebody come in green, we are going to be hurting. It would behoove us to hire somebody full time not just because of retirements eventually coming in but because I really could use a full time person. Not to say that I don't appreciate the person that I have in part time but I was able to hire what we were able to get. I did not have a lot of selection either. I did have some fantastic applications for qualified people until they realized that's a part time job. I thought that was full time. The pickings were very slim and the person that I do have is fitting the needs for low end tech./first responder kind of things.

Ms. Nute indicated what I'm looking for is not just a full time help desk entry level person, I am looking for somebody who I can give more responsible projects and things to. Somebody who is actually that next level where if the entry level person can't figure it out would go to this next person. I picture more of a hierarchy kind of process going on in my department and we need to gear up for a potential retirement whether that is sooner or later. I'm also finding myself doing a lot more IT ticket stuff. I'm bogged down a lot more with what somebody in another full time position would be handling for me. I'm not complaining about the late nights that I do put in but I can assure you that I am spending a lot more time than I should be on assisting in the ticket kind of area so that I can free up my guys to get to those projects and things like that. We've increased 11 percent since 2013 - so 3 years through 2016. We've been up in calls for service by 11 percent. We are currently on track to rise 7 percent from last year in the tickets. I can also tell you that since Windows 10, that has caused us a huge overhead. Its constant upgrades, constantly causing problems, constantly getting stuck, constantly breaking other things. Like I said, I'm very grateful for my part time person because he's putting out a lot of those fires first thing in the morning when people come in and they find things or late at night when Vin or I may still be on and able to do those at night. It is a constant thing. We're constantly having issues. I am seeing an increase. I would ask for the support of the Board to allow me to put the warrant article out there and let me try to educate the public at Deliberative Session and explain why this is so important to me.

Selectman Coutu said let's, again, talk about this position. What you're saying in effect is - you didn't say it but interpreting some of the stuff that you said - the \$93,943 which is the warrant article requests would be

offset by \$36,079 correct? The part timer would go away. Lisa Nute said if I could keep the part timer, I would absolutely ask to do that. If the only way this Board would allow me a full timer is to do what you're asking, then I would at least ask for some overlap so that as we bring somebody new in I could still have that part timer to assist in the transition.

Selectman Coutu said I have an additional question relative to the position. As you are aware, we spent some time together this past week and we've had a serious discussion about your facility - your headquarters sort to speak downstairs here and the limited space. What would be the housing need for an additional full time staff person? Lisa Nute said part of our discussion which I will reiterate here for the benefit of the rest of the Board, I talked briefly about a slight renovation to this town hall and if this passed, I would look to see if we could do something like that. I thought it was minimum money for the type of work I was going to get. It was to break through my office which is adjacent to this back room here where the maintenance person currently has supplies and take over some of that space still allowing the hallway and the door into HCTV access that little room there would be available. There would be a wall to the left of that and then open up into my office so that it would allow us some additional space and a work counter which is what's lacking right now to be able to open a PC and as Selectman Coutu said, he had an opportunity to look at that. It is tight. We are constantly frustrated and it's like okay we don't is one system at a time. We have several systems that maybe open, waiting for power supply, or this one now needs this, etc. Now we have another support ticket and that becomes the priority so leave that one half done and go deal with this one so we can get this person a replacement and then get that back up to them. Things like that are constantly going on. The work counter with some additional space would be beneficial.

Lisa Nute proposed that we open that up or we talked about moving the Rec. Department to the Hudson Community Center. We could possibly do something there with shifting and using Oakwood in some manner. I do have fiber optic down there but it would need a generator and it would need some better cooling if we were to do something there.

Selectman Coutu noted you said Community Center as opposed to Oakwood. Did you mean Oakwood and not the Community Center? Ms. Nute said we talked about moving the Rec. Center out of Oakwood to the Hudson Community Center and then the IT Department or another department in this building freeing up space for us and if they were to move there. I don't know what would work best for a process. Selectman Coutu asked there's been no cost estimate done on what it would cost to relocate. A lot of this equipment would have to go. Ms. Nute said I would actually keep our data center. Yeah you don't want to just shut everything down and move that there. That would not be the best thing to do. Like our phone system would stay in this building but we would need connection and we could physically work from another area. Yes we would be constantly coming back and forth if our data center was still...Selectman Coutu said it's looped in and the redundancy is also a factor there.

Selectman Coutu stated you also mentioned something that's not been near and dear in my heart is I never made the change to Windows 10. Everybody that I know whether they're private user or a business that's converted to business 10 for the most part I've heard people talk about the problems that they're having with Windows 10. Why didn't we stay with Windows 7? Lisa Nute said for one Windows 7 is going non-supported. I forget the date but again you always have to progress. We are considering looking at other options other than Microsoft Windows. However, there was a point where Microsoft was dangling the carrot and I had a discussion with staff members to say okay do we take advantage of this free upgrade and then this opportunity or do I come before the Board of Selectmen in just a couple of years because now Window 7 has gone by the wayside with a large chunk of this is the next progression if we're going to continue with Windows. I thought it was fiscally responsible of us to go ahead and take advantage of the free upgrades.

Selectman Coutu didn't understand is that my previous employer which is the largest employer I believe in the world was operating on XP up until last year and support of XP went away several years ago and they were able to function quite well on XP. Lisa Nute said my guess is that they were working internally a lot and I don't know which company you're talking about or what exactly but I would guess that any system that they used outside connecting to the internet was not running XP. That was a real security risk if they were doing so. If you have just machines working internally, you could stay in XP as long as it's still running absolutely. I don't know which company you're talking about to be able to look into that and get some answers for you there.

John Beike said some of the large companies that were out there went to Microsoft and paid extra for that support. Selectman Coutu said they were still offering it. Mr. Beike said if you wanted to pay for it. There is a limited time. Selectman Coutu thought it might have been more beneficial than all the problems we're having with 10. Lisa Nute didn't know what the problems would be either and they only seemed to be becoming more problematic recently I think. Mr. Beike said it's gone through some growing pains and they're continuing update it but it's not that bad.

Chairman McGrath noted I fixed my problem with Microsoft. I changed to an Apple.

Selectman Routsis asked because you did mention and I understand the thought process of it if we're getting a full time person that part time might go away. Like we've done with other departments, it's really what do you need to run efficiently. I know you want to make us happy but what is it that you need to run efficiently? If getting the full time person means getting rid of the part time person but then that still puts you behind, it kind of defies the point. Lisa Nute said especially until that person is a year if there was an overlap that would be helpful. I do picture a part time person and a full time next level up and my current staff. I called this the best name that I could and KC and I talked about what in the world you'd call this because I do want that hierarchy kind of thing that does need to be that separation between levels. It's kind of like an engineer 1, 2, and 3. An IT person 1, 2, and 3. We're doing basically everything but there is no reason I need to be paying someone like a John with his expertise to go check on a printer. That is just wasting our money as well. To be efficient, I really believe that if you had the right people in place and the right levels and you're not overpaying a first line tech. support person to go and handle those things, that is how we run lean and most efficiently. I do see a part timer and a full time coming in.

Chairman McGrath asked the person that you'd want to bring on as a full time person would they be at the same level not only the same level financially but intellectually as the two senior people that we have now. Lisa Nute said no. Selectman Coutu noted she wants to put in a hierarchy. Steve Malizia explained picture here as the Chief. Picture them as a Captain. This would be a Lieutenant in that hierarchy that sort of ranking. Chairman McGrath got that but that person is going to have to fill in if one of the senior people decide to retire or get ill and can't come in. Would we by hiring that person are we going to be able to have someone that's on an equal footing intellectually with either of those two individuals?

Lisa Nute said it's difficult to say that after all the experience that John and Vin have had that I would have somebody come in for the pay that I was proposing and not be going elsewhere or I'd be getting somebody probably with problems. What I did is looked at their current scale and determined okay this is where my IT Specialists are. I'm looking for somebody for here that can progress, learn as they go, somebody who already has enough skillset that their familiar with firewalls even if it's the general idea of a firewall and then learn from other more experienced people and it's kind of like the career development that you would see in the Police Department or the Fire Department as Steve was talking about. You're developing this person and then by the time I do lose somebody, it's not such a hardship on all the employees who are now going to be feeling the lack of support. I still have the expertise within whoever is not retired hopefully they don't both go at once. He promised me that wouldn't happen but I can't guarantee that either. We would work it out.

Chairman McGrath said what concerns me is that I know John has a special expertise with the Police Department and they rely on him a great deal. I don't know if Vin has that same level of expertise for the Police Department and I don't know if the Fire Department requires - I think that they would require that level of support but it's concerning I think.

Lisa Nute said I can tell you that nobody can know everything and what I so appreciate about my team right now is that we're a good mix where somebody's weakness is another person's strong point. John is really good in IP and networking areas. Like you said, he's been with the Police Department for so long that he knows those quirky things that go on and he's worked with these vendors for quite some time. However Vin on the other side is doing some things where John couldn't just hit the floor running either but they've got enough experience that they could figure that out. When I first came on here 10 years ago, I was gung ho about making sure that they stayed cross trained and I had these big ideas of Vin going down there for a month or two at a time and John coming here just so that we can it just never worked out that way and it didn't make sense because that would have taken so much more time. A lot of our things are remote as well too so it's not just like John is just doing police stuff and Vin is just doing Town Hall and Fire things. I have John doing primarily the public safety software for both departments. Doing like the mobile virtual

private networks and things for both our public safety agencies and even Town Hall and Highway. Vin is doing server work down at the Police Department. He may not physically be down there but trust me he is doing a lot of their work and a lot more than say Chief Lavoie even knows he's doing. He's our security person and he is keeping things like that up to snuff. Even though physically we may be sitting in certain areas for the most part we are out everywhere. Like I said, you can't have one person knowing everything so we do make a good team and that's the kind of person I would have come in where I feel most uneasy. My staff honestly can't take a vacation nor can I without being tied in here. I am grateful for them in that regard too. I have had them respond to e-mails from a beach in Florida or elsewhere. That's a 24/7/365. So we do our best. What I do regret and wish I could make better at this time but with the level staff I can't. We do have department heads and people waiting a long time for some things. We have projects that keep getting dropped because of the interruptions. Our part timer has helped with that quite a bit but his level is here so I get a lot more interruptions now because I'm having to assist him with things. It's a matter of finding somebody who really fits that team and fits the needs that we have currently.

Just to clarify, Chairman McGrath said you're looking to hire a full time person and ideally keep the part time person as well. Ms. Nute agreed. Chairman McGrath asked if there were any other questions, comments. I guess that's something that we're going to have to talk about.

Fire (5710 - 5770 & Warrant Article H, I, & K)

Chairman McGrath recognized Fire Chief Rob Buxton.

Good evening Madame Chair and members of the Board. Chief Buxton said thank you for the opportunity to present the FY19 budget to you this evening. I'd like to take a couple of minutes and just give some overall contact points regarding the organization. First of all with me this evening is Erika LaRiviere. She is our Executive Coordinator and an intricate part of our budgeting process. I'd be remiss if I didn't thank the rest of the members of our team that contributed to the budget process. Our activity over FY17 actually had us having just north of 14,000 contact points with the public. That's 4,137 emergency incidents in the Town of Hudson. That's 397 incidents in the Town of Litchfield. We're also contracted the EMS service for the Town of Litchfield. Of that number, 8,000 of those contracts were non-emergent type incidents so that meant that we were called to somebody's house. It could have been for a non-emergent water leak, locked out of a house, and those types of activities. When you think about the Fire Department, we're full service and a hazards organization. It could be somebody coming in and they need some public assistance with a smoke detector installation and those types of things. We also contributed 2,258 building permits in town this past year. So that's very much consistent with the last three years that we've seen and actually if we stay the pace from last year with the remaining months of this year, we'll actually be up over 200 building permits this 2017.

Chief Buxton stated our goals for this budget we believe that we put a budget together to support our mission and support the town in their needs. To accomplish this is to prepare our personnel, consistent community risk reduction, and protect through a delivery of services that is equal across the board. Our budget comes in just north of 1.3 percent increase. That's inclusive of the entire budget and inclusive of salary and benefits and go from there. As a side note, we generated just north of \$1 million in revenue this past year and we also have offered three warrant articles for your consideration this evening. Two of which are capital reserve articles and one is required for a grant application for staffing.

Chief Buxton assumed you'd like to start with the operational sections. 5710 Fire Department Administration comes in at a 2 percent increase in the payroll side of the house minus 4 percent of the operational side of the house. This section of the budget includes salary and benefits and associated operational costs for fire administration. You'll notice a reduction in postage, printing, towing, and a slight increase in office supplies. The postage and printing can be directly attributed to the reduction of the Zoning Department coming out of the Fire Department this past year. So you'll see that reduction in here. Then we will also not be talking about that section of our budget. So that is the lines that you see we removed some money. The lines as I stated also show a slight increase in the office supplies and that's just current costing.

Page 7 - 5715 Facilities. Chief Buxton explained 5715 is our building maintenance line. As you know the last couple of years this has been our heavy area of the budget with a renovation at Central Station. Now the construction of the new fire house this year, we show a 2 percent increase in the payroll side of the

house and go down that path. This accounts for all of our preventative maintenance within our facilities: electricity, utilizes, all of those areas.

Page 11 - 5720 Communications. Chief Buxton stated 5720 is our budget for our dispatch center. This is inclusive of three transmission sites, 5 receiver sites that are full licensed with the FCC. You'll note an increase in contracted services of \$228. That's for our preventative maintenance program and emergency callback requirements with our radio vendor. That's the only increase within that line.

Page 14 - 5730 Suppression. Chief Buxton said the suppression area of the budget is the largest section of our budget. This is the first opportunity for us to have some conversation regarding capital reserve accounts. You'll see that in here. We bring forward a full complement of staffing across the board. As of today, we had our two new employees start with us and we're back to full staffing that current budget allows. In this year, we have some talking points regarding a replacement ladder truck through lease purchasing. If you remember correctly last year, we moved forward with a lease purchase program for a pumper. We are proposing doing that this year with the latter truck. Basically that puts you on a ten-year rotation of replacing your large fleet. As I spoke at the Planning meeting we had regarding the budget, this was an opportunity for us to bring that in and give that to you for consideration to move that piece of apparatus forward. The ladder is 22 years old now. Over its lifespan it's had its fair share of breakdowns. When I looked at the overall mechanical budget, we've actually spent north of \$200,000 on that unit itself. If you remember correctly prior to the renovation at Central Fire Station, we had a height requirement to get into the building. That piece of apparatus was actually built a low profile and was built with the ladder actually down inside of the frame which caused a lot of concern. That has become time to replace that piece of equipment and we've added that money into our operational budget for consideration.

Chairman McGrath asked line item 5730-404 is trucks. That's why that number has gone up substantially. Chief Buxton agreed.

Selectman Morin asked 5730-102 the salaries for part time. What does that cover? Chief Buxton explained right now that is the Call Department budget and basically in 2009 we came in and received authorization to fund a part time position that worked in Support Services. That position is still there. We've utilized that position to offset some administrative work with the EMS Division administratively. Our Call Department as far as emergency callback has been reduced down to one. So we have continued on with that program was suggested that we continue on with that program this year. As far as the actual call back in an emergency response, the Call Department is just about obsolete.

Selectman Morin said that was my question that you got \$12,000 but almost \$7,000 was a position that resigned in July. So shouldn't that be cut in half? Chief Buxton said we actually have not filled that part time job waiting for this opportunity to be here and have the discussion with you this evening. Pat Weaver who left and retired, we have not backfilled those hours administratively because we wanted the opportunity to vet this through the budget. Selectman Morin noted that's administrative. That's not the firefighting part of it.

Selectman Coutu was puzzled. Why is there a \$12,000 line item? Selectman Morin said that was my question but I understand where he's going with this. Selectman Coutu noted I don't. Selectman Morin stated he's going to tell you shortly I believe.

Chief Buxton said in 2009 we came forward with a part time support services position when Chief Murray was here that was funded through the call line. We've reduced the money of the Call Department as we've move forward each year and we're now down to the brass tacks of that \$12,000 is that 16 hours a week that would be available for that part timer to work. That's what we would choose to do is move that forward. Is it appropriately labeled within the operating budget as we sit here today? I guess that's probably up for some debate as we sit here tonight regarding which line item it actually shows in. That budget number has worked out to provide us the opportunity to have that coverage. Pat Weaver when he was with us - sorry I don't mean to use names - that position when he was with us actually maintained our database on the back side for our communication system. So from streets, to hydrants, to run cards, to that piece of maintenance that was being done.

Chairman McGrath said that \$12,000 what does that represent. Chief Buxton said it represents about 16 hours a week.

Selectman Morin said I understand the position but my other question is for the EMS Supervisor you've got budgeted \$25,000 and some change. Looking at from '13 to '16, you had '13 was \$12,000 and change; '14 was \$10,000 and change; '15 was \$10,000 and change; and '16 was \$10,000 and change that came out of that so why couldn't we do those two positions out of that money and eliminate the \$13,000? Chief Buxton said you technically could but as you're aware, her funding for her position also is incumbent upon her coming in and doing refresher training. Depending on where we are in the cycle, some of those monies have floated around. You are 100 percent correct that she has reduced some of her administrative time so could we cover both of those within that line? I think it would be pretty tight so I would encourage you to add some monies in there but you absolutely could make that swing.

Looking at it, Selectman Morin said if you have 12 one year, 10, 10 and 10 and some change each year and I know some of those years that we did the refresher, they're still \$15,000 in there. Chief Buxton said absolutely. I would remind the Board that each year we take well north of \$100,000 out of the operating budget for earned time buyback and I'm required to come up and cover some of those fees so some of that extra money that is there in that particular line would go to cover some of those offsets - some of those projects. As I look at balancing the budget and managing the budget every week, I find pockets of money to offset those hits that come in. You're not off base Selectman Morin in regards to if you wanted to reduce some money you absolutely could but what is the right number? I would encourage you to add some money into that line at least half of that.

In looking at the firefighter's positions for the last four years, Selectman Morin said Firefighter 1 '13 was \$1,000 and change; '14 was \$2,000 in change; '15 \$2,000 in change; and \$16,000 \$2,000. Chief Buxton asked which line. Selectman Morin said this would be the \$13,000. 13 for Firefighter II was \$2,000 and change; '14 was \$2,000 and change; '15 was \$4,000; and last year was \$1,400. There is with the call back and stuff, I'm just seeing if we can eliminate one of these lines if we need that a little more. I don't see we need two lines for this. Chief Buxton encouraged the Board to split that. If you wanted to take that 102 line and split that in half and put that into the EMS line, I think that would appropriately cover that. I think you're at 12 so if you took 6 you had talked about 7. I think we spent last year give you some offset and you could certainly do that.

Selectman Morin asked what are you projecting where you got EMS training this year. Chief Buxton said yes we do. The National Registry is constantly in cycle now in regards to how they're managing and tracking the continuing education. Selectman Morin said we did that in probably '13 right. Chief Buxton agreed and depending on where we are in the cycle now that we've had to change all the AEMT stuff over, it becomes cumbersome and we're coming up on that first big transition there.

For clarification, Kathy Carpentier asked are we making a motion.

Selectman Morin asked how much are you planning on paying the...Chief Buxton said his hourly rate. That's what they get paid. That's what the position was slated at. Selectman Morin asked do you know what that is off the top of your head. Chief Buxton said I don't. I can send that detail back to you. Selectman Morin thought we need to have a number before we do it.

Chairman McGrath said if I understand what you're suggesting is that we're just going to cut 102 in half from \$12,000 to \$6,000 and then add that back into another line item, is that what you're suggesting? Selectman Morin said no. I'd like to see what the total is going to be first. I understand the training absolutely and it does fluctuate because the EMS Supervisor spends a lot of time and a lot of training. I'd like to see the number totally because you got \$25,000 there. If we get 12 and 13, and again you got EMTA this year I get it so it's going to go up, but you did \$12,000 and that still left you more than \$15,000. With a part timer at 16 hours a week at the rate that they are now, you're probably going to be pretty close. You may have to add a little but I'd hate to add more than we should.

Kathy Carpentier noted an action item is for Chief to come back with the rate of the...Chief Buxton said she's going to look up that detail right now. We might actually have that. Kathy that might be in the salary backup on the back sheet.

Motion by Selectman Coutu to cut line item 5730 Fire Suppression, line item 102 Fire Suppression Salaries Part Time, from \$12,000 to \$6,000.

Chairman McGrath asked for a second. If not, the motion has failed due to lack of a second. Let's move on and if need be, we can revisit that again.

5740 Inspectional Services, page 22.

Chief Buxton indicated this reflects the Inspectional Services budget - operating, payroll, salary, benefits, You'll note that there is under 5742-252 you should notice a \$20,000 increase. Basically that is the mosquito control program that was extrapolated out of the zoning budget and left in the Fire Department budget. As you are aware, we are responsible for managing that program under the Health Division so that goes into that line. That is not an added program. That is a program that we've had for the last 10 years plus.

Chairman McGrath asked is that done every year. Chief Buxton said yes. Steve Malizia said they treat. Ms. Carpentier asked isn't it technically done twice. Chief Buxton said it's in two halves. Chairman McGrath said I checked that on my sheet here and then looked further into it to see exactly what it was. Chief Buxton said the only additional money that was added in there was from public education. There was a slight increase and go from there.

Before we go on, Selectman Coutu asked to go back to page 15, line item 404, 5734 Forest Trucks. I think I understand it. You may have explained it. I was researching something else that I spotted in your budget for a later discussion. The budget for Fiscal Year '18 is \$68,000. The budget you're requesting is \$174,000, an increase of \$106,000. Is that capital reserve money that you're putting into the budget? In lieu of capital reserve? Chief Buxton said correct.

Kathy Carpentier pointed out page 19 to Selectman Coutu. It does break it down into the three things that he's buying. Selectman Coutu wanted to make sure that's what - I applaud you for doing that.

Page 25, 5750 Ambulance.

Chief Buxton indicated this is basically the nuts and bolts of your EMS program in town. It covers the payroll for our part time EMS Coordinator, our operational expenses. This year you'll notice that we moved some shelves around to provide some small equipment increases. We need to re-outfit our three ambulances with stair chairs. Those are \$3,600 apiece. They're over 10 years old and need replacements. The shelf life on a stair chair and a stretcher is now 10 years and we're coming to that period where we need to replace that so we have the ability to move that around. We've also increased some paramedic training at \$2,400 in 237 and that's to provide an opportunity to bring in some outside advanced paramedic training for them whether it was advanced airway programs, cardiology, or those types of things.

Selectman Coutu said a few years ago Chief Buxton we had implemented a program to send one person away. The cost was like \$10,000 a year. Are we continuing that? Chief Buxton said that is in this budget. That's your paramedic training. We have one individual in training right now. It is a two-year process so that money over two years is about \$16,000 between the two years that they utilize. The other \$4,000 is lab fees, books, and those sorts of things for the program. So there's a \$20,000 investment. They sign an employment agreement with the Town that if they were to leave our employment over so many years the cost is offset and we would recover that if they leave prior to that. Selectman Coutu said the program is obviously working otherwise I know you well enough that you would have cut it. Thank you.

5765 Fire Alarm, page 29.

Chief Buxton said we maintain a 100 mill system in town. If you look on the outside of the buildings you see the red fire box. We have 350 of them in town and we have 56 ½ miles of cable we actually manage. That's managed as a collateral duty of the Inspectional Services area and one suppression firefighter who works overtime to give a hand within that Division. They maintain 9 fire alarms circuits. Town code reads if the fire alarm system goes by and you're renovating or putting a new building up, you're required to tie into that on the commercial side of the house and it can go from there. That is managed internally. To date it's hundreds of years old the technology and it's one of the best systems we still have out there.

5770 Emergency Management, page 31.

Chief Buxton said there is absolutely no change in this. This covers your plans. We've been fortunate that we've received a grant that actually started today in your hazard mitigation update itself.

Kathy Carpentier noted that concludes the departments for the Chief. He has requested no outside the budget line items but he does have three warrant articles. If you go back to Section H in the back, his first warrant article is to hire four firefighters/AEMTs.

Chief Buxton noted if you recall last year, we actually came in with a request for a Safer Grant application. Approximately three months after we received authorization to apply for the Safer Grant, they changed the rules. Of that grant program and are now requiring a contribution on the town's part. That is why you see this in your warrant article format this evening. Basically what we're asking you to do is hire 4 firefighter AEMTs at the cost to the community of \$87,387. The federal grant picks up the \$262,000 other portion. So you're paying one firefighter's salary and receiving four. When we look at the work that's being done by the Fire Department and the emergency incidents that are taking place, we continue to see the increase specifically on the EMS side of the house. Over the last three years, we've increased approximately 300 housing units in town. One of the contributions to our emergency response system has been the impact of the 55 and 62 plus developments. If you think of the development that came in off of Belknap Road, that was 100 55+ housing units within that one development itself. Twenty-eight units down the street and Sparkling River along the river is 180 units.

Chief Buxton indicated basically what's happening is we don't see the impact on the school side right because of single family dwellings aren't being of school aged children but what you'll see is you're seeing older adults coming into the community along with them moving from Massachusetts mostly coming into New Hampshire. You end up with a situation where not only do they come up to New Hampshire, they bring all of their health issues with them. We've seen a spike on the EMS side of the house regarding that response. The insurance challenge they don't want to keep you in the hospital any more so they send you home earlier and the folks on the floor are seeing sicker people whether it's a cardiac event, a breathing difficulty, or somebody that had surgery and then is having an infection on the back side from bandage management to those type of things. This is really an impact here. Whatever points during the day where our full time staff is staffing all three of the ambulances and on the road and that is providing no fire coverage at that point. We're at that crossroad where we need to make a decision because we've cross staffed all of the apparatus - the ambulances - and they get deployed and they're all at the hospital or in travel somewhere and we have no fire coverage.

Chief Buxton explained so we're at that crossroad where we need to make a decision on how we want to handle that additional workload. What we've proposed to you this evening is applying for this grant. The purpose of the grant is actually to support communities that are hitting this spot in the road. They've altered the contribution rate with a 25/25/35 specifically to afford opportunities to communities like this and try to get away from funding the metropolitan areas with the big hiring practice because it gives us the opportunity over the four years to plan on how to fund them on the back side. I think if you look at the ambulance revenue and you look at how that's progressed along the last few years, you'll see that it's steadily gone up. That is for several reasons: one - from the activity; two - we're paying the due diligence every month sitting down and managing that account and capturing those funds. We have not seen a rate increase since '13 on the EMS side of the house and we continue to achieve a higher rate of return on the medical side of the house. As far as contract services, you'll note that Litchfield just off of 102 itself off of Page Road has a 38 unit subdivision that went in, had no input from us, and now impacts our service delivery. They also have been very generous with going after the 55 and 62 plus population. That is having a tremendous impact on our EMS system and how we manage that.

Selectman Routsis had a couple of questions on the grant. When we talked about it earlier this year...Chief Buxton said it would have been last year actually. Selectman Routsis said at that time it was for two people. I understand the needs have changed but for this particular warrant article, I guess my questioning with it is because this only shows for the first two years of what they'll need to pay. It doesn't show the third year and it doesn't show that fourth year we would be 100 percent responsible. If we were to move forward with this, are we able to put any of that in it? Chief Buxton said we actually did project that so it would be the...Selectman Routsis said we see it but it's not in the pending proposed warrant article. Chief Buxton noted that would be part of the presentation we make to the public.

Selectman Routsis stated my next question is going to be on it because when we had originally talked about anyone that we were potentially going to hire on with it would also have the clause knowing that they would potentially not be extended if the town didn't let them in. Chief Buxton said at the end of the grant funding - so say you got to year three and you're going into year four where you're overlaying and the economy took a dip, they have deleted the requirement for you to hold on to that staff. That used to be the big piece. You hired them and then at the end of the four years you had to commit to keeping them on staff. The grant program did away with that but what they did do is they reverted back to an old formula that had the cost sharing overlaid in. They do 25/25/35 and then the fourth year you're on your own so with the 100 percent funding.

Selectman Coutu said the life of the grant that they money is guaranteed by the feds is 3 years. Chief Buxton indicated it's a 4 year grant program. Yes the 3 years is where you receive the subsidy. The fourth year you're on your own and guaranteed. Selectman Coutu noted it's really a 3 year. It's a 4 year grant but it's really a 3 year. Is it your plan that if this were to be approved that you would increase staffing at each of the stations by one additional person at least on the busiest shift? Chief Buxton proposed is to do peak time staffing. So we would be adding two firefighters 8 to 8, 12 hour shifts, 7 days a week. If you look at our busiest times of the day, it's been 8 in the morning and 8 in the evening and you would split them so the shift goes from 9 to 11 and affords the opportunity to get the third ambulance on the road. It affords the opportunity for us to address that peak time staffing where you have all the traffic on the road. Your medical facilities are open - 300 Derry, 208 Robinson, the Fairview is up and moving around, and people are transient. Traffic is in and out. It allows us to capture that snapshot.

Selectman Coutu said what you're saying is - I want to make sure I understand the staffing portion of it - if this were approved, you're going to have four additional people. So you're going to rotate two so that we have 24 hour coverage. So it takes four to rotate through a week? Chief Buxton said yes. You would have 9 on duty 24 hours a day. During the daytime portion 7 days a week, you would add the additional two that would overlay and they would work say the proposed schedule maybe four 12 hour days and then have their 4 days off. The other two would come in to augment the shift. Selectman Coutu got that. Now where are you going to house them? Chief Buxton said they would be housed out of Central Station. Selectman Coutu said because the bulk of the equipment is here. Based on my calculation and what the option of withdrawing in year four should the economy take a dip, but it's not just the economy it's we also have to consider what our needs are three years out as well. They may increase as well. The federal government is going to provide us a little over a \$1 million in the next three years. It comes out to \$1.05 million. Our costs would be a little over a quarter of a million dollars to get that million dollars. I wholeheartedly support this warrant article and I'm going to do my best to try to educate the voters why this is a bargain for us because of our community's needs because of all of the things that you mentioned relative to the elderly population, moving here because it's not that we have a big hospital in town we don't it's that it's a great community to live in and they're building 55 and over units all over town. There are more of those going up than anything else and I think there's more going up in Hudson than anywhere else.

Selectman Coutu said I see it as a need. It's not a wish list. It's a need list and I think it's imperative that we consider this in light of the fact that 75 percent of the total cost for the next 3 years is being borne through a federal grant which we would apply for. Now have we applied for it and have we been approved? Chief Buxton stated the grant application process will start now and what you run into with being a Senate Bill 2 community the way our budgeting works if we were to apply for the grant now and not move the warrant article forward, we wouldn't be able to commit to the federal government that we were going to utilize the funds. They'll look and if they give us the award, they're going to give us a 30 day period to basically say okay do you have your share/your match. I can't the way we budget and the way we go about staffing, I need to get that on the ballot this year to make sure that I can fund my match to the warrant article.

Selectman Coutu indicated which brings up the following question. If the grant is denied, this is on the warrant article and the voters vote for it. It's moot. Chief Buxton said it goes away. You don't have to do it. If you look at the wording and we wordsmith this with legal staff in regards to making sure throughout the 75 percent contribution by the federal government there wouldn't be enough money there to fund it and it would basically go away if we don't get awarded. Selectman Coutu stated I'm supporting it because federal government is going to put \$1 million in our hands for something that we really need. This would buy us some time out 3 years anyway. Chief Buxton noted this is very similar to the copsmore grant I believe it

was titled back in the late '80s early '90s. Selectman Coutu said but you owned them. Here we have the option of withdrawing.

Chairman McGrath had a couple of questions. You mentioned in your presentation that the calls that you're getting now for the 55 and over communities it's more because they're being released from the hospital earlier, they're not holding them as long so you need to take care of wounds, and bandages, and things like that. Because of that as opposed to bringing the ambulance out to those calls, would it be better to have a van or something that would have the necessary equipment to treat those types of calls as opposed to all of the other equipment - the emergency type of equipment. Would that make more sense? Chief Buxton said that is a great question and that is probably where the next chapter of the EMS will be in the State of New Hampshire. That program was called "community paramedicine" and basically that would mean that you would go out and you would actually service in the home. Currently the way our protocols work we have the ability to sign somebody off but we don't have the ability to render care and then leave them there. We do have under specific guidelines with in the protocol if it's a diabetic emergency and those types of things, they don't want you to bring them back to the hospital. When you get into those specialties regarding the wounds, bandages, and the discharge that comes from that, most of the time the doctor wants to see them back at the hospital because there's something that has changed in their situation. They want to see them back so they can make sure that it's addressed the way they need it to be addressed so they don't have long-term effects.

Chief Buxton commented we are also going to be as part of that - part of our insurance return and the way the insurance system rolls, there will be performance objectives that we're going to be subject to as we move forward: types of care that we provide, how that all works out. They're paying less. The insurance companies want to pay less and the more they can push out to us in the field is exactly what's happening. It's basically being transferred from the ER to the street. The paramedics work very close with the doctors in regards to transports, non-transports. There are situations now that you may leave somebody in their home through talking directly to the doctor. Those are events that are taking place but that is a program that will be coming forward. That is something that I vision will be on your horizon here within the next 5 years.

Chairman McGrath said it doesn't really pertain to you. It's not an action item for you but it might be an action item for our Planning Board and our Land Use Division. Because of the developments for 55 and older housing, their density is greater. They're on smaller lots. They build smaller homes and they get a much bigger return on their investments. The town is left to pick up the additional costs for emergency services. They may not be impacting the roadways as much but they're impacting us in other ways. I think our Land Use Director, our Planning Board needs to look at instituting a cap fee for those types of developments because they're not impacting the schools now. So there's no school impact fee but there is an emergency services that they should be looking at and so it would help to offset those costs to the general taxpayer.

Chief Buxton said I'm not sure if you're reading my script or not but that is in there. I think it was 2010 or 2011 Chief Murray came in to the Planning Board and actually pitched an impact fee for public safety. At that point in time, they didn't move forward with that. The Town of Salem received a safer grant for 8 firefighters this past year. One of the things the Chief Parisi of the Salem Fire Department was successful in doing was working with his land use board and they now have instituted a public safety impact fee specific for these developments because they're not contributing towards the schools but they're impacting in other areas. That is language that I have in my office that I don't have with me tonight that I will at some point get with the Land Use Director and move forward.

Chairman McGrath said we're just in sync here. I think that that's something that we really should be doing because the developer for those developments their return on their investment is greater because they have a much higher density. They can build more units on less space but they're impacting the town significantly as evidenced by this having to hire additional staff just to address those units.

Selectman Coutu asked to ask a question relative to what you brought up. Maybe I'm misunderstanding but maybe perhaps I have it. They have insurance and insurance pays for only if they ride, correct? Chief Buxton said no not all the time. We actually have the ability to charge them for non-transports now if they are...Selectman Coutu asked how is this impacting the taxpayer then. If the insurance company is paying for the service that we're providing, it's not an impact on the taxpayer. Chief Buxton said I agree with you

but what I think what you're seeing is the taxpayer is being forced to pay on the front end. So you're receiving the revenue on the back end on the use but you're being forced to pay for the equipment. As a taxpayer, you're being forced to pay for the equipment that was within the ambulance, the personnel up front so the average taxpayer use or no use pays for that up front and the end user upon the use the insurance company contributes back. At the age when you're on Medicare instead of on private insurance, we accept a flat rate for whatever Medicare is paying. If you have private insurance or a subsidy, we may receive a little additional revenue which is the plus 30. When you're on Medicare alone, you receive the base rate which the town has accepted as part of their fee schedule.

Selectman Coutu commented I pay for the schools and I get no revenue. I just don't see putting an impact fee on a developer for a service that is being reimbursed by an insurance company. Chairman McGrath stated the actual service that's being provided maybe reimbursed. When you put a bandage on a wound or you treat a person but they're not paying for the overhead. The equipment that we have to provide, the materials that we have to provide, and more importantly the personnel that we have to provide, we're being asked to increase this department now by four. Now we'll have a grant that will help to fund that - offset it for a three year period but if we keep those four individuals in order to address an aging population, we're seeing that type of development grow. The reason why it's growing first is because of the aging population but also because the return on investments for these developers - I'm not taking a swipe at them. They're able to buy a piece of property and they look at it and they say how can I get the best return on my dollar? Okay if I do 55 and older development, I can put in so many more lots on this piece of property than if I do a traditional development. It's a higher return but we end up getting additional costs.

Chief Buxton said it's a potential funding mechanism to offset the increase in the salary. If that's some place the Board chooses not to go, that's some place the Board chooses not to go. Selectman Coutu asked can we charge the same as an ambulance company charges. Chief Buxton said we do. Selectman Coutu said based on her argument, a private ambulance company couldn't survive in this town or any town because the overhead is not covered - of course it's covered. The truck is being paid for. The staff person is being paid for. That's a misnomer to say that we're not being reimbursed for our staff and for the truck. Part of all of that is equipment part of all of that charge correct? Chief Buxton said yes. Selectman Coutu didn't understand why we'd want to go after developers to pay a fee for something that we're being reimbursed for. It doesn't make sense.

Selectman Routsis said from personal experience, our reimbursement from someone that is on Medicare versus someone that is on private insurance can be drastically different. I chose to move my husband to Medicare because he's eligible for it because if he goes in - I'm just going to use an MRI as an example. If he goes in for an MRI on my private insurance, my portion is 20 percent of the \$10,000 they bill. So I have to pay \$2,000. On his Medicare, they only get billed \$800 and my portion is \$160. So the difference in what you're getting reimbursed to offset those costs is drastically different also.

Selectman Coutu said the insurance company that's paying \$1,400, they're making a huge profit on. The \$800 they're making a huge profit on just not as much. Selectman Routsis said what we're getting reimbursed for though, there's going to be some point somewhere that's not going to break even.

Chairman McGrath said that was my question and comment. Anyone else?

Chief Buxton indicated I have two additional warrant articles. Warrant Article I - in 2008, the town created the funding for the fire apparatus repair and refurbishment capital reserve fund. We have chosen to place this on the ballot as a warrant article this year and the value of \$20,000. The reason that we felt that this was one of those capital reserve funds is it works. Having it out there as an individual warrant article if it gets voted down one year it would be my intent to come back the following year. It basically is a savings account that goes in and every 10 years the ten year lifespan we're just getting ready to do this with one of our trucks now. It actually affords us to go through and give it an overhaul and give it the additional 10 years of life. A piece of fire apparatus and a large fleet is a 20 year lifespan so at that 10 year mark you're giving it the motor work it needs, the pump work it needs, maybe the ladder work that it needs. We felt that this was one of those capital reserve funds that if it was voted down one year, it didn't have a huge impact on the operation. It would continue to move forward and would afford us the opportunity to continue to save money towards that bigger project that comes up every 10 years. So we intend to move that one forward.

Selectman Coutu asked why didn't you put it in the budget. Chief Buxton said I can't. Steve Malizia said he can put money into refurbish something but he wants to save it up. Chief Buxton explained refurbishment on a piece of apparatus...Selectman Coutu said it wouldn't go into capital reserve. Mr. Malizia said what he's trying to do is keep that savings account going. A refurbishment on a piece of fire apparatus is probably between \$100,000 and \$150,000. Really that's something that I'm trying to keep my budget as flat as possible and not have the spikes and valleys on their tax rate.

Chief Buxton indicated the same logic is utilized for the next capital reserve fund for the communications. Kathy Carpentier interrupted and said it was Warrant Article K. Chief Buxton said Warrant Article K is for funding our communications equipment infrastructure capital reserve fund. The Police Chief and I have sat down and talked. We believed that this was a reasonable funding. We actually originally were going to try to fit this into the emergency management line item. That's how I ended up with the presentation tonight and not Chief Lavoie. Basically what we're looking to do is continue to fund that communications equipment and you'll notice within the warrant article, we're not asking to raise it through taxation. We're actually looking to fund it by unassigned fund balance at the end of the year. Upwards of \$200,000 would go into that fund on June 30 and fund the capital reserve account. That's what you have done over the last few years with the sale of the properties and go down that path.

Chairman McGrath asked if there were any questions, comments. If not, thank you Chief Buxton.

Kathy Carpentier stated the last thing we like to say is that we'll meet back here on Thursday night to continue the budget deliberations before you adjourn.

5. ADJOURNMENT

Motion to adjourn at 9:23 p.m. by Selectman Coutu, seconded by Selectman McGrath, carried 4-0.

Recorded by HCTV and transcribed by Donna Graham, Recorder.

Marilyn E. McGrath, Acting Chairman

Roger E. Coutu, Selectman

Angela Routsis, Selectman

David S. Morin, Selectman