

HUDSON, NH BOARD OF SELECTMEN
Minutes of the October 16, 2014 Meeting

1. CALL TO ORDER - by Chairman Nadeau the meeting of October 16, 2014 at 7:05 p.m. in the Selectmen's Meeting Room at Town Hall.
2. PLEDGE OF ALLEGIANCE - led by Selectman Maddox.
3. ATTENDANCE

Board of Selectmen: Roger Coutu, Ben Nadeau (arrived at 7:10 p.m.), Rick Maddox, Nancy Brucker, Pat Nichols

Staff/Others: Steve Malizia, Town Administrator; Donna Graham, Executive Assistant; Kathy Carpentier, Finance Director; Jim Michaud, Asst. Assessor; Kevin Burns, Road Agent; Harry Schibanoff, Chairman of Benson Park Committee; Bill Abbott, Vice-Chairman Municipal Utility Committee; Lisa Nute, IT Director; Jim Battis, Chairman Conservation Cmsn.

Chairman Coutu wanted to extend and I'm sure you'll allow me to do this on behalf of the Board of Selectmen. Our deepest sympathy to the family of Gary Webster who's mother in law passed away. Gary we're thinking about you. We wish you the very best and our prayers and thoughts are with you throughout this ordeal. We wish you the very best and you have our love.

Chairman Coutu noted that in front of you this evening you'll notice that you were given a piece of paper that talks about motions to increase or motions to decrease. These are the motions that you would present. If you wish to increase an item from one amount to another amount, you have to spell out how much it is that you're going from and to and what the difference in the increase is. To be more specific, you should tell us exactly what line item you wish to increase or decrease. We could if you don't want to increase or decrease, we can have motions to approve the expenditure of the amount of money that's being requested from an unassigned fund balance. There are various motions there. If you want to take a couple of minutes, I know these were put before us. If there's any question as to any request you might to increase or decrease a line item or approve a budget item and you need assistance, we're here to guide you with your motion. We'll get it in the language that it is to be. If at any time Selectman Nichols this is your first time going through and entire budget process. It relates not just to you, it relates to all Selectmen. If you have any question on a specific item as we're speaking, please raise your hand. I will recognize you. We will stop the discussion until your question is answered. We want to approve a budget from my perspective that is something that is palatable to the voters and at the same time mindful of the fact that the Town of Hudson is pretty frugal with its money and we'd like to maintain that reputation. At any time you have a question about an item whether you think it's an over expense, or under expense, or you don't understand what the expenditure is for, please ask to be recognized. As I said, I'll let he or she finish their sentence and then I'll allow you to address your question so that you understand what the budget is. At the end, we want to make sure we understand what the budget is and how much we're willing to approve to keep the town functioning.

Chairman Coutu asked if there are any questions, I'll entertain them at this time. If not, I'll proceed.

Selectman Maddox had two questions. Number one what is the procedure that we are going to use? You're making it sound like you're expecting us to make additions and subtractions tonight. Chairman Coutu said if you wish to. We will proceed in the manner in which we have in the past. At any time you may wish to make a motion to see where it goes, you can ask for a consensus to see where it goes. We will be going through the budget like we did in the past and we will have a final review of the budget and if we need to department by department. If we want to makes cuts or additions later, we can do that. It doesn't have to be done this evening.

Again for clarification, Selectman Maddox we're going to be doing the "W's" and "C's" again. Chairman Coutu believed that we should because there are some increases in this budget and they will hopefully be identified and we need to decide whether or not we want to think about it, or deny it, or perhaps approve it. W and N - wouldn't it be wish and need. Kathy Carpentier said no it will come back or can come back. Selectman Maddox said will come back is we definitely see something we want to add or subtract but it's something - so we don't have to go through the entire police budget. I think it's unfair Mr. Chairman unfortunately the first meeting we're all kind of we don't do anything and then the second meeting we add money, and then whoever is on the third night, gets whacked because all of a sudden the budget is way out of whack and we tend to adjust. By hearing everybody's budget, then we make the cuts unless there's something obvious here that we want to make some adjustments, then we will do that.

Selectman Maddox's second question Mr. Chairman is I think that with that we need to have a goal. Where is the Board headed? Right now it looks at what 4.9 to 5.2 depending on what revenues we put in and whatever. Chairman Coutu didn't want people to think that that's where we're heading because you said it looks like 4.9. What you're saying is the budget looks like...Kathy Carpentier said 5.9 percent increase right now. Chairman Coutu said a 5.9 percent increase has been requested in the budget. I want to know what those numbers are and why. Selectman Maddox just wanted a clarification for all. Chairman Coutu said a request is not necessarily what they're going to get. Kathy Carpentier indicated that does include all the warrant articles as presented so far. Chairman Coutu asked without the warrant articles do you have the number. Warrant articles I don't concern myself with. I like the voters to

make the decisions. So without the warrant articles - Kathy Carpentier said 4.9. Chairman Coutu said 4.9 is significant. It's 3 percent higher than I'd like to see it go maybe even 4.9 higher than I'd like to see it go. We shall see. Are we ready?

Chairman Coutu wanted to say one more thing. Thank you Donna for bringing it to my attention. For those of you at home if you want to follow the budget, you can go on the Town of Hudson home page and there's an item there that says you click on and it says something about the town budget 2016, FY16 budget. I will tell you what numbers there are. There's tabs there that you can click on I believe and I will tell you what tab we're on. If you want to click and follow. So you go to the Town of Hudson home page, look for the FY16 budget, and right now we are going to be doing Assessors and that tab is the 5400 tab.

4. BUDGET PRESENTATIONS

Assessing (5410 & 5477 IT)

Chairman Coutu recognized Assistant Assessor Jim Michaud.

Good evening Board members and all those present here and watching at home. Jim Michaud indicated this budget year that we're going to be looking at that brings us from July 1, 2015 through June 30, 2016, we're still going to have continuing fall out in terms of property tax appeal cases from the 2012 re-evaluation. With Fairpoint, that goes back to 2011. The Board has received some updates from legal counsel relative to these cases. We currently have approximately \$198,000,000 in property assessment not taxes in property assessment appeal if you roll up all those years. In addition, we'll have the 2014 tax year which I'm sure we'll see some additional property tax appeals.

Beyond that in reviewing this year's proposed budget, Mr. Michaud wanted to recognize that this is the second default budget in a row on the municipal side of the house and the third one in the last five years. One can see that in the Assessing budget with IT costs roll up, it's approximately an 18 percent proposed increase of which in real dollars \$58,864. The percentage breakdown of that is as follows: the 100's - salaries and benefits represents 26 percent of that 18 percent increase.

Chairman Coutu stopped Mr. Michaud. KC in the default budget, the default budget for 2016 includes all of the increases that were approved by warrant article last year am I correct? Kathy Carpentier indicated it would be the 2015 default budget and no it does not. It's down below. It's in the total numbers but it's not in his department because that is outside his budget. It's not part of the operating budget.

Chairman Coutu asked why is there a \$10,000 increase in the salaries line item. Kathy Carpentier said because of the contract. That's what Chairman Coutu was saying. I thought that when the voters approve a warrant article - let's say the default budget is \$20,000,000 and the voters approve by warrant article \$1 million and salary increases across the board. I thought the default budget then becomes \$21 million because the voters approved that additional money. Kathy Carpentier said the default budget is only the operating budget and we add in different items. You've also done transfers. I added in all the contractual items after default budget. So default budget is still just stripped of all the warrant articles the Board approved.

Chairman Coutu said though he's saying his increase is \$58,864, contractually in that number alone there's \$10,400 on the salary line and there's an additional \$3,000 in the Assessor's full time and then there's the part time there's an additional \$3,000 there. I would imagine FICA and all of that went up. So there's another \$2,000. Kathy Carpentier said the NH Retirement system rates also went up. Chairman Coutu said we're obliged because the voters approved that. Steve Malizia said correct. They've approved the contract which gave the raises which got...so in this number the \$58,864, Chairman Coutu said it includes that obligation. Kathy Carpentier said that's correct. It is as of where we are today, our best estimate of where we are today. So whatever the department has their salary and their benefit package, NH Retirement System rates that are going to be effective as of 7/1. Chairman Coutu asked is the retirement in his budget. Ms. Carpentier indicated yes. The only thing excluded from all budgets at this point is any increases to insurance. We've been told that our insurance rates some of them are going down 4 to 6 percent and some of them are going up 4 to 6 percent. We should have that information in a week or two and then we'll roll that in. Right now insurance is flat and no increases are loaded into the budget on the insurance. So what's in the 100's is out of the department head's control. So of his \$58,864, Chairman Coutu estimates \$50,000 is an obligation that the voters allowed because of the warrant articles. Ms. Carpentier said \$16,000 yes.

Chairman Coutu indicated his actual increase is \$42,864 that's the number I'm interested in Jim. I'll let you proceed from there.

Jim Michaud said second, the capital reserve for future re-evaluation represents approximately 26 percent of that increase. The \$15,000 in the current fiscal year that was to go into that fund was removed in the post default budget wrap up. So that \$15,000 did not go into the capital reserve for re-evaluation hence I'm asking for \$30,000. The \$15,000 that didn't go in and the other \$15,000 that I would have normally asked for.

Chairman Coutu asked to justify that please. When are we doing our next evaluation? Jim Michaud said the last re-evaluation was in 2012. We're required by State law to do a re-evaluation at minimum once every 5 years. With the loss of the budget this past year, we believe that the funding was also removed to do any re-evaluation for 2015. So 2017 is when I anticipate that we would need to do the next re-evaluation. We have \$97,000 in that fund right now. I'm asking for \$30,000 to go into it. I'm looking at an approximate range of \$15 to \$20 a parcel. That's what it's going to cost us to do the re-evaluation for 2017. Chairman Coutu asked what do you estimate it in total cost. Mr. Michaud said \$140,000 to \$150,000. If I'm using 15 to 20, there's going to be two ranges there. Chairman Coutu asked if that was in 2017. Mr. Michaud said correct. I thought it would be prudent to establish a reserve fund to put away a certain amount of money per year to get us there so we don't have it all happen in one year. We have \$97,000. That's in the budget document. I'm giving a run number. It's 97 and change.

Third - Jim Michaud said anticipated repair and maintenance costs for the department's two Chevy Impala vehicles. In the default budget it's at zero. I'm asking for \$5,000. That represents about 9 percent of the increase. Chairman Coutu asked how old are those cars. Mr. Michaud said they are both 2005 Chevy Impalas. One had mileage of 104,000 and the other one has mileage of 87,000. In terms of their years, they're kind of low mileage. We had a big year this past year for repair and maintenance. I don't know that that will be repeated. I don't know that that won't be repeated. They're getting older. I'm not asking for new vehicles. I'm just trying to say here's what I think is a responsible way to budget for anticipated - I mean how can you anticipate repairs and maintenance right. There's a certain amount of maintenance but repairs, they happen when they happen.

Mr. Michaud said the last part is assessing software upgrade represents approximately 32 percent of that increase. When we go through the assessing components of the Assessing budget and then once we get to the area involving software to ask Lisa Nute to come up and that the both of us would speak to the Assessing software upgrade. That's \$18,800. It's in the 5477 portion. What I've laid out on those 4 items is approximately the lions share illustrative of the department's proposed adjustments about 93 percent. That adjustment is addressed in those four items.

Lastly, Jim Michaud said the Assessing budget with the roll up of IT costs represents approximately 15 cents on the tax rate. For the average assessed single family home assessment of \$256,000, that's \$38 a year. The current fiscal year's default budget represents approximately \$33 a year. I'm open to questions that the Board may have.

Selectman Maddox indicated we're in a default budget. The voters said no to a number of things. I'm just wondering why we're trying to put that \$15,000 that wasn't in there for the re-evaluation. I think that should drop by \$15,000 and if it goes a little longer so be it. If we use this same logic and we put \$45,000 in the following year, I mean at some point you have to realize that the voters are saying no to a number of things and if we have to kind of guess what those may be but this is one that I can see that might be one that we want to put a "W" next to.

Chairman Coutu said in all fairness, I think that if that's what you want to do I think that each of you should have that ability to do that. Would you like to put a "W" on that? Selectman Maddox said yes.

Selectman Nadeau would like to make it even easier than putting the "W". I would like to take the \$15,000 out and just put \$15,000 in. I'm going to reduce the \$30,000 by \$15,000.

Chairman Coutu noted that's a prerogative. I'm not going to let you make a motion if that's what you wish. Selectman Nadeau said that's what I wish to do. The voters said no. If we wish to go forward and put \$15,000 in this year, then that's what we wish to do. I don't think we need to be making up for the back years. They said no. If we have to push it out another year, they'll be beating down the door telling us that we need to do this re-assessment and if we don't do it now.

Motion by Selectman Nadeau, seconded by Selectman Maddox, to decrease line item 5410-450 by \$15,000, leaving \$15,000.

Selectman Nadeau said I like to catch up for bad years. We have these accounts for certain reasons. This is one of the things that doing the reassessment at this time I just don't think it's something we need to do.

To my second Mr. Chairman, Selectman Maddox said we need to get from 4.9 to whatever the number the Board is going to be comfortable with - 1.5 to 2. I think this is one that in my mind as much as I'd like to wait until the end and do these, I think this is one that, again, the voters said no to the budget. I'm saying no to that spending retroactive.

Selectman Brucker asked are we legally required to do this in 2017. Jim Michaud said yes. Selectman Brucker said we'll have to come up with the money at that time. Mr. Michaud said you're correct. I've given an estimate of what I think it's going to be necessary. Two years from now, we'll probably be going into contracts. I don't think I estimated high. I think I estimated realistically because I called some other communities and I contacted other companies and what are they charging. We are legally required.

Chairman Coutu said we are legally required but if we don't do it and we put it off another year, do you think they'll put the 5 selectmen in jail? Jim Michaud said that's beyond my scope to guess on. Chairman Coutu said that was his

concern. I want to stay out of jail until...Jim asked to add some context to it. The context is they ask you in the year or two leading up to the year in which you're required to do it, DRA has a monitor and they go out and they talk to your community and they say what are your plans and you say well I have a capital reserve account. Is that going to be enough? If we keep funding it, it should be enough and if it isn't, then we'll do the best we can do.

Chairman Coutu said I'm going to support the motion. We need to find some money Jim. I know we're not going to go to jail if we put this off until 2017 as far as I'm concerned. We have a responsibility to the voters I think. That's going to be your immediate contribution to the budget. I think there's 3 votes for sure anyway.

Selectman Nadeau's question was just going to be is who checks up on it and how often do they do it and what happens if they don't? What happens to these small towns that don't do it for 8 or 9 years? Jim Michaud said that doesn't happen. That has not happened since 2001. Department of Revenue has everybody - the Assessing Standards Board has everyone on a schedule. Twenty-five percent of the State is mandated to go through assessment review each year. So within a four year cycle, they've gone through each community and if the community is not committed and not providing funding to do a re-evaluation, the Department of Revenue is empowered to bring the case in front of the Board of Tax and Land Appeals, have the Board of Tax and Land Appeals order it. They'll order the re-evaluation company. They will contract with the re-evaluation company and they will load it directly into your tax rate at tax rate setting time. They've done it. I'm not saying that's going to happen. We have funds. Do we have enough? We'll know it when we get there.

Chairman Coutu said we have \$97,000. If the voters approve this \$15,000, we'll have \$112,000. So we're making a commitment but just not as quickly as you'd like us to if this motion passes. My guess is I'll be you \$10 it does.

Vote: Motion carried 4-1. Selectman Brucker in opposition.

Chairman Coutu recognized that Selectman Nadeau arrived at 7:10 p.m.

Jim Michaud asked Lisa Nute to come up. Chairman Coutu noted page 5, section 4152. That is going up by \$18,000 for some reason or there's a special request for \$18,000 for computer software. Mrs. Nute thank you for coming.

Lisa Nute thanked the Board. Ladies and gentlemen I ask that you don't cut this. That we do keep this in. I am very cognizant of pushing and kicking the can for as long as we can. That is why we're still running Office 2007. That's why would use Lenox and other free software and shareware wherever possible. This is not one of them that can wait. We have been hounding this vendor to give us an upgrade to their software for security reasons. For as long as Jim's been using this software in the assessing office and this is the crux of their entire business - Patriot - although it's been good software, it's been lousy on the back end for security. It really became apparent when Microsoft made us get off of Microsoft XP operating system. We used to be able to do a work around. Well Windows 7 is much more secure. We are unable to do that work around. What is happening is that the software will not run unless we give full admin rights to the machine that it's on. That means when you go out to the internet on that same machine, you are susceptible to viruses and basically any hacker writing to that system. Right now he's working duplicate systems so that if he has to go out to the internet, he goes to another system and then he goes back to do his work in Patriot and it slows him down. It's time consuming. We've locked down the counters as much as we can. We can't let this go.

What Ms. Nute put on the board is just a quick - I don't expect you to be able to read that thoroughly but this is basically just a quick little snapshot of one of our firewalls. This is not even a full day. It says "port scan attack". It is basically sites trying to break into our system.

Chairman Coutu asked is this the breaking point. This is the firewall telling us that there was an attack attempted. Lisa Nute said that's correct. These are all blocks. This is just one firewall. We've got more than one. Here's another one. This is live. We are currently live on a site. I can see here this one is coming in from Europe. There's Asia, there's within the United States. Chairman Coutu said that hacking is being attempted of course not just Hudson, it's all over the world. Ms. Nute indicated that's correct. I'm trying to express the reason for this. Chairman Coutu asked that the firewall is working. Ms. Nute said yes. It's just that I can't stop a user though from clicking on an e-mail and inviting it in. There's only so much we can do and only so much the software can do. It is a danger. We all know what happened - some of the members were here before. That's exactly how it got in. We had a machine that had to have admin rights for a piece of software. This has been our last holdout of software vendors. Every other software that runs like that which is basically an archaic way of programming has been taken off.

Chairman Coutu asked if Jim was operating on an XP. Lisa Nute stated no. Chairman Coutu asked if everyone was upgraded to 7 now so we don't have an XP problem. Ms. Nute said no. We are all off of Microsoft 7 but that's why this is such a huge problem now. We can't work around the added security for good reason in this better operating system. So once we had to get off the last hold outs of XP which were in the assessing office, this has become even more imperative. So they finally have an upgrade. This was just recently released. We were happy to see it. We had the vendor come in, gave us a demo. Obviously a big portion of this is that the assessors need to be able to approve of the upgrade as well. There are a lot more features. It is a better product and I am totally satisfied now that

they have addressed the security of the software. So we need to do this just as soon as we can and I appreciate you leaving this in.

Chairman Coutu said the information that we have or the system that we're using for Patriot, we're going to go to AssessPro? Jim Michaud stated it's an upgrade with the same company. Chairman Coutu asked that all of this will be downloaded and the information that we have transitions to the new software? Mr. Michaud said the cost is conversion costs as well as what development costs they're putting into the upgrade. Lebanon had upgraded to this within the State of New Hampshire so they do have a New Hampshire compliant version of the software because we're required to integrate with the Department of Revenue Administration for their purposes for the forms that they need. They've gone out throughout the country that installed it in other counties and now they're coming down the municipal level. Brookline, MA, is one community. Greenfield, MA, is another community. They are bringing it out to communities as they are requesting it and as they are to handle the conversions.

Chairman Coutu asked Lisa Nute how long do you think it will be before we're going to have to do this again. Jim Michaud said this software we've had since 2002 re-evaluation. That's been 12 years. Chairman Coutu indicated that's the answer I was looking for. So we've hit the last system and went 12 years. At \$18,000 if it goes 12, we're looking at an average of less than \$1,100 a year.

Selectman Nichols asked the help that you have if they have a problem with this can they access it easily to get answers to problems they have with learning the system? Jim Michaud said correct. This contract that we would enter into has training included. We can train there, we can train here, we can train over the internet. There's a lot of changes. This is brand new software. It's both exciting and it will also be challenging. Selectman Nichols said but it's not something that you're department is unfamiliar with. Mr. Michaud said that's correct. We know the data. We know a lot of the architecture of how we're arriving at values obviously. This is presenting it under a brand new software language from SQL to .net.

Selectman Maddox indicated this is probably a question for the Town Administrator. We have a capital reserve fund called "information services". Isn't that for hardware and software? Steve Malizia believed it is. Selectman Maddox asked to stop beating this through the budget and take the money because we are the agents to expend and get this done yesterday and take it out of the budget that we're not sure it's going to pass to begin with. Lisa Nute indicated that is something Jim and I discussed. That is a possibility. When I present my budget I would like to show you a timeline and other projects as well that we have coming down the pike. I've got a bucket of money. How we let that land in this fiscal year is totally your prerogative and I am certainly willing to do that. This was for generally any kind of IT projects. Selectman Maddox thought it solves two problems. It takes it out of the budget issue that we have today and solves a problem that they're waiving red flags at. Again waiting until March to hopefully get it passed if we go to default and it's a system that has lived its life. Let's get this over with and I'll find a number and make a motion to take it out of the capital reserve fund. I asked the Town Administrator we're the agents to expend. We can do that this evening correct? Steve Malizia said sure you could.

Kathy Carpentier asked for clarification. So you want to take it out of this budget and do it in this fiscal year that we sit in today? Selectman Maddox said correct. Chairman Coutu added and we move the request for the 2015. It would take \$18,000 out of the 2016 budget. We'd spend it out of the 2015 year budget.

Motion by Selectman Maddox, seconded by Selectman Nadeau, to decrease department 5477-412 from \$18,800 to zero, carried 5-0.

Motion by Selectman Maddox, seconded by Selectman Nadeau, to expend \$18,800 from 5477-412 FY15 with reimbursement from the IT Capital Reserve Fund.

Chairman Coutu indicated in light of the fact that we are authorizing that to be done this evening, Mrs. Nute you will order it and get it done so we don't have to listen to Jim saying it's all screwed up and it's our fault.

Vote: Motion carried 5-0.

Selectman Brucker had a question about the annual support - \$10,650 on page 7. Lisa Nute stated that currently is the Patriot software. We have used them a whole number of times to pay this. A lot of it is because of the way the software is written. If Jim could speak more on that if he's got an issue with something he's doing in the process, they're on line quite often. They do give us quite a bit of support.

Jim Michaud indicated that quote from Patriot that you're reading that from, we have that software maintenance cost within our existing fiscal year budget. So when they were giving us a quote, they were giving us a quote for what the conversion is and then this is what we're saying the annual support will be. We built that into the budget already as if we didn't even have a conversion contract in front of us. We annually pay them as support maintenance. Selectman Brucker asked so this is something you've continued to do every year. Mr. Michaud said every year since we've had them.

Chairman Coutu asked we give them \$10,650 every year to upgrade it. Jim Michaud said no. We give that to them for support maintenance. So we're able to contact them when we have problems. It hosts our data on line - WebPro. It also hosts our mobile tablet software. Chairman Coutu said, "Are you serious?" We're going to buy an \$18,000 program that's going to last us 12 years but we have to pay \$10,000 a year to maintain it, or upgrade it, or have service? Lisa Nute said that is not a typical of software. Chairman Coutu commented \$120,000. So this whole package is costing us \$140,000? Wow. I need to think this through.

Selectman Nadeau said by us upgrading the package that we just did, will that lower this maintenance cost. It might lower the maintenance cost. Jim Michaud didn't see that that is how they are presenting that. That is not lowering that cost. If we did not do this upgrade, we'd still be paying the support fee. If we do the upgrade, we're still doing the support fee. There's a conversion cost and then there's the annual maintenance cost whether it's Munismart or any other software that you have. It isn't unique to assessing software.

Chairman Coutu said how about just paper and pencil.

Just so you're aware too, Lisa Nute added there are three different pieces of that. The counter is a whole separate package, his laptop/tablet, that's a separate package, and then the actual software that the other assessor's use at their desktop is a third package. So all rolled up, that is together. Mr. Michaud said they host our assessing data on line. Chairman Coutu commented thank god they didn't have to come down here, it would have been \$50,000 a year.

Selectman Maddox indicated we just did \$18,000. Is there hardware involved because it says initial install \$14,800. Mr. Michaud stated within this conversion cost, it says "additional database conversions will be an additional charge of \$750 each. So right now I am able to reach back into prior years back to 2006 and I can replicate any assessment card from any tax year from 2006 forward. When they're doing this conversion package, they're converting the current database and up to three prior databases. In order for me to maintain access to the other databases beyond those three, I'm asking within this \$18,800 for those conversions to be done as part of this package.

Chairman Coutu asked in your presentation you referenced other communities that were converting to this. What does the City of Nashua use? Jim Michaud stated the City of Nashua uses Patriot Properties. They use AssessPro Patriot Properties. They're not currently on this for AP5. They have not upgraded to AP5. I can't imagine that they're not going to do it but they haven't done it yet. Chairman Coutu asked who the City of Manchester uses. Mr. Michaud said they use Vision Appraisal which is another software provider for Mass Appraisal Solutions. There's seven providers within the State of New Hampshire. There's two that I would say are mature Mass Appraisal software providers - Vision Appraisal and Patriot Properties.

Chairman Coutu asked did we go out to bid. Mr. Michaud said what I did was I went to Vision Appraisal and I said what would it cost to convert from - and I have a written quote - for Hudson - \$75,000. Chairman Coutu wanted to make sure - I appreciate that because I want to make sure that due diligence is being done here because I want the voters to know what they're paying for - technology costs money and I understand what you're saying Mrs. Nute. This is a typical. We're into this now. We either dump it all or let it all get imbedded with all kinds of viruses and worms and make it useless so we change it on an as need basis. This is one of those as need I guess. Any further questions or comments? You are going to get it done this year.

Chairman Coutu asked where overlay appeared in this. Is that in our side? Kathy Carpentier noted it's in the revenue. There is no appropriation. Chairman Coutu was interested in the overlay account. I've been very concerned this year and I've hesitated to call you about it. I said I was going to hold a discussion until budget season. I'm speaking specifically about the overlay account. For the general audience because we use that term a few times, could you give me a definition of a municipal overlay account briefly? Jim Michaud said an overlay account is intended to address any tax abatements that a municipality is going to grant within that fiscal year. Chairman Coutu stated so what we do is we have money in reserve so that if you go out and reassess a property for whatever reason or the land court orders us to reduce the assessment and it would result in an abatement, that pool of money is used for that.

Setting aside those cases that are settled by the land court, Chairman Coutu wanted to talk about in house cases. I've noticed recently in the past year - when I say recently I mean the past year - that we've had to make an awful lot of corrections. I'm noticing that when we're approving the consent items, there's quite a few abatements in there and for various reasons. The reasons are the building wasn't in the condition that we thought it was, they didn't really have this extra room that we thought was there. Who is doing the assessments and not catching this stuff that we're constantly - this is forcing us to use extra manpower and we're constantly chewing away at this overlay account. I don't understand why there's so many corrections that have to be made and so many abatement given out. If the people are entitled to it, we approve it and we think they're entitled to it because that's the document you present us. What concerns me is why are there so many mistakes in the assessment?

Jim Michaud said appraisals are not facts. They're estimates. Chairman Coutu indicated its find people that know how to estimate to do the job. Mr. Michaud said we have those people. We contract with them and we also have them in our office. Abatements are going to occur in every community across America. You are trying to estimate the

value of property. You're not able to get inside. They don't let you inside. They file an abatement. Then you get inside. The condition is X, Y, Z. Chairman Coutu said that one I understand. I understand that that happens. This is quite a percentage of that. I understand because people have told me they won't let you in the house. I tell them you're going to be on the high side. You're better off letting them in the house.

Jim Michaud said other areas are the State of New Hampshire does not mandate that commercial industrial property owners give us income and expense information. So there's three approaches to value - cost approach, sales approach, and income approach. So if I own a retail strip plaza, my purpose in owning that is to get an income stream. We're trying to estimate the value based upon an income stream that State law does not mandate that we're able to get from that property owner. So we're estimating what these income streams are. We're estimating what the expenses are. We asked them to give us the information. The only ones that give us the information are the ones that are low and the ones that are low producing income property. That's another area where you could have an abatement. Human beings being human beings if we miss measure something, we have 9,700 properties. This overlay in terms of a \$51 million budget percentage wise doesn't represent a lot of money. The other aspect is when you're coming out of a re-evaluation basically around the two to three year mark, you see a spike in your overlays. That's when these cases are starting to mature at the Superior Court level and Board of Tax and Land Appeal level. I have a document here - overlay analysis that KC assisted in preparing and you can see in 2006, we had payments of \$216,000. Well in 2006, we were a couple of years out of the - I'm sorry we did an update in 2005. So we were a year out of the 2005. The next year, we were paying out \$30,000 and \$38,000. In 2013, we paid out \$108,000. In 2014, we paid out \$192,000. Well with taxes increasing, which they have been in every community, when you do an abatement, you're doing an abatement on a higher number to begin with. By natural course of math, your numbers are going to go up. I wasn't prepared to have this kind of explanation tonight but I brought this with me anyways.

Chairman Coutu said it doesn't do me any good to prep you. I'd rather hear it off the cuff and know that we're getting accurate information. You've obviously done your homework. I'm concerned with the number of them that are coming in from private citizens as opposed to those malls. It's the private homes that are bothering me.

Mr. Michaud noted I also have abatement filing history. On average from 2002 to 2012 there was 149 filings per year. Less than 2 percent of our parcel count. For 2013, there was 49. For 2012 it was 116. We could get 9,700 abatement applications because the law says everybody can apply for one. There's no cost to it. There's nothing stopping someone from doing it. I don't think that's a reflection on our work. That's a reflection on that's what the State law allows and if people want to file, they can file. We have to accept that.

Chairman Coutu said you can go onto your warrant articles unless there's anything else in the budget that anybody wants to question. If not, we'll move along. Do we have a bottom line on the end of his budget just in case we don't go back to it? We just took \$23,800. Kathy Carpentier noted a 7.6 percent increase. Chairman Coutu asked what was the percentage of increase on the salary line. How much of that is salary line - \$15,000? Ms. Carpentier said yes. It's \$15,000. Six percent went up from salary line items. Mr. Malizia indicated the majority is the salary line item. We cut the \$15,000 and then you committed the \$18,000 which is the majority of his increase. That was the majority of it.

Chairman Coutu said it's 338 of 58. Where is the other \$25,000? I know \$5,000 is automobile. Where is the other \$20,000 that's increased in this budget? Kathy Carpentier asked to take the Board to the front of the book in the summary section. There's a percent change report on page 10. Chairman Coutu wasn't interested in percentages. I'm interested in numbers. People don't care about percentages. People want to know how much. Ms. Carpentier stated but this is doing exactly what you're trying to do. This is backing out. On page 10 in the summary section, 11, 12. As we've done in the past, there's a labor section - the first few columns are labor and the second section is the operating expenses. So it's breaking out what a department head is in control of and what he is not. So his salary line items are up \$15,000. The first three columns are a change in his salary - \$15,000. The second three columns are the change in his operating expenses which was \$43,000 and you just cut 34 of it out. Chairman Coutu indicated it doesn't answer my question. Apparently I'm not going to get the answer. Move on.

Jim Michaud went to Warrant Article G. The department is asking the Board to either put it within the budget or put in a warrant article - a conversion of a part time Administrative Aide position that we currently have and convert it to a full time Administrative Aide. This position is primarily responsible for the administration of the elderly tax exemption, disabled tax exemption, blind exemption, veteran's credits. It's also responsible for Registry of Deeds when properties change ownership. There's about 800 to 900 of those a year. It's also our primary customer support person. It's also the person that's responsible for entering our data into the department revenue's equalization software. This sum of \$29,180 represents about a penny on the rate. When I look at the impact of all these exemptions and all these credits, \$.23 on the tax rate is the veteran's credits; \$.32 is applicable to the exemptions. So this position has quite bit of responsibility within the tax rate - a little over \$.53. I'm asking the Board to respond to the change in the community since 1980 when the department started as two full time people. We're asking the Board to either put in the warrant article or put it in the budget warrant article. They're both warrant articles. We feel that the demand is there. I've given quite a bit of backup within those pages. I don't really feel we need to go through it reason by reason by I can if the Board would like. We definitely see how many additional 55 and over communities we're getting and how many 55 and over housing we're getting. That's where our exemptions are going to be coming

from in the future. We know that the demographics of not just this State but the country is aging. I wouldn't anticipate we'll have less going forward. For those reasons, I'm asking the Board to go forward and approve a full time.

On that request, Chairman Coutu indicated we'll be going back to your budget Jim. The department heads will know what they're going through because I'm going to put you through - you're the test Jim. On that request for part timers, any warrant article...Selectman Nichols warrant articles are recommended. Department heads can recommend warrant articles. Ultimately we would decide whether or not a request from a department will go on a ballot and we would either recommend or not recommend the warrant article. He's asking that we put a warrant article to change part time to a full time. Jim had sent me an e-mail relative to this and I told him that the best approach would be a warrant article because we had no positions. I didn't endorse it. I said this would be the proper way of doing it because we have zero position available right now and wasn't about to create some full time positions with the budget that we have. We can't create a full time position only the voters can. Correct? Steve Malizia indicated technically by law you can but you've acceded to the 1994 Town Meeting which the voters at that Town Meeting said we prefer you don't do it that way. Technically by law, you do not have to. Chairman Coutu asked if there were any questions relative to this request.

Selectman Nichols asked it would have to be a warrant article. It cannot be done any other way? Chairman Coutu said no it couldn't be done another way. The Town Administrator just stated that there is no law prohibiting the Board of Selectmen from creating full time positions. However, there was a non-binding referendum. Mr. Malizia said there was a warrant article. They call it "advisory warrant article" Chairman Coutu said it was a non-binding referendum asking us to put all full time positions on a warrant article if the voters wanted to decide. Since that warrant article, I believe that every Board of Selectmen has acceded to that request and that's the way we've been doing it and we've been fairly consistent. We have been not fairly, we have been consistent with that approach. When Jim approached me about it, I said I think we'd be best to put it a form of a warrant article. Selectman Nichols understood. Thank you.

Chairman Coutu asked if there were any other comments about this warrant article. We don't make recommendations on these tonight anyway. Steve Malizia said you could choose to do so. You could wait until the end. It's up to you. Chairman Coutu asked do you want to hold this one off for later. Do you want to make a decision tonight or do you want to hold off and make a decision later on this warrant article? We know it's here.

Selectman Nadeau indicated we know it's here.

Chairman Coutu stated when we get to warrant articles, we can discuss them and decide which ones we like and don't like. He's available and if anybody has any questions about anything, you're welcome to ask. Jim did you have any other? Jim Michaud said that is it. Chairman Coutu noted that your only warrant article request is to convert a part time position to a full time position. Okay, let's go back to your budget.

Chairman Coutu commented that I found what I was looking for and I had to do it. It's simple math. The difference that I was looking for was \$8,000; \$5,000 of it was the automobile. Apparently nobody objected to putting in \$5,000 for the repair of the automobiles. I think you have two you said. Mr. Michaud said that was correct.

Chairman Coutu indicated the other one is on page 2 which would be the very bottom line item - 5410-252 professional services. You're asking for an additional \$4,700 in professional services against the default budget. In fiscal year 2014, you spent \$20,374. In fiscal year 2015 - the default budget was \$42,045 and now you're looking for \$46,776. Can you justify why we need an additional \$4,700? Jim Michaud said town legal counsel gave the board an update on the legal cases that we have for property tax appeals. Those legal cases are going to require if we go to court on those and don't settle on those are going to require the expenditure of funds for expert appraisal fees.

Chairman Coutu said I understand that. From 2014 to 2015 you're estimating that it will more than double in cost from the 2014 expenditure, your actual, to your 2015 budget you're estimating that it's going to increase. You're telling me that you expect that in the next fiscal year which doesn't begin until next July, the suits are going to increase. I think everybody in town has already sued us and we already settled most of them. How many more properties are there to sue us in this town? Jim Michaud stated some of our largest property taxpayers within that legal document that our attorney gave you, some of our largest property taxpayers are under appeal. I believe its 4 or 5 out of our top 10 valued properties are under appeal. What do I know now that I didn't know back then when you're citing the 20,000? I know we have these appeals. That's the difference. Back then, I didn't have the appeals.

Chairman Coutu said I'm not disputing the \$42,000. The voters approved that. You're saying it's going to be even worse next year? That's my question. Jim Michaud said on the following page there is a breakdown. I have the public utility value maintenance. Public utility values is \$133 million in assessed value. So George E. Sansoucy has been our public utility valuation consultant since 1992. His contract for this past year was \$15,000 to maintain our public utility values and keep our public utility values up to date. That amount does change. It does increase but that is an amount that we pay him each year. That represents five percent of our tax base - public utility values. LMS due - \$216. That's pretty flat. Lexis Nexis fraud prevention database subscription - \$1,560. That's consistent with what we've spent in the past. Then I come to \$30,000 for specific court case - BTLA, DRA fee appraisals, valuation assignments and consulting. If we don't want to prevent the funding to do the expert appraisals or if we want to

provide the funding for some of them, then I anticipate we'll be doing more settlements because we're not going to go to court without having some ammunition. At least we haven't in the past. Past boards haven't done that.

Chairman Coutu commented that what's costing us are the re-evaluations we're having done, correct? Mr. Michaud said what's costing us is the tax appeals whether you do a re-evaluation or not, people can appeal their value. We had a 20 percent shift in those paying out of the 2012 re-evaluation. Commercial industrial property owners, Public Utility enjoyed a 20 percent increase in the taxes. Residential went down as a percentage of the taxes that are paid as far as tax base. I said enjoyed. I don't mean enjoyed, I mean it was a tax shift. We've had prior tax shifts where residential taxpayers end up paying more. In 2012 it didn't go that way. That's not how we read the market. It shouldn't be a surprise when somebody receives a 20 percent tax increase that they're going to be calling their attorneys, and they're going to be calling their experts, and they're going to start filing and that's what we've seen. That's a large part of the abatement overlay that we've had, about the items that we've had. We don't have a split tax rate in New Hampshire. We have one tax rate. Taxachusetts has a split tax rate classifications. They can have different tax rates for commercial industrial versus residential and vice versa. We have one flat rate. In that sense, New Hampshire is pretty transparent. One rate applies to all property.

Chairman Coutu asked who gets the \$30,000. Who specifically gets the \$30,000? Jim Michaud said it's not one contract. We have a contract for \$3,800 for the defense of the Roosevelt Ave. - Prolyn Corporation apartments. That case is going to be coming up. That money has already been set aside. That's not part of this \$30,000. Chairman Coutu indicated this \$30,000 doesn't come into play until next July. That's what I'm saying. Why are you estimating next year we're going to need \$30,000, \$5,000 or whatever I said it was - \$4,700 more? Mr. Michaud stated we don't have all of our tax cases scheduled for those that are under appeal. We do have some of them. We don't have the PSNH one. That is our largest taxpayer. They are the largest taxpayer in the State, Public Service of New Hampshire. That case is not going to be scheduled until this fiscal year. That appraisal could cost in excess of \$30,000 - a court ready appraisal. We're not spending money on court ready appraisals to get the values out there for purposes of the tax base of the tax roll. We're paying for an appraisal that you would not end up bringing to court because it doesn't have the level of detail that you would normally have.

Chairman Coutu indicated I got my answer. Any other questions?

Selectman Maddox asked how many assessments do we do a year. Jim Michaud asked how many assessments change? Selectman Maddox said no. You have a full and a part time person doing appraisals. How many do they do in a year? Mr. Michaud said we're out there maintaining the assessment database that we have. So what that means is the building permit activity, we're going out on those properties that have building permit activity. Many of those building permit activities span more than one tax year. So the house isn't done for that year, so we went out that year to pick up the percentage that's done and then we go back out the following year. We only hit one annual assessment date - April 1st of each year. So one building permit could take more than one visit and I don't have the count in building permits but I know from the revenues we're getting from it, we're getting a lot more building permits than we were in the recession. That's one area that we go out on. Obviously on abatements we're going out on those properties. I don't have a number for you of how many properties we visit in a year. I can generate that statistic. It's going to be in the thousands because we also are going out with cyclical data collection. So we're on a cycle consistent with other communities are doing, consistent with what the Department of Revenue recommends. We're going out and hitting depending upon our staffing levels, 10 to 20 percent of the properties each year knocking on the door, asking to do an interior review. It's either a good time or it's not. We're asking to do an exterior measurement. We find things that are different from what we have on the card and we put those changes into the system. I don't have a distinct answer for you but it is in the thousands. Selectman Maddox said okay. Thank you.

Forgive my naiveté. Chairman Coutu had to ask the question. We pay a professional assessing firm every 5 years in the hundreds of thousands of dollars to do an assessment of the town, correct? Jim Michaud said I would have to get the actual number for you for the - Chairman Coutu said well it's over \$100,000. Mr. Michaud said it was probably more than \$100,000...Chairman Coutu stated the monies that you wanted us to put in escrow. You're looking for \$130,000. It's an estimate. That's what it's going to cost us to do a re-assessment every 5 years. Mr. Michaud said that's what it costs us to do a hybrid re-assessment where we're doing some of the work and we hire an outside contractor to assist us on doing the remainder of the work. We don't have a commercial industrial appraisal as such. We don't have a public utility appraiser as such. So we're hiring...Chairman Coutu indicate you're muddying the waters Jim. Do we or do we anticipate paying \$130,000 to do an assessment of the town in 2017? Mr. Michaud said that is the estimate for 2017.

Chairman Coutu stated you go out and you do thousands of re-evaluations every year. With all those thousands that we do at the end of 5 years wouldn't we have re-assessed everybody? Why do we have to hire somebody and pay them \$130,000 if we can do it in house? Jim Michaud stated what we are doing is we are going out and picking up the changes based on building permits, based upon people saying something is wrong on my card. We're not going out re-evaluating to market value. We're going out and we're putting these changes into the same database that was arrived at for the April 1st 2012 tax year. We do not annually reassess to market value. We do annual assess...Chairman Coutu reiterated the statement was we do thousands every year. How many thousands of properties do we have? In context, Mr. Michaud indicated I said we go out to the properties, thousands a year both as

part of the cyclical, and as part of the building permit, as part of abatement, as part of people inquiries but we are not reassessing them to market value. We're making changes to correct the data that we have whether it's they got a building permit or they didn't for making those changes. We have 9,700 properties in the community.

Chairman Coutu commented that I'm just worried about paying for duplication. If you go out in 2016 with information that you had that was given to you four years ago because that would be four years into the cycle, and you find all these errors and you correct it, then 2017 we're going to do a complete reassessment. This house is going to get hit again. So we're duplicating it within one year. It just seems to me to be waste of taxpayer's money. Jim Michaud disagreed. Chairman Coutu said like you always know, the assessor is the bad guy in town because you're the one who sets the taxes. I'm being facetious. Mr. Michaud said I would disagree with the way you're articulating it. We're not re-assessing the market value every year. We're making those changes. Chairman Coutu heard what you're saying. You're making corrections based on information that being provided to you or something that was brought to your attention that needs to be looked at because they may have built something without a building permit and you're not aware of it and now it's going to be added on. I understand. Mr. Michaud said it goes both ways. It goes down and it goes up. Chairman Coutu agreed. You're right. I agree. I've seen them go down not too many but I've seen it.

Selectman Maddox had a point of clarification. When the assessment is done for the five year theoretical assessment, they go to every property in town? Jim Michaud responded no. Basically we've already gone through the town physically. We're doing a statistical update. We're looking at all the sales activity. All the activity in the market that contributes or detracts from market value. Sales is number one. Cost is right in there because we do use cost tables to help supplement when we don't have market data and income approach for commercial/industrial property. So we're doing a statistical analysis and we're doing a full field review. We're not going to each house and knocking on the door because we've already done that. In the past, that's what communities did. They didn't do anything. They did the building permits but they didn't do a cyclical data collection. Their data would have to be re-scratched each time. So in 2002, re-evaluation a good example. We hadn't done anything since '91 as far as re-evaluation activity. So we've gone 11 years between not going out to property unless it had a building permit or an abatement. We've left that way of doing it. We found a more accurate way of doing it. It's like maintenance. You're going to maintain a vehicle. We've maintained our assessment database by going out to the properties each year to maintain the data, the integrity of the data. Then in the reval. now we're looking at that market's data for that April 1st. We're not looking 5 years ago or 3 years ago, we're looking at the most recent market data we can to reset market value.

Selectman Maddox had a follow up question. Then help out this Selectman here. You hire a contractor that does this cyclical data. How many properties do they visit in town? Jim Michaud stated we don't hire an outside person. We have a part time Appraisal Technician who's out doing a cyclical data collection each year.

Let me back up then. Selectman Maddox didn't think I asked the question. We're going to spend \$140,000 to somebody to do something. You're saying that most of it is cyclical then for that \$140,000 they don't look at physical properties? Mr. Michaud stated the contracts that we enter into - our commercial/industrial evaluation - they're looking at the data that we have because we're maintaining the integrity of that data and they're doing their analysis. They're trying to arrive at the right market values and be able to explain and defend that. Not just to the taxpayer but to the town and also to the Department of Revenue. We're required to produce the use PAP Compliant Reports. Public utility, commercial/industrial, we're also going to be having assistance on the residential end for that kind of oversight. So are they physically going out to the property when they're sitting outside on the street and they have the assessment data in front of them and they're looking at it? We've already gone to the property. We've already done as much physical activity as we are allowed to do on that property - measuring, listing the interior, or not listing the interior - whatever the property owner decides. So we're physically reviewing the properties but we're not going back out to the property once again to go to their front door. We've already been there. Selectman Maddox stated that I'll give up. Thank you Mr. Chairman. I'll wait for the...

Chairman Coutu asked if there was anything else. Mr. Michaud I think that in all the years I've been here, you present your budget well. I think this was your toughest one and you've answered the questions. You handled them well. You're going to get your software all upgraded quickly. Hopefully that will help you. You presented your budget well and you held up well. You're not sweating and that's making me angry. Thank you very much. I appreciate you answering our questions. Thank you Sir.

Highway (5515, 5551 to 5556, 5277 IT & Warrant Article D)

Chairman Coutu recognized Road Agent Kevin Burns.

Kevin Burns indicated that's a tough act to follow. Basically if I could, I took all of my accounts for everything from streets all the way down to trash collection. Including salaries, my budget is up a total of \$42,351. I can fix that.

Chairman Coutu asked of that \$42,350 - you know where I'm going - how much of that is by contractual warrant? I would expect that it's more than that. Kathy Carpentier said just \$6,000. He had a lot of turnover so his staff is junior

staff. So only \$6,000 is increasing in his 100 lines. Chairman Coutu said show us how you can fix it. Now I'm interested.

Kevin Burns stated I could have fixed it but then people would have thought I was crazy because I always say you know you can't touch town wide paving. It's pay me now or pay me later. Comcast has done an offsite contribution of a little bit in excess of \$50,000 which the Town Planner has told me the Planning Board is good with me either using it in this fiscal year to offset the work I did in the industrial park or I could use the money for next fiscal year to improve the roads in the Lowell Road industrial park which I plan on continuing that program. If we were to reduce 5552-248, which is town wide paving from \$790,000 to \$740,000, my budget would actually be coming in at \$7,649 cheaper or below where it is now. I would still be doing \$790,000 worth of work. We'd still be doing the same work but Comcast is paying a piece of it.

Selectman Maddox indicated it was actually Farley White that's paying it. Selectman Nadeau indicated we didn't care - Farley White, Comcast - either one. Mr. Burns said I don't ever get to see the checks. Selectman Nadeau said as long as the cash is in his account, he doesn't care.

The problem Chairman Coutu is having with that is that assuming this budget would pass, then the next year we have a default budget. You're out that \$50,000. Mr. Burns understood. Chairman Coutu said the reason for the allocation and the voters approved it was to get you back on track on a 20 year plan as opposed to the 100 plan we were on on paving our roads. We've made a lot of headway. I personally don't want to see us go backwards. I would rather that we not touch that account. I think that would be a bad precedent. It's \$50,000 next year and then if the same things happens, then it's another \$50,000. Before you know it, we're right back where we were.

Selectman Maddox slightly disagreed. I think we need to put a "W" next to that. The voters voted for \$500,000. We're still a quarter of a million dollars over that number. Chairman Coutu stated it was a \$500,000 (inaudible) in excess of what his original request was. They knew it was an increase of \$500,000. Selectman Maddox still was not sure who knows what. All I'm saying Mr. Chairman by putting a "W" next to it, it would give us the ability depending upon where we are at the end of this process to be able to have some fudge Mr. Chairman.

Chairman Coutu said so you want a "W" on it. You want to look at this item again. Mr. Burns reiterated 5552-248 - street overlay. Chairman Coutu stated there's nothing else that stands out in the budget. We're not making any requests for any major repairs or - how are our plows this year? Kevin Burns said some of them are getting old and beat up but we're patching them. There is no equipment in here. The only increase of any significance is a two percent increase in the solid waste line item. The contractor has an escalator in it - two percent a year which was the lowest escalator bid. I ate the two percent the first two years but I see the building permits or the CO's that are coming through every week now. We're picking up more houses. Our tonnage is going up. I'm just afraid we're going to not make it under that 1.5 so I added the two percent that we owe them contractually. We haven't had to up it yet but I think we're getting too close.

From everything Chairman Coutu is hearing, our recycling is going down. Am I not correct? The numbers have gone down. People are not recycling as much as they did a year ago. Mr. Burns thought right about now we were 24 percent. Chairman Coutu indicated we had reached a peak of 28 at one time. Mr. Burns said we were tickling 30 for a while. Chairman Coutu said we need to do something Leo. Your committee needs to do some sort of a public service announcement or something to convince people that the less that they put in their garbage, that's good money for us. It's going to cost us less. People complain about how much we're paying on rubbish removal but yet they insist on throwing everything in the rubbish rather than recycling and that's what is costing us. If we were to reduce our tonnage - for every ton we reduce or every 10 tons we reduce, do you know how much we would save? Kevin Burns said every ton is like \$70. Now people think a ton, that's a lot of rubbish. When you look at the number of houses we have, that is not an awful lot of rubbish. You throw up a whole bunch of metal and you're throwing it in the rubbish barrel, what normally would be a 5 pound capacity could be as much as 15, 20 or 30 and if everybody was doing it, that's several tons. So we're spending money because people are not paying enough attention about recycling. Recycling is very important because if we didn't have any recycling, could you imagine what our cost would be right now. Significant. Add 26 percent to the bill. Mr. Burns indicated we used to be at \$2 million. Now we're at \$1.5 million. Chairman Coutu noted it's a big difference.

Chairman Coutu noted that's going up 2 percent this year because of the clause. Mr. Burns said yes.

Selectman Maddox questioned 5555 - solid waste 264 the water quality monitoring. Kevin Burns said that was always in there but in a different account. Steve Malizia said we took the water quality monitoring and moved them into Engineering because that's who's quarterbacking that effort. It's never been Kevin. The money that was there was zeroed out of that account. You'll see in Engineering that there was a line - that money was put in that budget. Kevin also - we participate in the Nashua Solid Waste Regional District where we get cleanup days - the hazardous waste days. That's in the solid waste budget I believe. That's been moved to the solid waste budget which is more appropriate. That particular 5555 was sort of an orphan child where people weren't taking ownership of it. Part of it was not Kevin's. So we put part of it in Engineering where it belongs and part in solid waste. That's why that's zeroed out. We are not avoiding those costs. We just put them in a more appropriate department.

Chairman Coutu asked if there were any more questions. Kevin Burns said I do have one warrant article. Chairman Coutu had a question before we get to the warrant article - page 25 ladies and gentlemen. Benson Park operations. That's a 68 percent increase. Is that because of the default budget? Primarily some of it is. Correct? Kathy Carpentier stated it's because the Board chose to put in overtime of Kevin's people to maintain the park and it was cut out because of the default last year. So this is just re-entering that same initiative that the Board approved.

Chairman Coutu asked how did the park get done then. Mr. Burns first wanted to clarify. That is not my budget and I did not present that - put the numbers in and I don't even know what the numbers are. We maintain the park out of our regular operating budget. Chairman Coutu asked is this what you're going to be presenting tonight. The Benson Committee is going to be presenting this page? We'll hold the questions then. I apologize. It's in your folder and I see a 68 percent increase, I'm concerned. Are there any questions? We're going to review obviously the overlay account. Is there anything else? Everybody is satisfied and I can send Mr. Burns home? Kathy Carpentier mentioned Mr. Burn's warrant article.

Kevin Burns stated I mentioned this was coming. It's time to replace our street sweeper. They're very expensive and we only have one. Ours is a 2005. I said when we bought it I would squeeze 10 years out of it and we have. Because we budget so far in advance if we get a new sweeper in this budget, it won't actually go into service until the spring of 2016. So we're really stretching it out. Another problem I have with this particular unit is Tennant Centurion and we got one of the last models. They stopped making them. They guaranteed me they would make parts available for 10 years but after 10 years, you're out of luck. It's a unique piece. It's not like you can go buy parts for something else because it's a one of a kind model. So availability of parts is drying up rapidly. I think if we don't get a new sweeper in this budget in the spring of 2016, we will not be sweeping. I don't think that would be overly popular with the people. It's probably one of the most popular pieces that the town owns. Everybody loves to see the street sweeper.

Chairman Coutu commented that would be \$.10 on the tax rate. Steve Malizia said if you were to procure it outright. Kevin Burns said I also have another suggestion. Selectman Nadeau was hoping to hear that there might be a three year lease purchase. I just think that we've bought stuff on three year lease purchases. Mr. Burns indicated we bought the last one on a five year annual lease purchase. Actually since I've taken over, we've replaced almost all of our capital equipment on a five year annual lease purchase payment in advance. That would bring this warrant article down to about \$55,000. It probably could go lower in the next four years once I have a hard figure but if you wanted to, I could if you directed me to I could work with Steve and Kathy to rewrite this warrant article to have it read to purchase a sweeper under a five year lease purchase which is how we did the last one. Its how I've really kept at least the highway budget fairly level funded for the last 15 years is when one piece comes up and it gets paid off, then we replace the next piece. That's what Selectman Nadeau was hoping to hear.

Chairman Coutu stated we're not deciding it tonight. Selectman Nadeau would like to have him work out those numbers for us so we can at least...Chairman Coutu thought we should see that option. Thank you Mr. Burns. Well presented. We appreciate it Sir.

Solid Waste (5970)

Chairman Coutu asked if we are done. Kathy Carpentier indicated he already told you he went up 2 percent.

Benson (5063, 5563)

Chairman Coutu recognized Chairman Harry Schibanoff. I want to say from the outset...Kathy Carpentier commented that they're in two different places. They're up in the front and in Highway. Under 5500 Highway, stay there on page 25. Chairman Coutu wanted to say right from the outset before we even begin this budget. I would support approving it. Harry, again, another great year at Benson Park. The volunteers have done an outstanding job. The tree plantings are beautiful. This year I had more opportunity to be able to walk the park than I have in the past couple of years. It's a slow walk for me but I'm able to get through the park. Absolutely beautiful. I know we were voted two years ago the number one park in the State of New Hampshire. I think we should still be recognized as such. I'd like to see that accolade again. Again if it wasn't for you, and your committee, and the volunteers, that piece of beauty wouldn't exist today. It would just be a wasteland sitting out there contaminated and nobody doing anything with it. Thank you, thank you, thank you. Outstanding job. I think I speak on behalf of the Board. Ben's there a lot. Pat goes a lot. I know that Rick pops in every now and then. Mrs. Brucker is vacationing in her summer home but I'm sure you've seen Benson Park. Thank the committee and please the Board is excited to have the volunteers. I know that they keep saying the numbers are going to dwindle every year and it seems that the same amount of people are there every year. Fantastic job. Let's talk about how much money you want that we're not going to give you.

Chairman Coutu wanted to start on page 24. If there's anything you want to highlight. I noticed that on that page there's an \$18,000 increase.

Harry Schibanoff started off by saying that I have Jim Barnes here with me - the Vice-Chairman. Since he's on the Budget Committee for the Town, we also put him on the budget committee for Benson Park. He is the one who put the budget together so I'm going to let him speak for that.

Jim Barnes said basically what we're looking at here - this budget that we've broken down here is exactly the same as we requested last year with the one exception of the line item for electricity. We upped that because we overspent that line item in this fiscal year 2014. So we upped that to try to cover that to make it more match what we're actually spending out there. The rest of the line items in the FY16 request are exactly what we had requested last year. We can look at the Benson Park Committee lines. The meals in town, the proposal there was to increase it to \$900 to help pay for the lunches for the volunteer work weekends. Kathy Carpentier interrupted and noted that's in a different section.

Jim Barnes went down to the other section - salary and benefits. This one line item is something to recognize the fact that the volunteers have been very capable in working there but there's also some work that's being done by the Highway Department employees. This line item was to recognize that fact that there is an expense here that is kind of being hidden in the Highway Department but it is being spent in Benson Park. This is for a Grade 4 for overtime and benefits for someone who's spending some time in the park mowing grass, doing whatever that a department employee would be doing in the park. It represents 400 hours and that's essentially the increase in the budget from what we have this year to next year.

Jim Barnes said the other line items that I want to point out are for the portable toilets. We have been overspending those because we have to service them more than what we had originally expected and that the default budget that we are under right now - I mean the last time that was approved I think was three years ago or something. That was what we thought it would be at that time. Since then, we've added portable toilets. We're servicing one of them year round and we've got multiple cleanings a week during the peak season. That's the reflection.

At your last meeting I believe, Chairman Coutu stated you had a discussion about this and how many times you'd have to service them. Has that been factored into this number for this coming year? You're going to keep one year round up by the barn and then you're going to have the two down by the gorilla cage but you're going to service them. I know you tried to work something out - maybe service them for the weekend and then at the beginning of the week because they get overflowed on the weekends. All of that now is factored into this number? Jim Barnes said yes. The \$4,470 it accounts for two cleanings a week during the summer and the warmer weather. Chairman Coutu didn't disagree with that because I went by one day and usually you don't get the odor because they have the perfume type smell inside but I opened the door and there was paper and crap everywhere. Mr. Schibanoff stated it's probably the biggest complaint we get in the park. Chairman Coutu indicated if this is going to solve it, who knows what the next problem will be. Maybe this will solve the problem. I want to make sure that it was factored in. This seemed to be like just one of your last meetings that this came up. Jim Barnes said it is something we've been working with over time over the past couple of years. It is being serviced multiple times a week right now. This is to reflect that cost.

Selectman Maddox asked about A-frame roof repairs. Chairman Coutu noted it wasn't done right. I guess my question is what are you going to attempt to do because no matter what you do, asphalt 3 tab shingles are going to keep falling off that building. Jim Barnes said when they were put in there originally - 5 years ago when they did that roof, it appears that they did not install them properly. They didn't nail them in the right places. There's adhesive there but you have to nail it through the adhesive strips in order to make them stick. That's the issue that I think we're facing out there. As far as guarantee or warranty on the roof, Chairman Coutu stated we fired the contractor and he's since out of business. We have no recourse. Selectman Maddox stated somebody told me that you can't put 3 tab asphalt shingles on the slope that's out there. I was just wondering what you're doing out there for \$3,500. For \$3,500 you're going to send somebody out to re-nail it all? Chairman Coutu stated we tried to. Again, Selectman Maddox was just trying to figure out you budgeted a number based on what? Chairman Coutu said professional advice from what I heard. Isn't that what happened Jim? Somebody went up and assessed it and said we could probably take care of this by going up there and nailing - there's some pieces falling off and there's been some sort of replacement. Harry Schibanoff said they tried to put them back up. Chairman Coutu asked are we spending good money after bad. Should we be seriously looking at - are we just trying to put a band-aid on something that's going to be a big booboo later on? Your estimate, your guess? Has anybody said that? For now for a year this will carry a year. I don't want to spend \$3,500 every year to put nails into a roof that eventually is going to fall down - not the roof but the tiles are all going to come off anyway. If this were your condo is this the way you'd fix it? It's our property, I'm concerned.

Jim Barnes said one of the things we could do is to get someone in to do a professional evaluation of the whole situation. You could contact a contractor and see if they would be able to give us a recommendation on that because this \$3,500 is going to swag. Chairman Coutu said if we could get a contractor to do a free evaluation, I'm all for that before we spend \$3,000 - \$4,000 and it's really not going to fix the problem. It's just a band-aid that's going to go until the next wind storm. When I'm talking wind storm, I'm talking 90 mph winds. That's when the damage starts happening.

Selectman Nadeau suggested that the Benson Park Committee go out and seek some professional advice before the close of the budget so we could get an accurate number to put in here. If it's \$4,800 to reroof it, then we put it in to reroof it. If \$2,500 will fix our problem and they say it will last us 5 years, then great. I'd just like to have something firm and on the paper before the budget closes so that we can - that building is used a lot. One of the other things that we've talked about at the Benson Committee meeting and we need to talk about at the Board level is charging fees for the use of the park. Chairman Coutu said I'd like to discuss that. Selectman Nadeau indicated that reason I say that is we just talked about the toilets and the usage of the toilets is way up. Last weekend 3 weddings in the park. All of them 20 - 30 people - some of them 10 but we're bringing all this into the park and we're not getting anything out of the use of the park. If we can charge a usage fee for events of this nature that can offset the costs of operating the park which we're allowed to do, I would like to see us as the Board of Selectmen over the next year...Chairman Coutu asked have you read the deed? Selectman Nadeau said yes. Chairman Coutu asked and you think we can charge a fee. I knew this was going to come up because I watch their meetings. You think we can charge a fee? Do you know of any other State park that charges a fee? Selectman Nadeau stated as long as it goes into maintenance of the park, I believe we can. Attorney Jasper could probably help us out a little bit with that but the way we've looked at it and talked about it, I think that there can be some type of fee put onto the usage of the park so that we can start doing some preventative maintenance a) to the buildings and b) being able to keep this budget down to a reasonable amount for the taxpayers of Hudson.

Chairman Coutu didn't disagree with you but I heard the conversation that was held and I know Harry you probably read the deed now as many times as I have because you refer to it quite often at some of your meetings. I find it difficult to find a chapter in there that would allow us to charge a fee. Although I do not disagree with you, I think that we should find a way to offset just to mitigate all the excess use and the toilets. That's part of the reason why we're having the port-o-toilets emptied so often.

Selectman Maddox said this is another case of no good deed goes unpunished. Now you're going to have to hire someone to police the problem. By the time we're done, it's a wash. Again as much as that's a nice idea, I just think it's going to be difficult to oh you're having a wedding, who's going to do that?

Chairman Coutu thought what Selectman Nadeau and I think with Benson Park Committee was proposing that I support it and I felt we should have the conversation because I couldn't see how - I'm surprised I can still read my deed I've read it so many times. Every time somebody wants to look at something I flip through pages because it would be primarily your committee that would bring up something that deed might affect. I'll look at it if I hear somebody say there's nothing in the deed for that so I guess it's okay. I would think that we could have some sort of a user fee based on a number of people. You're going to have a wedding you're going to have 20 people, it's going to cost you \$50 to use the park. If you're going to have a wedding party and there's 60 people, it's going to be...have a fee structure based on numbers of people but it would go into their account. Selectman Maddox asked who's going to enforce. Chairman Coutu asked who's going to monitor what. They have to pay first. Who's going to monitor whether or not they come in. Selectman Maddox said are you going to have a Benson Park party enforcement person. Chairman Coutu noted I hear what you're saying. You're right. That's why we have to have these discussions.

Selectman Nadeau said people are applying for the permits. It is getting better because they're trying to request certain areas in the park. Chairman Coutu said there are a lot of times Ben, not just sometimes, a lot of times there's a group of people that had never requested a permit. Selectman Nadeau didn't disagree with that because I ran into that problem more than once while I was in the park. If we get 80 percent - and I know we're not going to get 80 percent - but if we got 20 percent of the people that are using the park to pay the user fees, it's better than...Chairman Coutu said it would be a user fee. You want to cover yourself. It would be a donation to the Benson Park account. Selectman Nadeau said a donation for using the park. Chairman Coutu noted just like we have a donation for the recreation account on the Planning Board so it would be a donation. That is the only way around it. I looked it up. Selectman Nadeau indicated that's one of the ways around it. So a donation and that goes into the donation account and we can use that to offset some of these expenses. I don't disagree with that. Chairman Coutu said that's the only way we could do it because the deed does prohibit us - you cannot charge a New Hampshire resident to use that park. It's clearly defined in the deed. A donation account, a donation is acceptable. Selectman Nadeau rephrased that saying we need to come up with a donation structure fee.

Harry Schibanoff said I'm sure if you look in the deed you could find a contradiction to that but that's okay. Chairman Coutu questioned a donation. Mr. Schibanoff said no anything. It contradicts itself many times. Chairman Coutu said it was written by the Department of Transportation. Of course it would. Selectman Nadeau thought we need to come up with a donation fee structure in a reasonable time before the spring so that we can start capturing some of this revenue. Chairman Coutu stated where it is a donation fee, we can take our time and work on that and I would advise maybe the Benson Park Committee might want to suggest to us what that fee structure would be so that we would have a document to approve for them to alleviate some of these expenses. It might be something to consider Harry. I would suggest that that might not be a bad idea. I would certainly as Selectman Nadeau just said, you've got two of us that are willing to look at that. I'm sure we're all willing to look at it obviously. I just think that there are a lot of people who use the park on a daily basis that not only just use it, they pick up papers while they're walking and they're cleaning. Then you have these hordes of people on the weekend, especially these large groups. They're not

destroying it but they're making it less cost effective because they're using the toilets more. We need to offset some of that cost. I think some sort of a donation account or something we could work out and we could work out the machinations of when that's collected and who's going to collect it. Then as far as the weekend, there's always a lot of people like you're in. I go once in a great while on the weekend but there are members from the Park Committee. Maybe posting who is supposed to be in the park and somebody walks up and say hey you didn't get a permit for this. What do you do call the police and tell them to get out of the park? Selectman Nadeau said no. I whip out my ticket book and write out the violation and give it to them.

Selectman Maddox noted we're wondering way afar.

Selectman Brucker thought you could count on people self reporting that they're going to use the park. For one thing if you're planning a wedding or any big event - graduation party or whatever there, you want to be sure that nobody else is going to be there with a big crowd. I think people would honestly...Selectman Nadeau said it doesn't work that way but that's a good thought. Selectman Brucker asked they run into each other. Selectman Nadeau said yes. Chairman Coutu said it's come close to having fist of cuffs over who had use of the park and who didn't. Selectman Brucker said there would be no reason for that if they had a permit. Chairman Coutu noted that there's no way of enforcing it. That's the problem.

Chairman Coutu asked you have the front section of the budget you want to go through. Kathy Carpentier said it's up the front under Town Offices - 5000, page 28.

Harry Schibanoff stated this is the account that we use for committee functions - primarily during the cleanups that we have every month from April through October/November depending. It's also for miscellaneous supplies that we need for these events such as paper goods, buying water. It's just a bunch of miscellaneous expenses that are incurred primarily by the committee and not within the park itself.

Chairman Coutu noted it's down 1 percent. That's fine. I don't have a problem with that. I understand why the increase in the meals. Mrs. Nichols just can't seem to cook enough for everybody so we have to buy more. I appreciate the fact that a lot of our vendors in town - pizza companies - Capris and there's a lot of them. I shouldn't mention any name. People like yourself who bake and make your famous macaroni and cheese. Sooner or later we've got to start paying for some of this food. You run out - people get sick of being asked to bring free pizzas and all of that. It's only fair that we contribute a little to their business. Mr. Schibanoff said we never know how many people we're going to have on Saturday. Chairman Coutu said that's another problem. I heard that at the meeting. I think that's only fair. I agree with that.

Chairman Coutu asked are there any other questions on the Benson budget. Seeing none, thank you very much. We appreciate it. Harry Schibanoff thanked the Chairman for the kind remarks about the park. Chairman Coutu said it's the truth. There's nothing wrong with telling the truth.

Selectman Nadeau was looking forward to seeing your donation schedule fee too.

Sewer Fund (5561, 5562, 5564)

Chairman Coutu recognized Town Administrator Steve Malizia and Bill Abbott. We're going to discuss the sewer fund and the water fund. We can take them separately. As you remember ladies and gentlemen, these will be on the ballot separately.

Steve Malizia indicated these particular funds - the sewer fund and the water fund or the water utility and the sewer utility are paid for by the user. So they do not come from taxation. They don't affect the tax rate. Just a little historical perspective, I think the last time the sewer rate was changed I think it was downward. It's been very stable. It's been pretty low. As a matter of fact, we're on the lowest quartile in the State for sewerage or septic disposal.

To remind the viewers out there for the water utility, Steve Malizia indicated we took it over in 1998. The rates were cut by 10 percent and they have not been changed since then. There aren't many utilities can make those claims. So what you have is basically a balanced revenue versus expense. For both of these utilities which are separate in the book and which last year were separate on the warrant, you see the revenue and these estimates were prepared by the Municipal Utility Committee and you'll see the expenses that go to that. Again, the offset. There's no tax impact. It's born by the users. It's supported by the current rate. I'm under the understanding there's no rate proposal, no change to the rate. Both the sewer, which has a very healthy surplus and has health reserves, and now the water is starting to get some very health reserves. We've been putting money away for possible future expansion for repairs. I think these two utilities are in excellent shape and they're pretty well funded at this point in time.

Chairman Coutu welcomed Bill Abbott. Welcome Bill. I haven't seen you for a while. How are you? Bill Abbott said it was good to be back. I'm the Vice-Chairman of the Municipal Utility Committee. Jeff Rider is the Committee Chairman. He couldn't be here tonight so he asked me to step in so here I am. The committee as usual takes a look at the budget. It comes from various sources as you know. The Highway Department has a big input. We do look at

the budget kind of in detail and we do it obviously one at a time. I think you have the sewer on tap first. On sewer as Steve just said, we're in pretty good shape. We don't have any huge problems but we did go through kind of line by line to see where we might change what various department heads might have submitted. One of the big things we do is to go over and talk to the City of Nashua as to what to expect from them for capital improvements. That's always an interesting experience. We've had very good luck with them for quite a few years now. They've given us a good estimate of what they think they're going to spend and they give it to us about this time of year when we go over to ask so that we can be ready for the budget process. We did go through line by line and most of it is not huge. One of the things that happened is usually we get to look at the budget after the various departments have had their shot at it. We didn't have that luxury this time. Some of the stuff was done in parallel and we have official recommendations that you might want to consider to be option because of what the department heads have decided.

Case in point if we start with 5561, Bill Abbott said the particular item I'm thinking about is the investment expense which is item 268. That's probably a good number. From what I understand, the Finance Department had suggested maybe \$40,000. When we went over it, we were thinking \$50,000 and what ended up in the line item was \$45,000. That's probably a good number.

Chairman Coutu asked what is that line item used for specifically. Mr. Abbott stated this is the investment expense incurred by the Trustees of the investment trust. Mr. Malizia stated a lot of the money that they have in reserves they have some pretty long-term investments. They use an investment advisor. They pay a fee for that advice. The law does not permit netting this fee out yet. In other words, you have an investment traditionally a lot of time you make a return on the investment, your fees will come out of your return. The law does not permit that for us so we have to raise the money for the investment fee that we're paying for the advisor because they have millions of dollars - many millions of dollars.

Chairman Coutu questioned if it was \$15 million. Kathy Carpentier said \$15 million. Chairman Coutu wanted people to know we're paying...Ms. Carpentier said part of it is sewer, water, and general fund. Chairman Coutu said but his is only for the sewer piece. How much is in the sewer fee? Ms. Carpentier stated \$7 million.

Bill Abbott thought there's actually three funds. One for the...Chairman Coutu said we're paying the investor percentage on the investment. Is the investment return in excess of the 45? Do we have the number? Is the return in excess of the 45? Steve Malizia knows it's in excess. I don't know the specific number. If you recall at last year's town meeting, we tried to add \$15,000 to our general fund. I forget the basis points they said they were earning but they're earning a very significant return overall relative to the market that's out there. Ms. Carpentier pointed out that they just started with a new investment firm. You'll see this same line item under the Trustees of the Trust Fund. Chairman Coutu said this is their contributory - Ms. Carpentier said this was sewer's piece. Chairman Coutu wanted to make sure we're spending 45 and only getting 40 back. We're spending 45; we'd like to see we're going to get at least 60 or more. So you're watching that. Ms. Carpentier said right. Also I believe the Trustees of the Trust Fund will be coming forward because the legislation did pass and Len Lathrop will speak to it to try to have this netted out of investment expenses going forward but we have to get the voters to vote for that. So for this year, we have to appropriate the dollars. Chairman Coutu thought that was a great idea to do it that way. We know the number at the end of the year. Ms. Carpentier stated we have to get the voters to agree to that first. Steve Malizia indicated there was enabling legislation that allowed that to happen but you have to have warrant article to. Chairman Coutu said it's more transparent to do it that way. That's the way I like it. It's more transparent. So we understand that now.

Bill Abbott stated the only other item that's in there is zero - last item on the page 412. I just assume that there was no software that anybody would...Chairman Coutu hoped that you would have been advised if there was going to be some sort of a software update that you would need. Apparently IT didn't recommend anything or does the sewer matter? Steve Malizia assumed that IT did not recommend anything. Mr. Abbott said software pops up in other places. That one is a zero. Ms. Carpentier noted that's the purchase of software. So we're not buying a software package. Right above it on 269, you'll see the software maintenance line item. That's their piece of the utility billing module that is also split between water and sewer. Chairman Coutu asked those are upgrades in that billing module. Ms. Carpentier said no. It's an annual maintenance for it that was under IT.

Under 5562 - operation and maintenance - Bill Abbott indicated we looked at a couple of items. First of which is 208. The default budget was \$6,000 but if you look at the actuals, they had like a \$9,000 - so we put in a recommendation for actually \$9,500. Chairman Coutu noted it says \$6,000. Mr. Abbott was saying this got put in before the Committee actually had a chance to make our input. Chairman Coutu was glad you brought that one up. I don't understand. I thought we were going to save money on phones. We went from \$5,000 to \$9,000 in one year. A \$4,000 increase. What's wrong with our phone system? That's an IT thing. I thought we were saving money on phones. Kathy Carpentier commented that we are saving money on phones. I don't know what the \$9,000 here is. Mr. Abbott indicted this is not telephone in the building. This is out at pump stations and that sort of thing for the alarm systems. Chairman Coutu said to shut the alarms off. There's \$4,000 worth of extra alarms. Selectman Nadeau said when that backs up, you just let me know how that \$4,000 works. Chairman Coutu asked are they long distance calls. From \$5,000 to \$9,000 in one year. Ms. Carpentier said I can look into why the expense was last year. This budget is created by the Road Agent.

Bill Abbott said the next item we looked at is down the page a little bit item 239 which is sewerage treatment. Somebody came up with a 550,000 and when we looked at it, we saw that the numbers didn't really approach that and we didn't see any reason for it to be quite that high. Our actual recommendation would be for \$500,000 on that item.

Chairman Coutu noted there's another one Bill. Why did the actuals in 2014 go from \$264,000 in one year to \$620,000? Selectman Nadeau said that was the default. Chairman Coutu said good, that makes my point even better. So we're going from 264 to 550.

Selectman Maddox asked to help him out. I thought that that also included if Nashua added a new digester or something so that would be a onetime hit in that. I can't figure out how we can go from 358 to 264 to 600. Yeah either there's an awful lot of flushing going on or is it equipment that they also roll into it? Bill Abbott said no. This is the treatment itself. Our fee - we have to pay for them to treat the stuff. Selectman Maddox stated even at 500,000 is doubling what we paid in actuals last year. This needs to be flushed out. Steve Malizia thought the 264 is low quite frankly based on the two years before it. It's quite possible it got expensed into this year for some reason but that's just my supposition. I think the number is closer to the 350,000 versus the 264. We didn't have that much of a drop in flow. I suspect something came into this year. I didn't do this budget. I didn't put it together. I know traditionally we put some number in there because we were at Nashua's mercy but it's their rate. It's what they charge us. I would agree 550 looks high but I wouldn't go to 264 either.

As you all know, Selectman Nadeau said we've all been granting a lot more usage for gallons per day. Chairman Coutu asked against the total. We didn't give that much out. Less than 50,000 gallons a day I would say. Selectman Nadeau stated that all adds up every day. Chairman Coutu indicated it doesn't double the cost. I'm sorry. Selectman Nadeau said it doesn't double the cost but yes 550 is too high. I'm thinking closer to 400 with all the new flow capacities that we've allowed this year because we've upped quite a few and we have some businesses that have come in that will be having a lot more flow usage. As Chairman Coutu recollected, it's discussed at every meeting. We discuss them. Unfortunately, Mr. Abbott said my memory isn't all that good. I can't remember the exact discussion that let us to this number.

Chairman Coutu asked what are you saying about the 550. You feel that 500,000 is a more reasonable request. Is this a committee? Mr. Abbott said this is a committee decision when we looked at it actually in September. At our last meeting, we went back over things to see where they were and this is the first time we got this actual sheet that shows the 550. Chairman Coutu stated so the committee would not object if we cut \$50,000 out of that line item. Bill Abbott's recommendation to you is 500,000. Chairman Coutu asked do you think 500,000 is reasonable or do you think that it would be more reasonable to go down to the number that Selectman Nadeau suggested which is 400,000. Mr. Abbott didn't know.

Kathy Carpentier said the fourth quarter of last year made \$108,000. I'm not quite sure all four quarters are lineal. Chairman Coutu said 400,000 would not be adequate. Selectman Nadeau indicated so 450,000. Chairman Coutu noted it was 432 last year and it might be...you're saying we're adding more sewer users so let's not cut. I think 500,000. Steve Malizia stated capacity gets better. The economy has picked up. Based on what you said, Chairman Coutu stated it wouldn't make sense to cut it that close. You're only giving him an \$18,000 leeway for addition. It's going to cost us more than that. I think the \$500,000 request is more reasonable and I would entertain a motion.

Motion by Selectman Nadeau, seconded by Selectman Brucker, to decrease line item 4326-5562-239 - sewer operating maintenance, sewerage treatment, from \$550,000 to \$500,000, a decrease of \$50,000, carried 5-0.

Bill Abbott indicated this is more of a question than anything. On the next page item 340 - small op. materials. It shows up as a negative number. Selectman Nadeau noted ours shows up as 5,000. Mr. Abbott asked if that was a typo. Chairman Coutu said yours doesn't matter. Ours does. Ours says \$5,000. Kathy would you confirm that? Ms. Carpentier confirmed.

Chairman Coutu asked why is sewer repair maintenance is going down considerably. You just staying with the default number? Again, Mr. Abbott stated this is a number this 8948 is something that I'm sure Jess Forrence came up with. Our recommendation before we saw that number was to keep it at \$11,000. Chairman Coutu thought 8948 is fine with me. 410 is that a correct number that \$8,700? You went from an actual in 2014 of \$28,000 on repairs. Selectman Nadeau noted we lined a lot of pipes that year. Chairman Coutu hoped so. Kathy Carpentier indicated this budget was vetted through the road agent and Jess. He does the work. Steve Malizia said it's his best estimate of where he thinks he's going to be this year. Chairman Coutu said if he did do it, there would be less impact because that was an investment in the infrastructure. Bill Abbott stated you're going to stay with 8940. Chairman Coutu asked are you happy with it. We're here to please you because we can cut somewhere else. Mr. Abbott said we have to believe what the sewer people tell us - Jess, he's the expert. I'm just telling you what our recommendation was.

Selectman Brucker said the number 252 on page 5 - professional services - it goes all over the place and then ends up at 8,400. Chairman Coutu asked how are we going from \$3,000 in the last two years up to \$8,000. Thank you for pointing that out. How did I miss that? Ms. Carpentier told the Board to turn to page 7. Chairman Coutu said it was

sufficient. You go back three years, it went up \$500. Mr. Abbott said there was load tests - \$5,400 for load tests at 6 pump stations.

As some of you know, Bill Abbott mentioned that I was on the then Sewer Committee for a long time. I'm sort of a newbie to water. I'm not quite as versed. Steve Malizia indicated I've actually done the water budget for the last 18 years with Mr. Webster. Pretty much we're obviously running the water utility. The revenue equals the expense. We're going to be making the 18th bond payment next year on the original purchase so 12 more after that. We are also making payments on the other bond that did the south end water tank, the looping, and the booster station. So those bond payments every year are declining about \$40,000 or \$50,000. As we pay them down, the interest is less year after year. So we're getting a little bit of savings there. We've been putting money into reserve funds. We have over \$350,000 in a repair fund so if we should happen to have some sort of repair that is an emergency, we can take care of that. I think we are finally in excess of \$1 million for the water utility expansion, capital sort of improvement fund. So when we contemplate improvements, we'll be able to look at that pool of money. That's built up over the years. If you go through the detail and you look in 5563 - supplies - you'll see in the backup about the Nash Well - \$100,000. What that means is that well and all the wells we've drilled seems to be the most productive at this point in time. It could probably enough water to be worthwhile to make an investment. This money will help us determine that and get the yield and see where we're at.

Chairman Coutu asked what happens if we do the borings at the Hills House and we find a good source of water. Mr. Malizia indicated we can develop that instead. Selectman Maddox asked why would we put that name on them to the budget. Mr. Malizia said I put a name there because we all know we looked at the Nash. It could be the John Smith well. It's a well. Just for identifying. Chairman Coutu indicated if we found a better resource in town, that's the one we go and invest in. Selectman Nadeau was hoping we tapped the Alvirne one.

Selectman Brucker thought we had to repaint the Gordon Street tank. Steve Malizia indicated at some point in time we will. That has to be discussed but it's not eminent. It's not this year. We're set to report back to DES. Based on a review of the tank, it appears that it's got a couple more years before we really have to knuckle down to that. We've done all the safety issues. We've done all the perimeter issues. There was some safety. There was fencing that needed to be replaced. There was some caulking at the bottom of the tank. Lead paint is going to be the issue for repainting that tank because you've got to do something with it. That's where the money is going to be. Chairman Coutu stated it's not the removing it, it's how you dispose of it. Mr. Malizia said its part of the process. It's a steel tank. You don't have this problem with concrete tanks obviously. At this point in time, it appears that the integrity of the tank is in good shape. DES sent us a report back that said yup you got a couple more years. That's where we're at. At some point in time, yeah we're going to have to do it or maybe make some other choices. Maybe build a different tank.

Bill Abbott said the other choice was a new tank and that's millions.

Steve Malizia indicated it's an integral part of our system as I understand it for fire flow. If you look at the way the system is balanced, that's an important tank given its location and the area it services from a fire protection and from a storage capacity.

Selectman Maddox said, again, I think it's something that we need to be keeping on our radar for not only the painting but it is a steel tank. At some point, it may not be cost effective to get rid of the lead paint, repaint it, still have a steel structure that at some point is out exposed to the weather every day. It may be cost effective and, again, somebody has to do that analysis to put in a concrete tank and be done with it.

Chairman Coutu asked how often do we have this tank evaluated. What would precipitate us going in there and...Steve Malizia stated we've done an inside inspection. For example, they've actually put a diver in the tank. I can't remember the year exactly but it was 6 or 7 so it gets that type of inspection. Other than it leaking, we wouldn't be looking at though right? Mr. Malizia said you'd go inside and inspect it. You'd do the inside inspection. Chairman Coutu asked what if there was a leak. Mr. Malizia said even if there isn't a leak, I think you'd still you in and inspect it. Chairman Coutu asked how often is it inspected. Steve Malizia thought the last time you did it was 6 years. So it's somewhere around the 6 or 7 year cycle and I think we've done it twice. They actually put a diver in it. The same with the Marsh Road tank. Chairman Coutu asked if we pay for that. Mr. Malizia said yes we do. The utility does.

Chairman Coutu asked Kathy Carpentier on the investment expense this is new this year in their budgets. Ms. Carpentier agreed. In fact, we decided because the Trustees went out and got a new investment firm, they used to only use the investment from four sewer funds. Now they're using water funds and general funds. I'm starting in FY15 even though there's not an expense.

Bill Abbott indicated we've got a few items. On 5591 - water administration - we did have a discussion on item 218 on page 2. Chairman Coutu asked what's wrong with that. I like it. Mr. Abbott said we had a discussion about that primarily since there's still some litigation to do with the Litchfield well guy that claimed that we were...Chairman Coutu stopped Mr. Abbott and said we're in litigation. We can't discuss that. Mr. Abbott said there's an expense involved in whatever is going on. Chairman Coutu asked if the judge has thrown that case out once and for all. Steve Malizia

said there's one piece that is still in the court system. The majority of it has been dismissed. There is a piece left that we still have to defend. It is anticipated that that defense would continue through this fiscal year, i.e. through next June. After that, we'd be going to the run of the mill legal stuff which is why the budget drops. Of this \$6,000 KC and in the 2015 budget, have we expended anything in the first three months out of his account there for legal fees? Steve Malizia stated we have. I don't know the number off the top of my head but we have spent that. Chairman Coutu said most of it would have been on that litigation because we've been in and out of court. Mr. Malizia stated all of it is that litigation. Ms. Carpentier said almost \$12,000 through September. Chairman Coutu didn't think \$3,600 is going to carry you next year. Mr. Malizia anticipated that it will be over by this fiscal year. Chairman Coutu said that's nonsense. Can we recoup that money? Is there any way we can recoup that money? Steve Malizia indicated we've put in that demand to the court. It's up to the courts. We can only do what the courts give you.

Selectman Maddox asked for a breakdown of that in a subsequent non budget meeting. Kathy Carpentier asked is that a request? Is that a follow up? Selectman Maddox was asking the Board. I think that we should see lots of staggering number. We only see bits and pieces of it when we sign off on the manifest. Chairman Coutu said that should be a selectmen meeting agenda item please. We want to recoup our money. I'll represent the Town. I'll get it.

Bill Abbott noted the committee's concern was that despite the fact that things might be winding down, there might be appeals and this sort of thing and there would be exposure in this next fiscal 2016. We might have to front before we got settlements or whatever. That was why we had recommended \$20,000 for that item. Chairman Coutu said you're recommending that that item be \$20,000 right now. Mr. Abbott stated that's what the committee recommended for that reason. You might have to front money before the settlement came and you were able to recoup money. Chairman Coutu said we've already expended according to what we were just told by our Finance Director, we've already expended \$12,000 and we're still in litigation. Ms. Carpentier stated we spent \$41,000 last year. Chairman Coutu commented for the same nonsense. Mr. Malizia said yes. Chairman Coutu noted any judge who doesn't give us our money plus interest...again, Steve Malizia said we've put in that demand but there's not guarantee.

Chairman Coutu asked what is the wish of the Board. I understand what he's saying.

Selectman Maddox asked what was budgeted in 2014. Chairman Coutu said yeah how did we end up with \$6,000 which was the default. What was budgeted? Steve Malizia thought somewhere in the \$4,000 to \$6,000 range. Selectman Maddox said we found the \$36,000 to pay it. I just don't think we need to put \$20,000 into the line item. This is an abolition. I don't think we need to and we found it somewhere else anyway. Chairman Coutu hoped this will be resolved by that fiscal year and the judge will be talking about giving us back the money that this cost us. Kathy Carpentier stated \$6,000 is your answer.

Chairman Coutu asked if we were going to up it to \$6,000. In a normal course of events, Steve Malizia didn't think we needed to. The answer is no. Chairman Coutu agreed.

Bill Abbott indicated the next item is almost more in the nature of a question. This is item 269 - software maintenance. We're in there at \$1,000 and that's for the AutoCAD license that we have. Steve Malizia didn't think it's just that. I think we also maintain the billing software too. We also take payments over the internet now. Selectman Maddox indicated you're not doing that for \$1,000. Mr. Abbott said that's sort of an issue of the question is that we noticed on the water budget there was a charge in there for Munismart for some \$1,225. So the question is should that be included in this item? Kathy Carpentier noted that is correct. It is an oversight that it wasn't added. I said it was added to both sides and you're proving that is incorrect what I said but it should be. Mr. Abbott said it would be 2225. Ms. Carpentier said it really would be 3225 because the AutoCAD is also here. Mr. Abbott noted that we have the AutoCAD for \$1,000 in there now. So if we add \$1,225, then you'd have 2225. Chairman Coutu stated that line item should be 2225.

Selectman Maddox asked is just water paying for AutoCAD. I thought sewer paid for part of it and so didn't Engineering. It's \$3,000 a year to maintain a subscription to a piece of software that costs \$2,000. Kathy Carpentier believed the backup just says annual AutoCAD subscription one of two licenses is in sewer so one would be in water also. Mr. Abbott said one is in water and one is in sewer. Chairman Coutu said it was costing us \$2,450 a year to maintain it. You get into technology - we've got millions of dollars invested in it. I'm telling you paper and pencils are cheap.

Chairman Coutu asked if we needed to increase that software line. Ms. Carpentier said yes we need to make a motion.

Motion by Brucker, seconded by Selectman Nichols, to increase line item 5591-269 from \$1,000 to \$2,225 which is an increase of \$1,225, carried 5-0.

Selectman Nichols was having a hard time with this postage. Chairman Coutu indicated somebody's got to pay to send out the water bills every month. Where are you? Which postage line? Ms. Carpentier said 5591-238. Chairman Coutu asked you think \$36,000 is unreasonable for postage. Selectman Nichols said yeah. I'm going to get a horse. Kathy Carpentier wanted to quantify it for you. We have 6,300 bills going out every month and then we

also have mailing campaigns where we say you're past due, you're really past due, and we're going to shut you off. The post office - I can't even tell you how much a stamp is because every time we turn around it's going up. I think it's up to \$.49 now. Our prices are increasing. We're getting more accounts and we're actively sending out more delinquent letters. It's a lot of money but it's generating the whole \$3 million for this fund. Selectman Nadeau said we should be starting to stack our water bills and our sewer bills together.

Bill Abbot said the next account 5592- 208, again, telephone. Expenditures look like they're up on the order of \$3,000 and yet apparently the water crew put in \$2,100. We have looked at it with a \$3,000 number and suggested a \$4,000 number for there instead of \$2,100. Again, Chairman Coutu said telephone we're supposed to be saving money. KC you say we are. Two years ago we were spending in 2013 and 2012 we spent 348 and 395. Then all of a sudden we went to \$3,177 and what are you recommending now \$4,000. Where are we saving money? We've gone up 1000 percent.

Selectman Maddox believed and maybe the liaison for the water can correct me is we have gone to cellular phones in all of the sites as a backup to the SCADA system that reports by wire to Pennichuck. Chairman Coutu was so glad you said that. This would be my request. This is an action item. I want to know every single person who has a cell phone in this town, and how much that bill is and every other cell phone that we use for whatever purpose. I want to know what that expense is. Kathy Carpenter repeated and asked who has cell phones...Chairman Coutu said even town employees. What town employees have cell phones that we're paying for and how much is that bill. I want to see that extracted from the budget. I want to see that number. I know some people have them. I don't know who they are. I know there are a lot of phones out there that I don't know who has them.

Selectman Brucker thought you're talking about the system that...Chairman Coutu said we were suppose to save money on telephones. I'm a taxpayer. I'm not mad at you Nancy. How is a taxpayer say we're saving money when two years ago we were paying \$395 and now we're asking for asking for \$4,000. How does that show a savings? The other one you said oh that's just because they're making all kinds of calls for sewerage or whatever. It keeps going up. Where's the savings? Kathy Carpentier said the other expense is telephone line which you haven't gone over yet. It went from \$34,000 to \$28,000, to \$26,000. We are seeing a decrease in telephone. For the utilities, I do not have the ready answers for you. Selectman Nadeau said she's talking the general...Chairman Coutu stated I don't have anything in here. I need numbers in front of me.

Kathy Carpentier said you asked me if telephone was going down. The general fund where we have our telephone bills is going down. You want a page number? It's under section 5900 - non departmental, page 8. Chairman Coutu noted in 6 years we're going to save \$7,000 and I just saw in water and sewer more than a \$7,000 increase. Where's the savings? Bill Abbott said it's a whole different system. It's a data system report on how things are going at the...Chairman Coutu said but it keeps going up. Steve Malizia noted that we have more stations we've added. If you recall, we've added the booster station over at Overlook Circle - I can't remember the name of the neighborhood. We just put a line over here by the White Hen Pantry. All those report to the central system which is over at Pennichuck. All of our data goes there. They monitor it from this so they know what's going on with our system. It is now being done with a cellular phone technology as I understand it. That is the primary method of doing that. I believe there was some cost to add the last 2 stations - or recently some costs to add that but I'm not aware of the - when Gary and I looked at this, we looked at the latest bills. That's where we came up with the \$2,100. Now that the numbers and the stuff has been installed when Gary and I looked at the last few bills, that's how we came up with \$2,100. We looked at all the stations that have that service and said what's the monthly bill. Divide and multiplied it by 12. That's how we got \$2,100. So when we went through it, we're not recommending adding anything because we looked at the most recent bills. Again as we've added stations and we've gone through this technology, that's the cost of doing that part of our business. It's not a phone. It's a self service for communicating between the two locations. Selectman Brucker said it's inside the system. People don't have to go and physically check. It's an automatic check and reporting. Chairman Coutu stated it's costing us more for telephones than what it did 5 years ago. We're not saving any money bottom line.

Bill Abbott commented if you didn't like that, you're going to hate the next one. Chairman Coutu was still making notes here. There might be a lot of cuts. We might have to go back to the crank phone or walkie talkies. Mr. Abbott said the next item is 210 - natural gas. The Committee looking only at the actuals that were on the same sheet again recommended \$4,000 for that item. Chairman Coutu noted we paid \$298 a year ago. Now you want \$4,000? How many lines for natural gas do we have? Steve Malizia said we have our distribution system which is pump stations which is expensed here. We have our supply part which goes to the wells in Litchfield. Chairman Coutu asked how much do you want \$2,000? Mr. Abbott said the Committee recommended \$4,000. Chairman Coutu commented that the gas prices are going down. Mr. Abbott didn't factor that in I'm sure. Chairman Coutu knows \$500 is ridiculous. I can see that now on that line. Mr. Abbott said something that covers something like \$2,600 certainly would be better than 5. Chairman Coutu thought \$3,000 would be a reasonable request. I don't understand why we're doing this. You should be able to transfer all this money around in their account at the end of the year if they need it. Mr. Malizia said we can.

Selectman Maddox was getting on the venting train here. Why doesn't the committee see these numbers before they come to us? He's asking more questions than we are. Chairman Coutu noted you said you worked on these

numbers. Steve Malizia said Gary and I worked on these numbers. I know Gary attended the meeting at some point in time. I don't know what Gary gave them but to be frank, I've been doing this budget for 18 years. Selectman Maddox asked why are they not getting the budget. It has nothing to do with the numbers per say. Mr. Abbott is asking questions of us about these numbers. He should have asked those when he got the budget a month ago and been able to ask at committee meetings. We're spending a lot of time on something that should have already been done.

Kathy Carpentier indicated he didn't get the budget a month ago. It was just created due on October 3rd and the books needed to be done by October 10. The window of opportunity is very small. There's many department heads - the Road Agent does a piece of this. I do a piece of it. Between water and sewer, Steve does a piece of it. The Engineer does a piece of it. We don't have water and sewer managers. There's a lot of different people putting into these budgets.

Selectman Brucker asked is that explaining the discrepancy between the numbers we're seeing and what Mr. Abbott is talking about then. I have \$500 here. Kathy Carpentier said he's recommending to increase it to \$4,000. Now I haven't looked into this so I quickly pull up the account. We're paying a Liberty Utility bill for \$41 a month. It is an anomaly of \$1,500 that we paid to Pennichuck for natural gas. I don't know what that is. I could look into it but off the cuff, I wouldn't move that to \$4,000. This is the first time I'm pulling all the pieces together myself.

Selectman Maddox asked to make this a "W" and move on Mr. Chairman. Chairman Coutu said let's do that.

Bill Abbott said the next item that we looked at was 265 - outside hire. Again we looked at the amount of money that was spent - almost \$20,000. To that, we know that they added \$1,500 for a load test. We came up with a recommendation of \$21,500. Chairman Coutu indicated the generator testing gets done every 3 years. This isn't the third year is it? Mr. Abbott said apparently that's the year. Steve Malizia noted we have to plow and use an outside vendor to plow the majority of our hydrants. So if we have a bad winter, we plow more. If we have a mild winter, we don't plow. So outside hire is snow plowing and this year you have a generator test which have to be done every 3 years. This is your 3. From our perspective, we budgeted \$15,500. Its \$10,000 with just the regular budget that we do for snow because I don't know how much it's going to snow and then the \$5,500 was to do the generator test. It's a budget. It's an estimate. If it snows more, we lose and we take it from somewhere else. If it snows less, we win. We transfer it to somewhere else.

Chairman Coutu asked how much is the test 15,500? Steve Malizia said \$5,500. Mr. Abbott said \$1,500. Steve Malizia noted per generator I think. Our tanks all have generators. What do you want to do Bill? Do you think 155 is too low you want more money based on the 1929? Mr. Abbott said apparently we spent almost \$20,000 plowing snow last year. I don't know what the weather is going to be. Chairman Coutu told him what it was going to be - less snow.

Selectman Maddox had a crazy idea. Again, no disrespect to the municipal utilities. Again, we're getting into the weeds here. Why don't they just do two generators a year rather than waiting 3 years to do them all? That way there it would level out and we wouldn't have these painful discussions. I know - never mind, move on.

Selectman Brucker thought maybe they all have to balance when they're tested. Chairman Coutu indicated we're assuming. Let's not make any assumptions. I don't know why but we're talking \$5,500 here out of \$3.8 million.

Selectman Maddox said if you found \$40,000 to pay the legal bills, we'll find the money to do the testing.

Chairman Coutu asked to go to the next item. Bill Abbott indicated that's all the damage I can do. Chairman Coutu told Mr. Abbott as you know, I'm well aware of how much time you've given to the town. You worked a considerable amount of time for the Sewer Utility Committee. You were great at presenting all these charts and graphs to us and keeping us in tune as to what our usage was. I want to express on behalf of the Board of Selectmen our appreciation. I know you had a little tug on the sleeve to get you to come over to water. It's a new utility for you and you dove into it just like you dive into everything else. Bill from the bottom of my heart and on behalf of the Board of Selectmen, thank you so much for all you do. We really appreciate it. Thank you. I know how competent you are. Thanks Bill I really appreciate it.

Selectman Maddox said on page 9 under water supply - 252, you've put \$100,000. I would just like to scratch the "Nash". Just develop new well. Chairman Coutu asked if there was a consensus we can do that because we don't know whether we're going...the Board agreed to the consensus.

Selectman Maddox asked to take out of order the Conservation Commission. The rest of the staff are paid.

Conservation Commission (5586)

Chairman Coutu recognized Chairman Jim Battis. Jim another volunteer. The same goes for your Sir. We thank you for your service to our community. I won't hold it against you that you're a Democrat. Jim please express to the

Committee as well. I know it's tough sometimes to get people to volunteer to do this. I know you took very seriously - we've said this before - our charge to maintain the lands that we have. You've stepped forward and you're doing an outstanding job. I really appreciate it. I watch your meetings believe it or not. I don't find them that boring. I find them somewhat interesting except when you're talking about rabbits. I find it very interesting. I want to thank you. We certainly appreciate everything you do Sir.

Jim Battis stated the members you do have are committed I have to say. Over the history, I don't think the level of participation in the field work that we do has been as high. Our budget - there's always a problem in the last two years presenting the budget because you have the default budget at \$35,000 and it appears that we're requesting a huge jump next year to \$47,000. As you may recall, although one new member, we came before the Board of Selectmen last year with a plan set up with Kathy Carpentier on the pond remediation. So we incorporated the rebates we get from the State DES - invasive plant grant. We're actually coming in with essentially a level budget.

Chairman Coutu said that line that we put in, I know that was to straighten out the book keeping we were having with the payments. This is offset by the revenue from that grant, right? Mr. Battis said that's correct. Chairman Coutu noted that there's really no increase. As a matter of fact if you took the 123 out, it would be a little less - 343. However, Mr. Battis said what has happened under that program that we had come up with last year our major expense is the herbicide treatments at Robinson and Ottarnic Ponds and the DASH operations to support those herbicides treatments. You can see that at line 252. Last year we had proposed the budget - this is the proposed budget and not the default budget - we had proposed \$44,500 for a treatment at Robinson Pond. The plan was that in this coming year we would treat Ottarnic Pond and the year after that we would treat Ottarnic Pond. DES came back to us and told us that Ottarnic Pond was really getting bad. The treatment went very well at Robinson Pond. Ottarnic was getting very bad. This fiscal year the Conservation Commission decided to go ahead with dual treatments. Treatment at Robinson Pond and at Ottarnic Pond to accelerate the program that we had originally put together by one year. The treatment at Robinson this year and Ottarnic Pond, both of them have been very good although Ottarnic not quite as good as Robinson Pond responded the first year that it was treated. The end result is that next year although our plan had been to do the first treatment at Ottarnic Pond, we're actually doing the second treatment at Ottarnic Pond and there will be no treatment at Robinson Pond next year. That's the expectation. Instead of \$44,500 in invasive weed control, we've actually been able to drop that to \$25,000 for next year. That's the treatment at Robinson Pond plus DASH operations at Ottarnic and Robinson Pond. Just to sort of clean up.

Chairman Coutu asked why are you asking for \$32,600. Jim Battis stated we also have other expenses. The volunteer like assessment program, water testing, lake host program, postage, and association dues, and everything else to come out with the total thing. Our major change in expense is this reduction of \$25,000 for the herbicide treatment. The plan that we had presented and the Board had accepted last year was that we would level fund our budget for the out years and we would start putting whatever we have in excess for the treatment plan into the pond reclamation capital reserve fund. We would build that up to a point that if we have to go back in and do more herbicide treatments, we could do it out of the capital reserve fund. So what you're seeing now is an estimate of \$25,000 for the treatment at Robinson and last year we put \$1 into the capital reserve fund. This year we would put in \$12,000 to the capital reserve fund. We're asking for a level funded budget. We're asking for essentially \$35,639 just like last year. We're putting nothing into treatment at Robinson. The cost of treatment at Ottarnic Pond is much less than when we were treating Robinson plus we are projecting a \$10,000 rebate from the State aquatic invasive species control grant.

Chairman Coutu understood that. Does the warrant article state that he can take unexpended funds from his budget and put it in there? That's how he's going to build up the capital reserve. In other words, he's telling us in essence that he's budgeted \$25,000 to do both Robinson and Ottarnic so now they're not going to do Robinson and they're going to save about \$12,000. So they'll just put it in a capital reserve fund. Don't we have a say in that? Kathy Carpentier said he's budgeting that. He's trying to budget that. Steve Malizia said that's why we're here talking about it I believe. Ms. Carpentier stated his total expenses are about \$47,000. He's expecting \$10,000 in grants and \$12,000 of that they've earmarked for the pond reclamation capital reserve fund. The pond reclamation was established in 2011 with an initial \$10,000 and we haven't inputted anything into it. This is our first funding since it was implemented.

Chairman Coutu asked is this not the first - I just want to make sure. I'm not saying no. Is this not the first time that a capital reserve fund is set up that somebody comes in and asks us I'm going to put it in my budget and put it in. Does that mean we have a fund now for our parks and fields that the Recreation Director can just come in and say I budgeted \$20,000 to put into that account? I thought that was something we decide. Steve Malizia said you do decide. They asked for it. Chairman Coutu didn't hear anybody say it. We usually make up our mind on how much we're going to put in each account. Steve Malizia said somebody puts a number on paper and then you decide what you want to do what number. Do you want more, or less, or none? Kathy Carpentier said the Rec. Director did do that and he will come in and fight for it. Chairman Coutu said good luck. Ms. Carpentier said you can take it out or put it in. Jim Battis commented it was part of the program. Last year Kathy and I put together about a 7 year program where the plan was originally to do 2 years at Robinson, 2 years of Ottarnic, and then build the capital reserve funds so that at the end of 7 or 8 years - maybe it was 10, that it we'd be ready to pay for another herbicide treatment if we had to. That plan was presented to the Board of Selectmen in February of last year. People seemed to be happy

with it at that time. Maybe you didn't look past the first two years or something. I don't know. What's actually happened is as I said, we've accelerated the treatment at Ottarnic Pond so we're one year ahead of the plan that we had presented.

Chairman Coutu stated I would be interested in seeing an answer to the question that was posed. I don't expect it this evening by Selectman Maddox to get a report on the effectiveness of this herbicide treatment and which is more effective. I don't want that answer tonight. We tasked that to Selectman Brucker. Isn't that the question you asked at the last Selectmen's meeting? We asked you to sit down with Jim and see if we could get some sort of a report of - I don't want that answer tonight because we're doing budget. Just wanted to make sure we're spending the money wisely.

Over the last several and future years, Selectman Maddox said we're going to spend a quarter of a million dollars in 10 years or less to keep invasive species out of these two ponds. Jim Battis said no. You're actually building but a part of that is building up an account. You've actually only spent about - we've been getting a rebate of about \$18,000 for the last two years. Last year it was 40 percent. It was \$17,800. The year before that it was actually 50 percent. It depends on more ponds and more towns in the State are applying for the grant. They're treating more ponds so the level of rebate has gone down. We expect it to stay the same but it depends on revenue and all that sort of thing.

Selectman Maddox said I guess where I'm going because I am confused by the new math and I know I don't want it tonight. I think at some point we need a breakdown of how much we've spent over the last 5 years and where you're projecting to go in the next 5 years. I can see \$300,000 here being spent. I guess to put \$12,000 in against a future so we're actually budgeting \$37,000, I'm just having a tough leap here Mr. Chairman of how much we need to spend on this. At some point, it's a quarter of a million dollars. To say that we've only spending \$25,000 this year so let's take 50 percent more and put it into a reserve fund for later, I'm just wondering. I guess the theory is it's never going to end until something else comes up and becomes more...Jim Battis said if they come up with another technique for - I don't know that it would never end. Next year hopefully we would be not doing any herbicide treatments. Selectman Maddox indicated that then we would put the \$12,000 in and that would make sense but you're asking us to go for a 31 percent increase by this \$12,000. Again, I'm trying...

Jim Battis commented that I don't see where the increase is because we're not asking for - our actual funding if you include the revenue from the grant. Selectman Maddox said you're saying we've always been getting it. Mr. Battis stated our funding is level. Last year we took money out of the conservation fund to help pay for the Robinson Pond herbicide treatment. Chairman Coutu noted he's doing exactly what you suggested he do in layman's terms I guess. He is not going to do Ottarnic Pond next year. He's not going to do Robinson Pond next year. That's a savings of about \$12,000. He's asking to put it there. His budget is balanced this year and next year even by putting the \$12,000 in, he's not asking for any more money. It looks it because you're looking at the default budget but he's got \$12,313 offsetting revenue there.

Again, Selectman Maddox rephrased my question earlier. Can we get an accounting of income versus expenses over the last 5 years? Again because we keep crossing over years, we're always doing this. Kathy Carpentier said how much have we spent in the last 5 years and how much will we spend in the next 5 years. Selectman Maddox also asked how much revenue have we gotten in as far as these for grants. I don't disagree but again it's become so confusing. We've crossed multiple fiscal years and we're getting 50 percent and then we're getting 40 percent but that's from last year. Again it's just an awful lot of money. Unfortunately Mr. Battis said the State runs on a calendar year and the town runs on a July to June. Ms. Carpentier said they previously never budgeted correctly and we've been trying to fix that for the last 3 years. Mr. Battis commented I will say one thing. We have actually asked for an increase. We asked for the same increase last year. We did ask for \$1,500 for stewardship which was for things like gas. One thing we're did we're putting trail signs out at the town forest. We had to rent an auger to put the posts in, the cost of the materials, and things like that. That is actually an increase. All the other line items I think are essentially the same.

One last question Mr. Chairman. Selectman Maddox asked if we went to a default budget, they would be at \$35,000 right. Kathy Carpentier said I would also take out the \$10,000 that I am expecting in revenue. I would take out the 46 and would go down to 35 and I would take out the \$10,000 revenue. He's asking for 35 right now. He's asking for 46 and he's getting a refund of 10. So he gets back down to 35. Steve Malizia said he's gross appropriating which is what we've been trying to do for the last couple of years but we keep getting whacked with a default budget. That's the problem. If you look at '14, Ms. Carpentier said they spent \$55,000 and we got a grant of \$18,000. Again, it's \$35,000. It's been pretty level it just is looking a mess because of the default budget and we're trying to gross appropriate. Selectman Maddox said I'd like not to be in that hole again.

Selectman Brucker asked to say something. I think we have to understand that we have different citizens who appreciate different things in town. We're very eager to - well maybe not eager - but we fund Benson Park which appeals to a certain segment of the population. There are lots of others who want to go out and walk the trails, enjoy the ponds, and I think we should think about that when we're thinking about funding things. This is a pretty small budget compared to the Benson budget. Maybe it's about the same but you're...Chairman Coutu said the amount of stewardship that's going on when you look at the forest, and Musquash Pond, and all that land that we have -

probably as much land as when you're done and conservation land that we have. It's as much land as we have in Benson's and I appreciate the stewardship and what this Committee does. I'm not faulting his budget. I saw what's happening which is pretty transparent to me. As the Town Administrator said, having default numbers kind of skews this somewhat and for two years now Kathy Carpentier has been trying to adjust that income into this budget so it's reflective and it's more transparent. He in essence said on the basis of what we were doing not having to do Robinson, he's going to save about \$12,000. Let's put it in the reserve fund which makes sense to me.

Jim Battis pointed out one possible alternative is not to put it in the capital reserve fund but to allow the budget to roll over into the conservation fund. You as the members of the Board have the authority to expend the capital reserve fund. We are the agents not for purchase of property but for other uses of the conservation funds. I'm actually trying to give it more to you as the agents to expend rather than recommend that it be rolled over into the conservation fund. Chairman Coutu stated the Board would expend whoever it will be whenever you make the request would expend based on whatever your recommendation is whoever is sitting in your seat or whatever the Commission's request is, the Board will determine whether or not to spend the money for that. It has to be spent for conservation purposes. I don't see any board making decisions on conservation without somebody making the request first. It makes sense to me.

Chairman Coutu recessed for 10 minutes at 10:09 p.m. The Board was back in session at 10:23 p.m. We are now going to be reviewing the IT budget.

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

Chairman Coutu recognized IT Director Lisa Nute.

Lisa Nute stated I do like to take this opportunity to introduce my team. This is Vin Guarino on my left and John Beike on my right. They're long-time Hudson residents, taxpayers like you and me, and are always working in the best interest of the taxpayer. I'm proud of our up time and although it's a sometimes very thankless job, people depend on them every single day in their jobs. Technology is crucial today and I appreciate their work. What I would like to do is start on page 10 of 5330. Page 7 is the cover sheet of my analysis. This is the Information Technology strategic plan. Normally I would cover this in a workshop. Chairman Coutu said that's a good place for it - not in the budget. Lisa Nute commented the reason that I'm including this Mr. Chairman is because I base this budget and all budgets on my goals and I need to make you aware of what is concerning us today, what's coming down the pike, and where we are, what is necessary, and those are spelled out here.

Lisa Nute wanted to very briefly talk about the goals. On page is goal 1 which is to improve, strengthen, and extend the town's technology infrastructure. As you know last default budget we did put in fiber optic to Robinson Road. We went into default budget so we lost that opportunity. This team has done everything possible to get them the best connection that we can. It is not adequate. Vin did a lot of work on modernizing fire walls recently, etc., switch work, whatever. That is not in the budget and also on that same page at the very bottom on the right hand side, police department activity. We are looking and I did put this in the police budget as you'll see in a short time from now. Their building is 15 plus years old now. There was only CAT5 at the time and there is a significant difference between CAT5 and CAT6 cable. They are the last building in our town owned facilities that is not CAT6. If you remember years ago when I first came on board as an IT Department, we went ahead and redid this building. We redid Fire. We redid Highway and Police could definitely benefit from increasing that cabling.

Goal 2, Ms. Nute said is to develop IT organization and staff structure. You will see later on I do have a warrant article in there and I am looking for more help. I can justify the need for a 4 year college graduate. We have projects that are not getting done. Chairman Coutu asked are we discussing the warrant article now. We're doing the budget. Ms. Nute said I am going to do the budget. That just happens to be a goal. I'll move on if you want to do the warrant article later.

Goal 3 on my page 7 of my report, Ms. Nute believed it's your 13. Goal 3 is to improve cellular coverage for mobile units. I do have this showing in the FY16 and I've spread it out between '16 and '17. If we can at least do a chunk of vehicles, we don't necessarily have to do - I need 10 more. What this is is that our laptops in the cruisers - the Tough books all have originally had 3G cards. What is happening is that our cruisers - I believe I did discuss this last year - have a modem card in them. It's a 3G and we are finding now that as Verizon is moving more and more to 4G cell towers, the 3Gs are not downward compatible and they're dropping out. Even on roadways like Lowell Road, an officer could end up being in a dead spot depending on where they happen to be stopping a motor vehicle, or parking lots, etc. The improvement here it's about \$730 per vehicle is to swap out that card and the antennae to make them 4G compatible.

Chairman Coutu noted that Verizon is working on 6G so why don't we just get 6G and get it over with. Next year you're going to be saying well they're working on 5G but then we'll be working on 7G. \$750 - what is this one year? Lisa Nute said no we've had the 3Gs for..Chairman Coutu asked what did we do 3 years ago when we didn't have any antennas. Did we lose communication? Did we have any problems in town? Where does this technology expense end? That's what I'm getting at. Now it's \$750 per antennae or whatever you want to do. Ms. Nute said it's the card

and antennae. It's upgrading to 4G. Chairman Coutu commented that we're working on 6G now. Ms. Nute stated if we were to put 6G in, there's no guarantee that it's going to work with their 4G. The majority of the town is covered in 4G now. I understand your pain Mr. Coutu. That is technology. Chairman Coutu said it's the taxpayers pain. Ms. Nute said we're just trying to keep up.

Selectman Nadeau said when we just did these new cruisers that we got, did we put 4Gs in those? Lisa Nute said absolutely. Selectman Nadeau asked how many did that do. John Beike stated 3. They were all fitted with the new equipment. Also the ACL truck is a 4G and car 12 or 13 is a 4G. Chairman Coutu asked if those were newer vehicles. Mr. Beike said no - 12 or 13. I forget the actual number of the cruiser. It was the first one we tested with. Chairman Coutu asked is it your goal to want to do all the rest of the vehicles. Ms. Nute indicated not in one fiscal year but eventually we do need to Mr. Chairman. Chairman Coutu said wouldn't it make sense to do them as we trade them out with the new vehicles coming in. Ms. Nute said it's a matter of public safety. So do we do them piecemeal 2, 3 at a time or do we try to get a chunk so that we're not losing coverage for our officers. Chairman Coutu asked what is it that we're losing. There's a couple of blackout areas. Tell them to move the cars out of the blackout area. John Beike stated it actually runs from First Brook Plaza down through Nottingham Square. Chairman Coutu said seriously through on Lowell Road? Mr. Beike confirmed with a yes. Lowell Road is a major area. This is the data side of the network. The other problem is the Central Street area where Nan King is. That's a drop out area.

Selectman Maddox noted that I don't have 4G at my house. I'm not public safety so I don't need to have it. That is the rub Mr. Chairman.

Chairman Coutu reiterated that you're recommending we do a certain quantity at a time and to eventually get them all. When we upload - I imagine I think I answered my own question. We take the equipment out and we put it in another cruiser it obviously goes with it so it's not like every time we buy a new cruiser. If all of our cruisers had it right now, we replaced all the cruisers tomorrow; we just take them as they fit in. Lisa Nute said that's correct.

Chairman Coutu asked what's the life expectancy of this 4G. Lisa Nute stated we've had 3G for more than a dozen years. Chairman Coutu said but they weren't working on 4G a dozen years ago. They're already working on 6G now. They have 6G now. John Beike said it's like Selectman Maddox said, he doesn't even have 4G at his house. They're still rolling it out. Chairman Coutu said we want to be up front. We want to be number one. Ms. Nute said no. I'm not looking for that Mr. Chairman. I just want to clarify. This is public safety. This is the officer's lifeline sometimes. If they can't run their own motor vehicle stuff, that's fine. They can radio a dispatcher but they can't use that laptop for anything. They do reports on it. If they happen to stop a motor vehicle, they can't say can you roll up ahead a little bit. Let's move.

Selectman Maddox thought, again, we're really in the weeds. Chairman Coutu said we're not doing the budget. We're doing a whole bunch of summary stuff. Selectman Maddox said this is a long discussion about something we can't fix. Chairman Coutu said it's integral in whether or not we want to approve it. It's a wish list.

Selectman Maddox asked to rephrase my statement. We just don't buy one extra cruiser this year and outfit all the remaining cars with the 4G and be done with it. Chairman Coutu said that was a good idea. Move on.

Lisa Nute said goal 4 and goal 5 I won't discuss because they do not affect the FY16 budget or beyond. Goal 6 on page 14 is to increase replacement cycles of desktops and peripherals. I just want to explain that in back to back default budgets, you have already seen how the cost of software keeps going up, supplies go up. I have to pay for that somehow. It is generally our replacements that go by the wayside. In addition to that, we've had additional PCs that we've had to put in place once the IS and Land Use reorganization occurred. We had a renovation at 39 Ferry which required another system. Additional things like that keeps cutting into this line item. So we are out of cycle instead of a 5 year replacement cycle. Usually in private sector 3 to 4 years. Municipal we try to do 5 years max is now up to 6 and 7 years. So I'd like to try and get that back under control if possible.

Chairman Coutu wanted to ask a question. On the replacement of PCs - let's stick with PCs. PCs and printers. Do you have a restrictive list of vendors or one particular vendor that you go to? I wonder why? Lisa Nute said we do best quotes. Chairman Coutu wondered why as a person who is elected to represent the Town of Hudson why we don't purchase from within the Town of Hudson. Ms. Nute said depending on what it is we do purchase within the Town of Hudson for certain things. We run down locally for pieces and parts sometimes. We've done...Chairman Coutu asked about printers and PCs. Ms. Nute said I've quoted and I need to go with the best bang for the buck. Chairman Coutu was being told that they're never given an opportunity to bid on anything. Ms. Nute said I don't have to go out to bid unless it's \$10,000 plus. I do generally with my work is best quote which I have gone to them to ask for quotes. We've done that for our Tough books as well for the cruisers.

Selectman Maddox asked what's wrong with a 6 year old computer if all you're doing is word processing. If you're just doing word documents and e-mail, you're not drawing a lot of - you don't need the whiz bang lightest computer. It's nice to say we're on a 5 year scheduled but why spend the money if you don't need to. Ms. Nute said we don't. I will tell you that. We don't. There are certain systems that get replaced certainly more than 6, 7 years. Dispatch centers being one of those. Our AutoCAD systems need to be more whoop de doop. That definitely is not a clerk who is

simply maintaining office types of things. Just because it is the oldest system doesn't necessarily mean we replace it. They usually will get a hand down from someone else. So we are cognizant of that.

Lisa Nute stated in the right hand column is goal 7. That is to plan and budget now for replacement of core equipment and infrastructure. I need to explain this because this is in my budget. I'm looking to offset this with some capital reserve funding. I need to discuss our Nortel phone systems. This is the system that went in place that provided that cost savings that KC was talking about in the phone system. Chairman Coutu indicated that never saved us any money. Ms. Nute said the land lines. We saved \$24,000 the first year plus to \$26,000. This was a digital system. We went from a whole slew of land lines to a digital system and I reduced lines in town substantially. What we bought was a Nortel phone system at the time which brought Nortel to I think number one in the worldwide market. It's an excellent system, dependable, however Nortel was bought out by Avaya which was still not a problem. Avaya supported that, etc. Avaya has now announced that their whole product line is discontinued. October of 2015 will be the last day for upgrades, expansions, and any authorization codes. So our vendor has let us know that if we need pieces and parts, we are going out to the gray market which means I need to find refurbished parts, etc. We're talking our phone system that runs two dispatch centers on each end of the network. I actually have up on the screen - these are the 4 systems that we have in town. It's basically this box here. This is the one at Town Hall. The good news is that we have a second box which is the exact same model at the Police Department. Although one is going to be 8 years old in FY16 and one is two years younger, the point is that the equipment is going by the wayside here. What we have - the two bottom boxes here - this is the senior center one. It's Avaya IP Office. It is what Avaya has made compatible with the BCM. This is their replacement for the BCM and at Highway we have the same thing. These all talk together. We can network them for 4 digit dialing. If we were to replace one of these BCMs whether it be the Police or Town Hall - let's just say we replace Town Hall. Because Police happens to be in a little better situation with copper backup if we lose one of these phone systems, we do have a secondary - some copper lines about 4 copper lines plus the 911 is copper line.

Chairman Coutu asked if that unit was in your office. Lisa Nute said yes the computer room. In fact there's a picture in this. Chairman Coutu asked how much can we get for the copper if we sell it. Ms. Nute noted that's what we're looking to replace with Avaya IP Office. There's a picture on the bottom right. Both of those boxes are working together in conjunction with each other - voice mail and modules, etc. Chairman Coutu asked do we have to replace both boxes or just one. Ms. Nute said you replace both of those with a box now. Chairman Coutu asked how much are each of those units. Lisa said you're looking at \$70,000 that I've budgeted in 5330 for the entire system including voice mail, etc. and all the extensions that we need here at Town Hall.

Selectman Maddox asked times two units. Lisa Nute said correct but if I can replace one of those, then now I've got at least something for pieces and parts and it can buy us a little bit more time because they are exactly the same model. Selectman Maddox said its \$70,000 to do one site. Ms. Nute agreed.

Chairman Coutu asked how long did that last. Ms. Nute said until Avaya decided they're not going to - it's still going all right if it wasn't for...Chairman Coutu asked when did we start with that. Ms. Nute said 2007. When we first came on we had the Police Department one done. Chairman Coutu commented now it costs \$140,000 to replace the two of them. That will be 8 years and then it will be a quarter of a million to replace those two for a little box. Its technology is so expensive. Lisa Nute stated hardware will inevitably fail. It's just when. I don't have a crystal ball. This is a big expense to not be prepared for. We can't have it be like a generator where we don't have the money somewhere put aside. I had \$89,000 in capital reserve minus the 18.

Selectman Nichols thought maybe I misunderstood but you said you only wanted to buy one box that you could use - the one that you replaced for the parts for the second one to extend the life. Lisa Nute agreed. At least it's something. We're still taking a gamble that my parts are still going to be good when we put them back up on the wall. Selectman Nichols said to buy one at least it would give you a couple of years to get some more money to purchase another one. Am I reading that right? Ms. Nute said absolutely.

Chairman Coutu asked the Town Administrator - I think he gave me the right answer. The Community Center is not on there because it's not on the loop. Where's the fire station with all of this? Ms. Nute said fire is on our Town Hall phone. It's all together. Chairman Coutu noted that Robinson isn't because they're not in the loop but Burns Hill is. They're not in the loop either? Ms. Nute said no. Chairman Coutu thought one of the two was in the loop. We only had one out of it. So Central Fire, okay, I got the answer. Thank you. That's why Ms. Nute was saying its involving public safety. We can't be caught with no money to do something if it were to go. I've got a dispatch center in each one of those.

Lisa Nute was now moving ahead to page 17 which is what I just talked about in a nutshell. What I have done is these were the goals up on the top and I've repeated those down below where I think that these projects should fall between FY16 and 5 years out because this is what this analysis is. Again fiber optic - we're not in there but if we can at least keep putting something in capital reserve maybe at the end of the year if there's any money if we can continue to fund capital reserve or something, we'll be in better shape to try to and still address fiber optic down to Robinson Road.

Chairman Coutu wanted to look at that chart. On the FY16 the fiber optic the number one goal is that just a capital reserve amount to put in? Is that what you're recommending not to do it but to put more money in the capital reserve? Ms. Nute said that's correct unless you do want to fund something for fiber optic. Chairman Coutu was asking what your intent is there because you have an X for 16, 17, 18. Ms. Nute is putting an X there because these are what I feel are the highest priorities for FY16. I understand we can't address everything. If I could address everything and money was no object and you were all feeling very generous, yes I would do fiber optic to Robinson Road because it is such a slow connection and the brunt of our ticket issues. I know it's frustrating for them. Chairman Coutu asked how much is CAT5 to CAT6? Ms. Nute said that is also priority because any time somebody within the police facility is accessing a server whether it's a Munismart server on this end of the network, or there are police reports, or video if it's over the network, and they're crunching data, or they're streaming things like that from the servers, it's slow. Video will stutter and there's more noise with the CAT5 cable. The farther you are from the server room, the worse that is. Chairman Coutu said I'm going to drop that. I didn't get the answer to what I wanted. Let's move onto your budget please.

Lisa Nute apologized if I misunderstood your question. As a layman sitting back, Chairman Coutu said the people will be confused. Lisa Nute indicated it's in my 5677 - Police IT. It's \$25,070 line item 5677-403 to upgrade 15 year old CAT5 cable with CAT6. Steve Malizia stated you've gone to the Police Department's budget where you've put the money. So they're under tab 5600 which is...Chairman Coutu didn't understand. Why is this all being explained? It's not even in her budget and we're talking about it? That's what I'm getting at. Mr. Malizia said it appears to be in the police budget.

Lisa Nute wanted to make this a little bit easier for you so that you're not going back and forth in the book. I've made a copy of just all the IT accounts so that even though it's under police and it's their last page of their police budget, it will be in front of you so you don't have to flip. The same thing we go to the Town Clerk - that's a whole other account. You'd be flipping back and forth. This will make it a little bit easier. I'm looking at 5677-403.

Chairman Coutu didn't know why IT just doesn't have all IT on an IT sheet so we don't have to flip back and forth.

When we first started as an IT Department, Lisa Nute stated we decided it was better to keep IT with the department that it affected so that you can see specifically - Patriot Properties is costing our Assessing Department this amount of money in software and that people could be cognizant of their own printing. They can see when their personnel are going up and printing cartridges, etc. and things like that. It's just you want to roll everything under my budget, we can do that. Out of curiosity, Chairman Coutu asked how much is IT costing this town overall do you know? \$1 million? \$2 million?

Selectman Maddox stated to the Chairman while this is a very nice goal in the Police Department to change out from CAT5 to CAT6, I'm about to make the motion to remove this from the budget. If the Police Department has money at the end of the year and they want to do 10 drops, replace the 10 drops. I can't carry this in this budget. We're just way too high and we're just spending way too much time on something that I just don't see us going anywhere with.

Motion by Selectman Maddox, seconded by Selectman Nadeau, to decrease line item 5677-403 small equipment from \$25,070 to zero.

Selectman Maddox indicated while it is a great goal and I have understanding of what you're trying to do, we're at a budget number that is unsustainable. Let's see if there's money in the budget at the end of the year whether it be this year or in FY16 to pick off pieces of it rather than trying to do \$25,000 all at once.

Selectman Brucker said I don't even know what it is. Selectman Maddox said it's wire. Lisa Nute said it's the cabling that's running through the walls so that when you plug in your PC into the wall, that jack, it's going back to the computer room to access the server. That's how they are accessing their data, their video, and everything that they are doing. It's all being run from servers in a computer room and that cabling is going through their walls, up through the ceiling, and back to the room. Selectman Brucker asked what is the advantage of the CAT6. Ms. Nute indicated Category 5 has only two twisted pairs which means there's a lot more noise on that and their line speed is only 100 megabits. The CAT6 is 1,000 megabits. It's gig speed and there's increased shielding and more twisted pairs so that there is less noise. That's the crux of it.

Being technically ignorant, Chairman Coutu asked does that mean it might be going too fast and somebody might miss it. Ms. Nute said it means that when you're watching video, it won't be like this. Chairman Coutu said people don't have this in their homes and it's not like that. I can see video nice and clear at my house on my laptop and I'm working on XP. Ms. Nute said you're going through the internet. That's a little bit different. When they're crunching data, it's pulling from the servers. It's just...Chairman Coutu understood. You have a lot more pieces of equipment going at the same time. I understand all that. I think. All we're sacrificing is a little bit of speed and getting to see the movies a little stuttering instead of at the Police Department? What is it that they gain by having - a little bit more speed? Ms. Nute said getting their work done faster and getting their information at even the dispatch center. They need information.

Selectman Maddox said we're getting a little lumpy but you're telling me that people are going to work faster if they have CAT6 than they do with CAT5. Ms. Nute said they're going to get that data quicker that's all. Selectman Maddox said they're not going to work any faster. You said they will work faster. Chairman Coutu didn't think that's not what she meant. The product would come to them a lot faster. Selectman Maddox said that just doesn't make any sense. Chairman Coutu noted that you're getting a little grumpy. Selectman Maddox said I am getting grumpy. This is just spinning our wheels.

Selectman Brucker stated in the Police Department's IT budget, where would you place this in terms of importance? Lisa Nute said in the timeline the reason I put this down is because I feel that this is important. If we don't do it in FY16, I would like to see it not too far out in the distant future. It's my job to let this Board know. This is what we're dealing with. Again, I understand we can't do everything. These are where I would put the projects. The last thing I have coming up is an office upgrade probably next year, maybe the year after. We're still on Office 2007. Somewhere I've got to use capital reserve for that too. I don't have enough money to do everything that we need to do. We just need to continue to chunk off what we can when we can in the years we can.

Selectman Nichols asked am I reading this right. It says "to upgrade 15 year old". Its 15 years old CAT5? Ms. Nute said yes. When the facility was built, that was the cabling that was put in. It was the only cabling available at that time that we would afford.

Vote: Motion carried 4-1. Selectman Nichols in opposition.

Lisa Nute indicated I've gone through the goals. That's how I based my budget. If you have any questions on actual line items here, we can go through...

Chairman Coutu asked to get to the nitty gritty. Your default budget was 455 and you're requesting 522 - a \$77,000 difference. Again, Ms. Nute said it's because the phone system is in there which I would expect to help offset with capital reserve but I'm gross budgeting right now. Chairman Coutu asked you expect to be offset by how much? Ms. Nute said at least 50 percent I think we can do based on the other projects that are coming up. We just took \$18,800 for software for Assessing. Chairman Coutu indicated it would be approximately 50 percent offset. That leaves you \$30,000 extra. Now what is this telephone going to do now this \$78,000? Ms. Nute said we're going to replace one of the phones with a compatible IP office like we have at the senior center and Highway. It will be totally compatible and then it gives us a spare to gain us a few more years - 2, 3 years, whatever for the second one.

Selectman Maddox said the reason why Highway has a new phone system is because they got hit by lightning is that correct? Lisa Nute indicated that was correct. Selectman Maddox asked how much time was it down. Ms. Nute said a day and a half and then after we had it up, it went up and down for various reasons. We had a couple of other issues. Selectman Maddox asked if it was stable. Ms. Nute stated it is now.

Selectman Maddox was just having a tough time. If they can replace it in that kind of time frame, why we're not gambling a little bit here. Again, we have a budget that we're trying to keep as down somewhat. Although this is a nice thing, we have contingency. We have capital. Yes it could hit the Police Department and they swap over to the County and we do what we got to do. I'm just saying that \$70,000 is a lot of money for something that we might get another four years out of. We don't know. Lisa said these are our dispatch centers. To be without a phone in the dispatch center, they're going to rely on their own personal cell phones. They have two copper lines. That is not enough and one in Town Hall. That is not enough to conduct business in all of these offices for a day and a half plus. It is your call. I'm just saying. It's just like the generator. I consider this a core piece of equipment that is...

Chairman Coutu tended to agree with you Selectman Maddox except for one thing. In her discourse in explaining the replacement of one and utilizing the other to try to give greater life to the other one, the life expectancy of the other one might only be two years but with the other box, she may be able to extend it out 4, 5 or 6 years and not have to replace that one right away. I think this expense makes a lot of sense to me. That's my opinion. If you want to make a motion to cut it, or you want to put a "W" next to it, we can go back to it. Based on what I heard tonight, it made a lot of sense to me to replace one of the boxes because the other one could be used to extend the life...

Selectman Maddox said but if they last 4 more years, then we've gained 50 percent of the life of the thing. Again, it's good to replace things when they need to be replaced. I can see that. I'm just worried that there's only so much money that we're going to have here. To say that, again, I think maybe Mr. Chairman the compromise is to put a "W" there and it probably will get passed but let's see where we are.

Chairman Coutu indicated I would rather do that. Let's see where we are at the end. I don't want to take it all out of one budget. I don't want her to think that's what we're trying to do here. I understood the reason for the expense and I support it but we'll see what happens. If we don't have the money, we don't have the money. Is there anything else? Lisa Nute explained that's basically the only difference in 5330. We've already gone through mostly the difference in Police. Chairman Coutu noted other than that, you're level funded except for the salary increases which the voters paid for. I'm not going to argue that. Any other questions or comments from any of the Board members? If not I can release the IT personnel. I appreciate their all being here. I appreciate you guys being on call 24/7.

Lisa Nute added that she did have a Warrant Article E. Chairman Coutu didn't mind putting anything on the ballot that asks the voters to make the decision. That's my opinion. Lisa Nute said that's all I'm asking for here tonight too. Chairman Coutu said I will support any warrant article as long as the voters make the decision. Other Selectmen may not agree but I do.

Selectman Maddox indicated if you ask them a lot of questions, they're going to at some point hurt the ones we may want by overloading the warrant. Not saying we can't put it on there. I'm just saying how many are we going to have? Chairman Coutu said we'll have discussions on all of these. Selectman Nadeau stated we're aware that it's here. Chairman Coutu stated she might want to justify why she's asking for it.

Lisa Nute explained that I am looking to hire a four year college grad to work full time during entry level server work and help desk for...Chairman Coutu stated you made that sound like you've already pre-selected a candidate. Ms. Nute said no. I'm looking for someone who has a degree. That's the level of expertise I'm talking about - entry level. Somebody who is in the IS field. In municipal government the ratio of technical support is roughly one support person for every 50 users. We have approximately 180 that's not counting the volunteers and people that we also support. I'm just counting personnel. That should put us at 3.6 people supporting - I'm not talking management either. We are clearly behind that when I have two. I am finding that I am taking more and more tickets myself. We've worked hard to reduce our workload and improve services over the years since we've started. Again, I'm proud of our up time. Although we've saved a lot of time for employees and have improved services, we've also added a lot of technology and people depend more on technology. They expect technology 24/7 which we give them including e-mail and cell phones. We have people who have log in on the weekends and remote in. Our IT tasks have increased just in the last few years even if I just not going all the way back to 2007 either. If I just look at the last few years, obviously a senior center - we've added an entire facility with technology, phones, WiFi, hardware, software, and applications. We've added laptops in the Highway Department even though their budget is only \$500, that's just their cartridges. That doesn't mean they don't have technology. We've been able to put in place for them Tough books in the field. They use Tough books to put a camera down the sewers to monitor those to look at that. They have laptops in their Traffic Division and even their Mack truck for maintenance is a laptop they hook up to the truck and they maintain it. They had to do that. We've been able to take Tough books from the Police Department after we've replaced theirs and handed those down. So we've been able to do that very cost effectively but it is equipment that we maintain.

In the Police Department, Lisa Nute said we've created an entirely isolated network duplicating equipment but we had to do that because in their Investigation Division, they were going to some seedy sites or seizing equipment. We couldn't have them plugging that in on our network. That was wreaking havoc with it. So we had to totally isolate them and maintain that as well. They've also added tablet and cell phone forensic software. In our Fire Department they've added an entire Apple platform which is definitely cost us a lot of time and...

Chairman Coutu asked why Apple? Lisa said I chose Apple because the vendor was working with them initially for free software. They do use them. They've added paging which got rid of a separate system. We've incorporated that but that is time consuming. Litchfield monitoring software was added. They do a lot with interactive forms and we're currently engineering their replacement Telestaff right now. Town Clerk we've added on line billing. Again, it's a great service. People are liking it and using it. That's time consuming. We've been having issues just now with software that we've got to work with the vendor for. We can't afford to become a reactive department. We need to stay proactive and the back room server work, and upgrades, and things like that are just as important as a reactive call to go help a user through a situation. There's a constant shuffle between the back room projects and that reactive help desk support. Like I said, I find myself some days I can go the entire day and I can't believe it's the end of the day and I haven't done anything but tickets. Policies are not getting updated. I haven't been before this Board in more than two years to update the computer policy. There are sections in there that I need your approval on to push through. My policy on business continuity, disaster recovery needs updating. I need to work on the processes for my team. There's just too much that is going on and I'm looking at this current Fire Chief. His vision is I can tell you far different than previous Chiefs and it includes a whole lot more technology. My big concern is we're not meeting his needs as quickly as we need to. The worst part is if we're working on this Apple which is totally different and new, we're trying to make it work within the most efficient way as possible. We need to architect that. I'm not sure that we're doing everything in the most cost effective way until we can put that time in there and look at it. We are in a very good situation, fortunate situation, where we have the expertise here to my right and left...

Chairman Coutu said you're selling this right out the window. Lisa Nute said I have to...Chairman Coutu was just saying. How much more can you say? I think you've flooded us with information. How much longer can you...

Selectman Nadeau thought she brought up a very good point that we need to at our next Workshop take up IT. Chairman Coutu didn't disagree with that. To sit here and spend a half an hour talking about a \$64,000 expense, I just don't want to oversell it. I don't want her to kill it. I'd like to have that separate discussion. I don't disagree with that. Are you ready to say something? Selectman Maddox said no. Chairman Coutu knows you don't agree with that. We all have our opinions. Selectman Maddox said it's not \$64,000. She's asking for \$64,000 a year forever. Most people that I'm dealing with computer rooms are downsizing their IT staffs vigorously. I'm just having a tough time understanding why we don't either a) outsource some of this stuff or not allow people to put in something that

they can't deal with. Why did we go to Apple? If this program is free but it's not free, why did we take this on if it's going to cause the kind of havoc that they're talking about just to get some free software? Chairman Coutu said it's a good point. Lisa Nute stated they use it with more than just the free software. I would like to make a point. We did do our due diligence. We did look at outsourcing costs. I would have gone that route if I thought it was the more efficient and effective way of using our tax dollars. It wasn't. It came in more money. It came in also a duplication of a lot of things that we're already doing. I have to take this package, outsource Help Desk while they've got to add a new ticket system which we already have and it's a free one but I've got to pay for that, they have to add monitoring software so that they can remote in. It's just added things on a network that we don't need. Again bottom line is it came to be more money. We're still going to have an eruption. The whole point of this is to free up some of our time so that we can get back to the duties that we need to be addressing. Security itself is a full time job. I did look into that. I'm not just coming in here saying this is the only plan. I did do my homework and I have those figures.

Chairman Coutu asked when did you want to do this prior to the end of the budget, a special workshop for this, or over and above and beyond this. Selectman Nadeau asked we have one workshop before the budget is due. Chairman Coutu was good with that. That's your only warrant article and you're asking for a full time position. Okay.

Kathy Carpentier asked for clarification. Are you saying November 3rd which is the day before the election you'll include that in that meeting. The Board said no. Chairman Coutu said you can come up with a different day for a workshop but December or you can bring her back on a night that we don't have too many departments. What do you want to talk about? It's going to take 4 or 5 hours. Selectman Nadeau indicated she just said she wanted to talk about her policies and procedures that she wanted to update. Chairman Coutu noted she doesn't need to talk to us about that. She doesn't have enough time to write them. She would just bring them before us and say I want to...Selectman Nadeau thought she had them written and she just wanted to bring them before us. Okay. Forget it then. Chairman Coutu said we're going to put a hold on this warrant article and we'll discuss that. Is that a "W"?

Kathy Carpenter mentioned I have you revisiting all warrant articles at this point. Chairman Coutu said that's the way we should do it. I understand your request for your need for additional help. This is the first time we're putting it in a form of a warrant article. I think you made the request in previous years. Everybody just blew you off I guess on the request. We need to sit down and think about it. We need to talk about it. I know that if we need for you to come in, you'll be available or one of your able staff people would be able to come in and articulate the reason why.

For the warrant articles, Selectman Brucker asked we just either recommend them or don't recommend them. Is that correct? Steve Malizia said either you forward them or not forward them at this juncture. Chairman Coutu stated we don't have to forward them to the ballot at this juncture. Kathy Carpentier said you have free writing. You can change them any way you want to. It's not just forward or not forward. You can change all the words all the numbers at this point. After this, it kind of gets more restrictive.

Selectman Maddox noted that we still have Planning, Engineering. Might I suggest that we call it an evening. Selectman Nadeau wanted to second that. Chairman Coutu was fine with that. Selectman Maddox said Mr. Malizia is going to give it to us anyway. Its 11:15 and some of us have been up since 5 a.m.

Motion by Selectman Maddox, seconded by Selectman Nadeau, to defer the remaining items on tonight's agenda.

Chairman Coutu said if we're going to defer...Selectman Nadeau indicated we made the motion. Chairman Coutu indicated if we adjourn, they're going to be deferred. It's automatic.

Planning & Planning Board (5571-5572) - deferred

Engineering (5585) - deferred

Chairman Coutu stated to the IT staff - before we go off the air, I want to thank the 3 of you. You have to understand we're not - Rick Maddox probably knows more certain a lot more than I do and I can't speak for anybody else. I'll speak for myself. Like the first time somebody sat down and tried to teach me in 7th grade Algebra how can Y and X and all this stuff figure into the equation. Until you sit down and you understand it and then Geometry became easier. It was just a matter of memorizing the theorems. This is really tough lingo for me to absorb and I know a lot of us to absorb. I appreciate the technical aspects of what you do. I appreciate - I said and I reiterate - I appreciate the fact that you're here 24/7. In the event that this community needs you, we need to keep this town up and running. We need to keep our public safety personnel safe. Communication is vital and it's critical. I understand the need to update. I have a difficult time being old school pen and paper, old school understanding the millions of dollars that are spent on technology and wonder. It takes me back to my youth. We didn't have Windex. We didn't have paper towels. We had ammonia and newspaper and the windows got cleaned. Today you can clean them for \$50 more per window if you go out and buy these fancy wipes and this spray. That's what happened to technology. We replaced with this with a \$1 million piece of equipment over there. From this to that and I don't see it coming to me any faster. When my tax bill were due, I don't get them any sooner today than I did back in the day. It was mailed to me and it was handwritten. I got the tax bill the first of July and the first of December. Now it's all spit out on the computer and it costs \$500 to send me the bill. It doesn't make sense to me. It is what it is and I understand. I understand the work

that you do, the knowledge that you have. I'm speaking for the Board. I'm sure they all appreciate it. We're not taking this lightly. It's late. I'm tired. I have to give a speech I think in the morning. I have to go to work in the morning as you do. Thank you so much. We will revisit seriously the question of your request for additional personnel. If anything should come up because we know there's IT in other budgets, we'll be sure to let the Town Administrator know that we need something answered and he'll get to you and then you can get an answer to us. We'll be meeting 2 or 3 times a week from here on out for a couple of months anyway.

Selectman Maddox had one follow up. If you could get us some information, what is the value with this whole Apple thing? If it's going to cost another person to be hired to support Apple, then get rid of the Apple. Chairman Coutu indicated Apple is just one thing. Vin Guarino indicated I've already learned all the Apple stuff. Selectman Maddox said then there shouldn't be a problem. I'm hearing both sides here. Lisa Nute was saying is that was one more example of technology we've added. It was a necessity. Chairman Coutu stated the Fire Chief supported it and he had an understanding of it. I remember the Apple presentation. Selectman Maddox said if it's causing our IT Department to need more staff to support...Chairman Coutu said you're taking that out of context. She didn't say that needed...one of many. You hear what you want to hear. Selective hearing.

6. ADJOURNMENT

Motion to adjourn at 11:21 p.m. by Selectman Maddox, seconded by Selectman Nadeau, carried 5-0.

Recorded by HCTV and transcribed by Donna Graham, Recorder.

HUDSON BOARD OF SELECTMEN

Roger E. Coutu, Chairman

Benjamin J. Nadeau, Selectman

Richard J. Maddox, Selectman

Nancy Brucker, Selectman

Pat Nichols, Selectman