

HUDSON, NH BOARD OF SELECTMEN
Minutes of the October 16, 2012 Meeting

1. CALL TO ORDER - by Chairman Nadeau the meeting of October 16, 2012 at 7:02 p.m. in the Selectmen's Meeting Room at Town Hall.
2. PLEDGE OF ALLEGIANCE - led by Finance Director Kathy Carpentier.
3. ATTENDANCE

Board of Selectmen: Rick Maddox, Ben Nadeau, Ted Luszey, Nancy Brucker

Absent: Roger Coutu

Staff/Others: Steve Malizia, Town Administrator; Donna Graham, Executive Assistant; Kathy Carpentier, Finance Director; Jim Michaud, Asst. Assessor; Kevin Burns, Road Agent; Gary Webster, Town Engineer; John Cashell, Town Planner; Bill Oleksak, Bldg. Inspector/Health Officer; Lisa Nute, IT Director; Bernie Manor, Chairman Sewer Utility; Jeff Rider, Chairman of Water Utility, Harry Schibanoff, Chairman of Benson Park Committee

4. NEW BUSINESS

- A. 2012 Property Revaluation - Its impact on the tax rate

Chairman Nadeau recognized Assistant Assessor Jim Michaud.

Good evening. As the Board knows and the viewers at home, Jim Michaud said they conducted their first re-evaluation in five years this year. In aggregate, our total taxable tax base decreased by approximately 15 ½ percent. It's the first re-evaluation the Town has gone through where values have decreased. We did re-evaluations in '68, '78, '91, '02, '04, '07 and now 2012. What is different about this re-evaluation with the numbers going down, the tax base going down, is that it has a reverse impact on the tax rate compared to prior revaluations. We have a lower base to divide the budget into. If you will just a simple explanation, if Community H has a \$1 million budget and a \$1 million tax base, \$1 million budget divided by the \$1 million tax base is equal to a \$1 tax rate. If Community H goes through a re-evaluation and the values go down and they still have that \$1 million budget but now they only have a \$750,000 tax base, now their tax rate is going to be \$1.33. So the illustration is tax rate goes up doesn't mean more revenue. It doesn't mean that the community is raising any more revenue than what the voters approve. That was basically the purpose of the Memo was to explain how it lowered tax base a) doesn't mean lower revenue, and b) it doesn't mean that people are going to receive lower bills simply as a result of the re-evaluation.

In any re-evaluation, you'll have folks that see an increase in their taxes. You'll see folks that see a decrease in their taxes. You'll see folks that will see pretty much static and remain the same. It's spending that drives taxes and it's the assessed valuation process that divides up what portion of the pie - my property versus your property versus another property are going to pay. The residential end of the tax base went down approximately 20.6 percent. When I say residential, I'm just focusing right now on residential single family. Commercial/industrial/public utility is barely moved by a point in the aggregate. Our tax rate is going to increase. If my assessed value didn't move a lot, I'm going to be having a bill with more property taxes in it for me to pay. My portion of the pie has just gotten larger. It doesn't mean services have changed plus or minus. It means that we have reallocated the pie. That's what you do every evaluation.

The Town of Salem went through a 2011 re-evaluation. They had also revalued close to the top of the market in '06. In 2010, Mr. Michaud said the year before the reval., the Town of Salem had a tax rate of \$14.84. They had an assessment ratio of 125 percent. So about 25 percent over the market. Their 2010 tax rate of \$14.84 in 2011 when they did their reval., their tax rate turned to \$20.14. That's about a 36 percent increase. We're going to hear later on today that our increase in the rate primarily attributable to the reval. is about half of that increase. So while it's a big number, it's less so than what we've seen in a community not far from us. They also saw something similar. Residential values dropped the most. Non-residential values barely moved. That's pretty much what the Memo seeks to address. I would welcome any questions.

Selectman Maddox hoped that we would send this off to the media and to our website so that, again, people can see this. It's kind of tough to follow along without having this piece of paper in front of you. It's just so the people at home when they see this can make sense of what we just heard and saw.

Chairman Nadeau thanked Mr. Michaud.

- B. 2012 Tax Rate

Chairman Nadeau recognized Finance Director Kathy Carpentier.

Good evening. Kathy Carpentier said she was here to ask for the Board's approval to set the 2012 tax rate. I will read from the Memo in front of you.

"If the Board of Selectmen uses \$600,000 as budgeted of the Town's \$4,521,819 surplus, the tax rate would be approximately \$19.63 per thousand. This tax rate represents 18.1% or \$3.01 increase over last year's rate of \$16.62. Using \$600,000 of the surplus as budgeted from the unassigned fund balance would leave the surplus fund balance equal to about 6.8% of the Fiscal Year 2013 gross appropriations."

Ms. Carpentier was here to ask the Board to authorize the use of the \$600,000 as budgeted of the Town's unassigned fund balance.

Motion by Selectman Maddox, seconded by Selectman Brucker, to authorize the use of \$600,000 of the Town's \$4,521,819 Unassigned Fund Balance in support of a tax rate of approximately \$19.63 per thousand, as recommended by the Finance Director, carried 4-0.

Ms. Carpentier indicated that the rate is approximately \$19.63. I could get up to the Department of Revenue and they change the revenues a little bit or the rounding, so it could be a different number. At this point as has been in the past, I need to know what the consensus of the Board is whether you want me to use less surplus or change the tax rate. It's usually not a big swing either way. I usually get the consensus of the Board on what to do when I'm up at the Department of Revenue.

Selectman Luszey recommended that we use less surplus than change the tax rate.

Selectman Maddox seconded Selectman Luszey.

Selectman Brucker agreed.

Chairman Nadeau indicated that the consensus of the Board is to use less surplus.

Jim Michaud wanted to talk about was last year we had an average assessed value before the reval. of about \$306,000. So the average tax bill for a homeowner in Hudson was about \$5,096. This year using \$19.63 and using a new revaluation average assessed value single family home of \$255,678, the average tax bill would be approximately \$5,018. On average, it's around \$77 less for the average assessed home in Hudson. Now who's making it up? Those folks whose value didn't decrease that much are the ones making that up. It's not that the Town is getting the less revenue, there will be folks that are going to be paying more. There will also be folks that are paying less and also folks that will be paying the same. That's just to bring it down to the common denominator of the average home.

Selectman Maddox asked Mr. Michaud what the average home price was so that we can use that number for our calculations as we go through the budget cycle. We've always used the \$300,000 for the last year, now we need to revamp that number. Chairman Nadeau said when we figure everything out, we'll be using \$255,000 as the average home. Okay. Thank you.

5. BUDGET PRESENTATIONS

Selectman Maddox would like to offer the following observations: At the budget deliberations that we've done in the past, we tend to cut on the first night, add on the second night, and panic on the third. I would like to offer the following and do it a little differently this year. That would be I'm calling it "W", "C". We would hear the entire budget before making any additions or subtractions. As each budget is presented, we would denote on some sort of piece of paper, spreadsheet items that we wished to possibly return to utilizing a "W" for we will come back to this item or to increase or decrease and "C" to indicate can come back. I think utilizing this method we can hear the entire budget and make adjustments based upon whichever criteria we're going to us - tax rate, increase dollar value, or whatever we're going to use but we wait until the end so we've heard everybody's budgets so we're not thinking about what do we need to cut, how are we going to make this adjustment. We look at the whole package and then go back to the "W" and the "C"s at the end Mr. Chairman and take it from there. That's my suggestion.

Chairman Nadeau asked if there were any other feelings from Board members.

Selectman Luszey agreed with Selectman Maddox. Having been on both sides of the fence now, he's kind of hit it right on the head. We tend to do a lot of cutting and slashing the first few nights and then as the nights go on, we kind of wear off of it. I think given what's going on this year with all of the different union contracts, that hopefully will be coming in. I think we need to see the entire budget in its entirety before we start putting priorities on what needs to be included or excluded within the budget. We'll have a fuller picture to make those decisions and not just snip it as the nights go on.

Assessing (5410)

Within the Assessing budget outside of the series code 100s, Jim Michaud said the Assessing budget is pretty flat. The total outside of the IT component is \$316,000 approximately, which is up from about \$313,000 approximately, and the increases are attributable to the insurance lines that are in the 100s. Beyond that, the Board will see that we have requested revenue appropriations to help defend on property tax court cases that are going to come out of this re-evaluation. Every re-evaluation produces about an increase in appeals and correspondingly an increase in the amount of court cases. This is a budget that's going to get us from July 1, 2013 to June 30, 2014. I would expect property tax appeals from the local level that got perfected as decided by the property owners that get perfected to then next level. I would expect that some of those cases will be heard during the time frame of this budget that we're into. On line 252, I have asked the Board of the \$41,500 for approximately \$30,000 for the specialty appraisals that we would need on some of these cases, especially commercial/industrial properties. Without any ammunition, it will be harder to defend these and our abatement overlay account would suffer. We want to make sure that we have enough ammunition to defend these cases when it's warranted.

Beyond that, Mr. Michaud has also asked and maintained that the Board under line 5410-450 continue to approve \$15,000 for the Capital Reserve Fund for future re-evaluation. If the Board recalls, I had talked with you in May/June of this year to request additional funding for that line. Again, this is for future re-evaluations. We have to do one at least every 5 years if not oftener. I have an opinion that they should be oftener but I also understand that it costs money to do it oftener. That's a future decision for the Board. It's weighed depending upon where the real estate market goes. I hope it doesn't decline and at least continues to show the stability that it has shown over the last few quarters of the cycle. This is Jim's 17th budget so he is ready to answer any questions hopefully that the Board may have with the actual budget itself.

Chairman Nadeau had a question on the Association Dues. Can you just go through and give us a quick explanation of each of these and why. Mr. Michaud asked if he was looking at 5410-217. Chairman Nadeau said yes. Jim stated that New Hampshire commercial property exchange dues \$473 and NH Commercial/Industrial Board of Realtors Affiliate Dues of \$125, that gives us access to a proprietary database that is used by the Commercial/Industrial Board of Realtors cyber for lease activity, sale activity, pending activity. They're looking for tenants. It's giving us data that it's not something I'm going to find in public MLS. Traditionally commercial/industrial property by and large does not use the conventional MLS that you would normally see for residential property. This gives the Town and annual membership to those organizations for access to that database. The Appraisal Institute-Affiliate Membership Dues, I'm an Affiliate member. As far as pure appraisal organizations, that is the number one appraisal organization if not just in the country but in the world and had the premier professional designations along with that. They have some of the premiere publications in the appraisal field. We're the 9th largest community in the State. I know that I've gotten value out of it for the Town over the years that I've been a member both in terms of studies that I've read on there from anything - being their high voltage line, being near a sewer plant, market studies. I wouldn't have access to that without being a member and the Town wouldn't have the benefit of that without us being a member.

The New Hampshire Association of Assessing Officer Dues. Mr. Michaud said it's a \$20 fee. I have a membership. Mike Pietraskiewicz has a membership. We're both required to be members because of our designation as certified Assessors. By Statute actually, the Town also has to be a member. I have to carry myself for my designation. Mike has to carry himself to his designation. We're employees of the Town. The Town itself also has to carry a membership as the Board of Assessors of the Board of Selectmen and you are. Beyond that, the Maine Association of Assessing Officers is \$30. I get their newsletter. I would get discounts on their courses. I'm a certified Maine Assessor as well. Whatever community you're in as far as a professional, you gain more by your association with those that are in your same field than were you not to pay attention to what's going on in the industry. Massachusetts Chapter of IAAO dues, IAAO is the International Association of Assessing Officers. I serve on their executive board as a past President. That dues membership is similar to the Maine Association. It gives us access to their newsletter. It gives us access to their membership database and their list serve. The International Association of Assessing Officers - I'm a member. Mike Pietraskiewicz is a member. I hold - there are two highest professional assessing designations for certified assessment evaluator CAE as well as the AAS - Assessment Administration Specialist. This fee pays for two memberships plus the professional designation dues that go along with the designations that I've earned since I've been here with the Town of Hudson's employ. The Northeastern Regional Association of Assessing Officers is similar to the Maine Association and the Mass. Association. This stems from Maryland up to Nova Scotia and as far west as New York State. The Northeast tends to be a much more let's say assessing is done in a certain way in the northeast such as firefighting is done a certain way in the east versus the west. This is an association about assessors throughout the northeast. The Greater Manchester/Nashua Board of Realtor Dues/MLS - this involves both affiliate membership and the Greater Manchester/Nashua Board of Realtors as well as our access to their proprietary MLS database. There's two MLS databases - multiple listing service - there's the public side and the private side. We're in the private side by virtue of our membership. So we will see items of information in regards to sales that help us evaluate the quality of these sales and the veracity of them, especially in this kind of market we have a lot of play on these whether they be short sales or other challenged sales having access to this information helps us when we're doing our equalization survey with the State and the like.

Selectman Brucker noticed in Jim's subscriptions there's no Nashua Telegraph. Is there a reason for that? Jim Michaud did end up dropping the Telegraph. We do have other Nashua Telegraph's in the building. I also go on line and get limited information there. I just tend to find that the Union Leader will cover more or the state-wide, i.e. Concord style state house news that I may not be able to get all the time out of the Telegraph. The Union Leader being much more of a state wide newspaper. We also have the Nashua Telegraph in the house. This is the only Union Leader subscription in the house.

Selectman Brucker saw in all of the departments that the State Retirement System raised our portion. We have to pay a higher portion into the State Retirement System so that's up. Is there any other way that the State has cut funds that's affected your department. Mr. Michaud said Selectman Brucker has hit on that one area. That's the State Retirement System that the employees, at least on the Group 1 side are paying a 40 percent increase to help divide the lay of the system as well as the employers - the Town of Hudson Municipal Corporation also taking a fairly significant hit. Again, to make sure that the (inaudible). Outside of that, the Department of Revenue has had some cuts but they're maintaining their services in relationship with us as far as setting of the tax rate, assessment review process. I'm sure they'd give a different flavor on that but they are still continuing in their mission. I think you've identified the State Retirement System. Selectman Brucker said that's the only cost actually to us. Mr. Michaud said correct. Of course, I believe this reflects Kathy the rates.

Kathy Carpentier said correct. As you'll see in every department, the new rates came in effective July 1st and will be for the Fiscal 2014 and 2015. The Town has absorbed over the course of all of the departments and we have factored it in, an increase of \$379,000 that the department heads aren't responsible to cover but it is factored into their 100s.

Selectman Maddox asked for the cost. What is the cost? What did we pay the last time for the 5 year re-evaluation? Jim Michaud said he did a Memo. I don't remember what the total of the - are you asking what the '07 versus the 2012? Selectman Maddox asked about the 2012. Mr. Michaud wanted to say 2012 was in the range of \$70,000. We had a \$25,000 contract with our public utility consultant. We had a \$36,000 contract with our commercial/industrial consultant. We did get some software as well as a laptop that was part of that re-evaluation cost. That was probably in the range of \$7,000 to \$8,000. We had a couple thousand in mailing costs. We did the residential end ourselves. Anecdotally because I don't have the number right here for you, but it is in that \$70,000 range. I wouldn't expect that the next re-evaluation would maintain that same dollar amount just because I haven't seen a lot of costs go down over the last couple of years and I wouldn't expect the next couple of years to see a lot of costs go down. It's a far cry from what it cost us in 2002 when we did that re-evaluation.

Selectman Maddox said that this budget has only gone up \$2,500 and we've all picked a spot. I don't know if anybody wants to make any "Ws" or "Cs" about anything in here. The one question I have Mr. Chairman and you might as well start it here is you're carrying \$3 for gasoline. Is that something we think we're going to be able to buy in 2014? Chairman Nadeau said he would be very hopeful but I'll recognize the Finance Director.

Based on a December estimate that Kathy Carpentier was given by the Road Agent, all the department heads were requested to put \$3 in for gas. We're currently seeing around \$3.20 - \$3.30 right now. I don't know is your answer. In years past, you have put in a gasoline contingency. I don't know if you want to...Mr. Malizia indicated that we didn't have that in this budget. Again, Selectman Maddox said this was a very small department. At \$3 a gallon, I'm just looking at where we might be headed as we go through these nights. Selectman Brucker said it could be \$1.50 too. Selectman Maddox said with the instability in the gas producing regions between the despots and the gas companies, I don't think that's going to happen. Chairman Nadeau liked Selectman Brucker's way of thinking though tonight. I know that's not going to happen either. We have put the contingency in for the gas before. Sometimes we've used it and sometimes we haven't. At least we know where that money is. Selectman Maddox said it was clearly identified for the Budget Committee that we're putting that money exclusively - rather than putting it in everybody's budget and then gas does go down. Selectman Luszey asked if the Board wanted to put a note as far as tonight's meeting you should think about a gas contingency at the end. Kathy Carpentier asked if it was a "will" come back or a "can" come back. Selectman Maddox was going to put a "C" next to the 5410-450, the \$15,000 cost of re-evaluation. We can come back to hear if we want to and that will be very low on the priority list. If need be, we could reduce that to \$12,000 and cover any increase in this department. Chairman Nadeau said they could do that. Selectman Maddox said a very low "C". Again, I think this is the only way we're going to be able to get through. We don't want to cut it tonight. There's no sense to. If we get to that point at the end, this is on the table so the department head knows where we're coming from.

Jim Michaud said he does have a request that's part of the - I don't know what you want to call that when you want to be somewhere above a zero increase. That is the budget request for the Board of Selectmen directive. I am seeking to have a part-time position move to full time. I had hoped to come in to the Board prior to this to have it done within this current fiscal year. My liaison is Chairman Coutu. Of course with the revaluation this year, with the Department of Revenue's assessment review process, well here I am today. I believe the Board has this backup in their books. This is a part time correctly titled "Assessment Administration Specialist" position that's currently entitled "Administrative Aide". This Board has approved this position to go full time on a temporary basis twice this year. This followed up on prior actions of other different Boards of Selectmen that in the 9 years that this position has been here, no less than 5 times it has been approved to go full time, again, on a temporary basis. In addition, the Boards of Selectmen and Budget Committees in the past have also approved this position to be full time but the funding was not secured for it. This is basically the person that helps our elderly, our disabled, our blind, and our veterans with the tax credits and tax exemptions in the community. This position also handles all of the deeds that come through - the Registry of Deeds for changes of ownership, sales. We average about 854 such deed transfers a year. This person is the primary point contact for the elderly exemptions and exemptions and credits program as well as for our equalization process that we depend upon on the school side for the revenue from the State. We also depend upon that process to determine what apportionment of the County budget we have. It's also the primary customer service support person in the department. I don't know how many times the Board can say we think it should be full time before it says it should be full time. I have a lot of backup material on this. I would ask the Board to consider making this position full time for this fiscal year and then transfer that appropriation money into the following fiscal year. Lots of Boards of Selectmen

have agreed that it should be full time. I've done this presentation so many times but I haven't done it of late. Where can I help the Board with this?

Selectman Brucker asked if the position was already listed under part time here in the budget. Mr. Michaud said that was correct. Right now it's in my budget submission is the part time administrative aide position. I'm asking the Board to approve it as a full time position which would not increase the number of full time. It would not increase the number of full time approved personnel that we have. There's an existing unfilled full time position in the Community Development Department for a secretary that I would be - and I'm not talking about the one that has most recently been vacated. I'm talking about the one that's been carried for 5 years. That is the position I'm looking to have transferred over as one option I've had with this position going full time. We don't have any kind of surge capacity in the department whether it's in the terms of a re-evaluation year or an assessment review year. We have two full time people. The same number of full time people when Jimmy Carter was President. The Town was about 14,000 people. We had about 5,000 parcels. The Police Department had about 23 full time personnel. The list of statistics of what has changed in the community since 1979-1980 is pretty significant. Know that the elderly count in this community has gone up from about 6 percent of our population in 1980 totals 11 percent now in 2010 the most recent data. This position helps serve the senior citizens of the community with the tax exemption program that helps keep them in their homes. That has been very valuable in this re-evaluation certainly because the relative value of the exemptions has increased because as values decrease, we did not change the exemption level. We're heading into the next requalification process of those people that are means tested exemptions, the elderly and disabled. This position services that function, that requalification. We're required to do it at least once every 5 years. We're heading into our next 5 year cycle starting next year. Whether it's done tonight or when my Liaison is able to come back, I've had discussions with him and discussions with Steve as well. Some of the Board members have been here for this discussion prior. Whether primary focus or where your money comes in, Mr. Michaud wanted to make sure that we have enough staffing to handle what we engage in for the 9th largest community in the State.

Selectman Maddox said when you're saying "surge" would we be better served having another part time person coming in mother's hours to assist. If this was the type of position that doesn't require a lot of training, that doesn't require a lot of specialized knowledge of New Hampshire's laws and administrative rules, Mr. Michaud said he might agree with you. We need to maintain the institutional knowledge we have with the people that we have. Bringing in somebody who is - I don't know how much commitment I'm going to get for mother's hours in terms of going to training. For State Statutes, there's a two week process for the NH State Statutes course. One course is held per year. It's not something that is going to hire somebody off the street that can do what we can do with the person that's been here for 9 years. That's what I'm looking at. I'm looking at having that kind of institutional knowledge. The surge happens on tax bills. The surge happens with requalification. The surge happens on re-evaluations. None of those are going away. When I say surge, it's not a one-time event per year. I'm really talking about something that happens frequently throughout the year. Even if we didn't have a surge, that's an additional reason to make it a full time position. We have what we already have in the community. We have the 9th largest population in the State. We maintain over 1,300 exemptions and credits. We have as I said almost 900 transfers a year. This is that primary as administrative specialist's position that if we do it wrong, well first of all I'll know about it and you'll know about it. People won't have their exemptions and credits processed properly.

Mr. Michaud said we don't want to go down the road where we're not processing our assessing properly. By having trained individuals in the department who have that knowledge, that means it's not going to happen and it hasn't happened. I don't think the Board has seen that kind of process where people have lost their exemptions or credits because somebody untrained was working on it.

Selectman Maddox indicated that Jim Michaud referenced a position that we already have but that is unfunded. You're asking us for going from \$33,000 to \$60,000. Mr. Michaud said that was correct that that position is unfunded and that's why I'm asking for the appropriation in next year's budget for it. I'm also asking the Board to recognize that I might not be able to make up this whole amount in my budget in the current fiscal year, although I do have some savings in another part time position that another fund is paying for and not our budget. I'm trying to find a way to get it within the current fiscal year. Obviously if we're sitting here the next fiscal year, I also need to talk about how that funding is going to happen. You can take any full time position that we have, reduce it to part time, and you're going to see a \$30,000, \$40,000, or \$50,000 reduction. It's just the reverse of what I'm asking for. It is correct and you're going to full time. That's the cost that we pay whether it's retirement, FICA, the roll up. Whether it's full time as in the Police Department - we're a full time community, the golden triangle, Southern New Hampshire, the 9th largest population.

Selectman Luszey asked if we should do this, it's about a penny and a quarter on the tax rate. Selectman Brucker said it's a penny.

That was Selectman Brucker's question. Are we still at a penny per about \$30,000? Selectman Luszey said he was going to start adding the pennies now too.

Just to give you an example of how this position helps people in the community, Jim Michaud said he was going to read from a letter that was sent to us from a constituent.

"Good morning Jim. I just had to let you know how sweet and helpful this person has been in the, I hate to say this but I'm not computer literate. I've been having difficulty moving these past few days and cannot physically get into the office. The person in my office never criticized me or made me feel inept. She had a true concern and was

very patient. She is just so sweet. Kudos to this person. We need more people like her in this world. She took some of the scare out of getting old."

Mr. Michaud would like to believe that everybody can treat customers like that but I'm also a realist to know that when I have somebody that does that, that's a person worth keeping.

Selectman Maddox wanted to know if the Board was going to put this on as a "C" or "W" for later on.

Selectman Luszey asked if the Board wanted it as a "C" or a "W". Selectman Maddox would go to a "C".

Selectman Luszey asked if you ever know if you assume eligibility for a two person flex, do we know what that equals to. Kathy Carpentier indicated that it was right on the page - \$10,186. Selectman Brucker said she'd like to have it as a "W". Chairman Nadeau wanted it as a "C". Ms. Carpentier said it would be 5410-102, 108, 112, 121. Just write 100. There is no such thing but. Selectman Maddox said they'd be going to full time so that would be changing that line item. Mr. Malizia said the best way to denote is 5410-101 so we'll all know what we're talking about. Selectman Luszey said he was going to put a comment next to it. The consensus is? Chairman Nadeau said 2 "Cs" and 1 "W". Selectman Luszey said he wanted a "C".

Highway (5515, 5551 to 5556)

Chairman Nadeau recognized the Road Agent Kevin Burns.

Good evening. First off Kevin Burns said he found it ironic we start on the budget and actually have an earthquake. Back on task very briefly, my budget in its entirety including salaries, the 100 accounts, is down \$11,746. In my usual fashion, I've moved money around to cover expenses and I've also reduced personnel.

Selectman Brucker asked about the street sweeper. There's nothing there for the street sweeper. Is there a reason? Mr. Burns indicated that we own it.

Selectman Maddox thought it would be paving line item. I think it needs to be at least a "C" if not a "W". I understand that Santa came to visit last year but I think we need to at least put that on the table as being an item that we would possibly come back to or can come back. It's now \$790,000. I couldn't even get to the line. You guys have already gone off of this department. Ms. Carpentier said page 7, 5552-248.

Kevin Burns asked if he could give a few facts on that. The funding this year is the same as in what we had last year. We actually got 5 miles of roadway done with that amount of money just to give you some perspective of what that dollar does. So \$790,000 got us 5 miles of road done - about \$158,000 per mile. Selectman Maddox asked if it was reclaimed. Mr. Burns said it varied depending - the milling and the reclaim is about the same amount per square yard if we simply do a shim and an overlay. It's cheaper. We average them altogether. We don't do a lot of just shimming and overlay anyway more. It's usually either milling like we did on Lowell Road and Highland Street this year or reclaim like we did up on Robinson Road. I just wanted to let you know what that amount of money buys. We have 200 miles of road.

Selectman Brucker said there was quite a difference on line item 5552-261, Streets, Traffic Light Maint. from 2011 \$23,000 down to \$12,000. Are they better lights and you don't have to maintain them as much? Mr. Burns said no. It's the same old lights. We're just trying to fit within the zero funded. Chairman Nadeau said that some of our lights will be redone this year. Mr. Burns said around the Common they hoped to have all new controllers out there. Selectman Luszey asked if they could bring it back up because I think it should go somewhere. Chairman Nadeau indicated that he could bring that back up if that's your wish. Selectman Luszey thought it should be a "W". Selectman Maddox said he'd go to a "W" just to make it two Sir. Chairman Nadeau said he wasn't looking to do anything. Selectman Brucker wanted to see nothing. Chairman Nadeau indicated it failed 2 to 2.

Selectman Maddox asked that it put as a "C". It's \$790,000. Selectman Luszey said he'd do a "C" also. That's a whole lot of money. We have a whole lot of things that we need to be looking at when this all comes back. Chairman Nadeau indicated he was still at nothing. Selectman Brucker said it is a nice big, large chunk of money there. Okay a "C".

Mr. Burns said while he was here, if he could just throw a little historical perspective on it. This is what has happened over the years with our street repair budget. We build it up and then we whittle away at it, then our roads deteriorate, and then we have to grab a big chunk all at once to build it back up. This is the cycle of it and we never catch up. Chairman Nadeau said we never catch up and we're finally getting some place with our roads. I think that it is a big chunk. If they'd like to look at it again.

Selectman Luszey said here's why I think we need to look at it again. After the vote in March, I've had a number of phone calls, and people in Market Basket realizing that that was a forever number and not a one shot deal. Whether we sold it correctly or incorrectly, I think there's a number of residents out there that when they approved it thinking it was a one shot time and not a forever. I think we need to address that whether it's here or on the Town floor. Chairman Nadeau indicated that we have now moved that item to a "C".

Solid Waste (5970)

Selectman Maddox stated this reflects what we budgeted the contract. If recycling continues to be a better number than in the past, this could be slightly lower.

Kevin Burns said it could. I just got September's numbers in this week. I project out the rest of this year will cost \$1,437,000 this year. Bear in mind we've already reduced the \$100,000 in the fiscal year we're in. If I was to project that out, which is a long way to go with my crystal ball to the end of the fiscal year we're talking about now with escalators, it's about \$1,465,000. That's cutting it awful close to our \$1.5 million budget to try to nail the tenures that far out. Selectman Maddox said he was just trying to put some perspective Mr. Chairman. Mr. Burns didn't know how much more he could squeeze out of the trash budget.

Mr. Malizia asked how long it had been fixed approximately at this number. That's a point that you want to just mention. It's been quite a while that it's been in this range. When we went to this program, Mr. Burns said we were getting close to \$2 million. Now we're down 1.6, 1.5, 1.4 range for probably at least 7 years. Just to put it in perspective for folks watching, Mr. Malizia said that's really holding the line for quite a long time. Given its one of the singularly largest expense ones in our budget and something that people see - you pick up my trash. Mr. Burns said the last time our trash bill was cheaper was in 2001. I think we've done pretty good controlling those costs.

Selectman Maddox said it was important that we keep reminding through the Recycling Committee to keep that up. It does make a difference.

Chairman Nadeau asked if he wanted to put a "C" or a "W".

Selectman Maddox said he didn't want to take money out of paving, but I think it needs to be in our system so that we don't know where we're going to end up. If all was wonderful, then we stay where it is. To just gloss over \$790,000, now he can run.

Mr. Burns thanked the Board and wished them a good evening.

Benson (5063, 5563)

Chairman Nadeau recognized Harry Schibanoff and Jim Barnes from the Benson Committee.

As you can see from the material in front of you, Harry Schibanoff said this was their third budget cycle for this Committee. We're one of the newest Committee's in town. I think this time around we did it the right way. We started this summer thinking about the budget. We formed a subcommittee. They met several times during the summer. Jim was the Chairman of that subcommittee. He came back to the Board in September and October. What he's going to present today is what the Committee has decided on. I'll introduce Jim as the Chairman of the subcommittee on budgeting.

Jim Barnes indicated that there were two accounts, or two line items - 5063 Benson Park Committee - I'll talk to first. The individual items there are the same as last time. We increased the meals in town. What we're using this money for is for feeding the volunteers during the cleanup weekends. There have been some cases where the past year or so where the donating food has not been sufficient for all of the people who show up on a particular day. So we have to go out and buy additional food. This is also going to help for buying paper goods, plastic goods, and things like that that we need during that. That's why there's an increase in that account.

The second one, printing and signs, Mr. Barnes said has been declined because the big expense there was printing the brochures and the maps that were available at the entrance to the park. Those were just always disappearing. So we put up a different way of having maps available to people in the park. We've put up permanent signs in strategic locations within the park. So we're getting rid of all of the printing of the brochures and maps. So that expense is going away. That's why that particular item has dropped.

Moving on to 5563. Jim Barnes stated the first item - small equipment maintenance, small equipment and electricity are basically flat from last year. We're tracking these expenses now on a regular basis and we'll be watching these things as we go through this fiscal year and hopefully next year we'll have a better idea of exactly what we're going to be spending on those. Those seem to be sufficient going forward for the rest of the year.

Equipment rental is something Mr. Barnes said they were adding. There have been some cases where we've had some of the projects that required heavier equipment that we have to go out and rent. So we've put some in there.

On the equipment rental, Selectman Luszey asked what type of equipment are you renting. Mr. Barnes indicated a small backhoe and things like that. Sometimes we can get equipment from...Selectman Luszey had another question. If we're renting small backhoes is there a liability for the people using those? I'm assuming the volunteers are using them. In the case where we were doing something earlier this summer, Mr. Barnes said yes they were. Selectman Luszey wanted to get

a read on it. I want to know if we're putting the Town at risk if the Town is renting a piece of equipment and we're letting volunteers run it.

Harry Schibanoff said they do have all the volunteers sign a waiver of liability. Selectman Luszey said that waivers don't mean nothing. That's what his attorney told him.

Selectman Maddox asked if we had already done that with the brush cutter, which is basically an ankle ripper. I thought we already looked into this issue. Mr. Malizia said he would double check. I'm sure we have. This is not the first time it's every come up. We'll have to double check to see what we found. Selectman Luszey said volunteers use that and not town employees. Mr. Malizia said yes. Selectman Maddox said like the DASH unit.

Servicing portable toilets. Mr. Barnes said their experience this year was that once a week that service was not sufficient due to usage, smells, and things like that. The Committee is asking for twice a week and that's what we've requested Dave Yates to look into for the company that's servicing it. So that's why we've put into the budget for next year. Selectman Maddox asked if that was for 52 weeks a year. Mr. Barnes said no. It's approximately 9 months or 10 months. It's not during the winter. Mr. Schibanoff said depending on the weather, it's April or May through October.

Jim Barnes stated the big item is park maintenance. What we did as the subcommittee is we started looking at some individual projects that we would be doing there. For example, adding some picnic tables, putting the street signs up in the historic district on posts. Those are the kinds of things that we'd be looking at. Also a couple of things here - the parking lot striping. That had been covered in the Highway Department up until now. Since it is a Benson Park expense, we felt it should be purchased here. Selectman Luszey asked if it was the striping on the dirt. Mr. Barnes said yes. It was lime/chaulk.

Believe it or not Selectman Luszey, Chairman Nadeau said it makes a very big difference down there. Mr. Malizia said it maximizes your parking. Instead of willy nilly, you have a designated parking area. Selectman Luszey said he knows that but it's just we're painting dirt. Selectman Maddox said it wasn't dirt. It's wrap.

Another large expense Mr. Barnes said is replacing or refreshing the bark chips at the playground. We expect that will be done every other year. So since the playground was put in last year, next fiscal year would be the time to replace that. It will be a project to do that.

Finally on the office building, Jim Barnes said they wanted to start doing some structural repairs. We'll be putting together an overall plan that will probably stretch out over several years of what we want to do with that building. Right now, we want to just focus on making sure that the building is stable. There's some sills that are rotted and we need to get those replaced and start working on the windows. Those are the kinds of things we're going to be doing. Harry Schibanoff wanted to add that we recognize it as a historic building. So we have to follow certain standards.

Selectman Maddox asked about gasoline. Mr. Barnes said gasoline of fuel - that was some of the equipment that we had out there we've been going to the Highway Department and getting them refueled. So, again, it was an item that since we're using it specifically for the park, we should be tracking it here.

Selectman Brucker asked if the elephant barn not part of all of this. Mr. Malizia said it's not a historic structure per say. It's part of a structure but it's not a historic structure. The Friends of Benson Park are basically responsible with their lease agreement to maintain it to deal with that building.

Selectman Maddox said you can see the worms coming out of the top of this can already. There is still money still be encumbered to do the infrastructure improvements - gas, water, electricity to the elephant barn. Is that still...Mr. Malizia said it was our responsibility to run the utilities to that building. So that would be under our dime. Selectman Maddox asked it wasn't their money held over from last year's budget. Mr. Malizia would defer to the Engineer because I don't recall totally. The Engineer is working with those figures. Is that true? Selectman Maddox said it was something we're going to need to deal with sooner rather than later. Mr. Malizia said "we" the town yes.

Chairman Nadeau said there were no "Ws" and no "Cs". Ms. Carpentier said both these two departments are down \$500 combined.

Sewer Fund (5561, 5562, 5564)

Chairman Nadeau recognized Bernie Manor and Gary Webster.

Just to set the scene and preface this, Mr. Malizia indicated that this is a self-supporting fund. The revenues that are from the sewer users pay for the expenses of the sewer system. So just for folks out there when we look at the sewer and the water later, the revenues that we get from those users pay for these expenses. Selectman Maddox said it's still included in our budget. From a gross appropriation perspective, Mr. Malizia said it is included in the Town's budget. There is also a corresponding revenue in the revenue side to account for that.

Bernie Manor stated 5561 was up a little bit - 1.1 percent because of wages and benefits. Mr. Malizia indicated it was because of the pension.

Mr. Manor said 5562 is down because we're putting less in large and small equipment.

Mr. Manor stated 5564 is down a bunch because Nashua has decided to do some bonding instead of paying it up front. So we're going to be paying a longer term but smaller amounts. That's why that number is down quite a bit. It's really a sure up in our budget that's being down.

Chairman Nadeau asked if anyone had any questions.

Community Development
Planning (5571, 5572)

Good evening. I'm John Cashell, Town Planner. I'd like to start off by saying thank you to Steve and Kathy for putting their time and effort into helping our department prepare for tonight's budget review. The goal tonight was to come in with a zero base budget from last year. We were able to accomplish that. Pretty much the salary account pretty much remains the same. Benefits went up a little bit, an uncontrolled expense. Planning wise, we did our best to reduce several accounts. You can see those on the 5571 accounts. Small equipment repair, we reduced that. Public transportation a little bit. One increase not that sizable was NRPC dues. That went from \$18,668 to \$19,476.

Chairman Nadeau had a question on NRPC dues. For the amount of money that we pay NRPC, and I'll round it off to make it an easy number \$20,000, what do we get for that money from NRPC and would it be cheaper to subcontract it out? Do we get any value for this? John Cashell would like to say that there would be a possibility or anything like that but there isn't. It's a regional planning agency and communities throughout the country are required to be members of regional planning agencies. In order to obtain federal tax dollars for road improvements, State transportation dollars, you have to be part of a regional planning agency. So there are benefits to the town that most people are not aware of. Sagamore Bridge when that was constructed many millions of dollars involved with that. That project would not have come our way as a community if it wasn't for the membership in Nashua Regional Planning Agency. It's an NPO in addition to being a regional planning agency and an MPO is the chief planning arena for receiving federal state highway improvement dollars. So that's one benefit that a lot of people don't realize.

Another benefit, Mr. Cashell said is they do work with us as a community on all types of planning issues whether updates in traffic, improvement studies. Selectman Luszey asked if this was an annual thing. If we were to choose not to be a member this year, I'm assuming that would mean that we wouldn't be eligible for whatever benefits in terms of federal dollars for all this neat stuff. Given that we are looking to pay for that, how much money could we expect to receive in federal tax road improvement dollars and stuff like that? Mr. Cashell said it wasn't really annualized. It may take 5 or 10 years to realize a rate of return on tax/transportation dollars coming back to the community. Again, Selectman Luszey said if we weren't to pay this next year what is the downside for us in real dollars next year? Mr. Cashell said we wouldn't be a member community. Therefore, we would receive repercussions from the federal government eventually. For next year's planning purposes, Selectman Luszey asked if there were any repercussions. Mr. Cashell said this is the cost of Hudson being a member community to the NRPC. If we were to not pay that dues, their budget would be directly impacted. For a Hudson residency if we choose not to fund this line item, Selectman Luszey asked what can we expect to not get. John Cashell said it's not just a matter of not being able to go over to NRPC. It's a matter of we're not going to be at the table represented with any planning that we're trying to implement for this Town and plan for its future.

Gary Webster stated that right now the Library Street Park is a CMAQ fund, which was orchestrated through NRPC. So we'd lose that money - approximately \$170,000 we'd lose and those lights wouldn't be done. We have the infamous train station which is still part of them, which is another CMAQ. We're talking probably \$400 - 450,000 right now.

That's what Selectman Maddox was trying to say Mr. Chairman. We do not have to belong. There is no requirement that we belong. It makes good sense Mr. Chairman to NOT belong. Salem didn't for a number of years. Again, stuff passes them by. One of the things that we're not utilizing is we're not calling up and saying hey can you do this for us. Some of it's on us. They are willing to do a lot of different things for us but if we don't ask, we're not going to get. I think that the monies that were brought in in just the CMAQ grant - \$160,000, there's a number of those type of things that we would be overlooked for. Yes it went up and I got to tell you as a member, as your representative on that committee, I jumped up and down. The formula that they used said based on our gross valuations and our population, that was the formula and that's what it was. I think it would be short sighted to save \$19,000 and lose \$190,000.

Based on what you just said and given what we had in a presentation that our gross valuation went down, Selectman Luszey asked if it would go down by that. Mr. Malizia said this was 2011 so next year when they take our valuation and it will all be equalized. In other words, they'll look at your ratio. They try to make it apples to apples. So potentially in a future year, the number could change. It could go downward. There's no guarantees in life. This was based on our I believe 2011 value. Selectman Luszey said this could go down based on the new assessed value. Mr. Malizia indicated that we are a certain part of the pie. If our piece of the pie increases or decreases, this could increase or decrease. All things being equal, Selectman Luszey said it should come out the same. Mr. Malizia pointed out this year if you recall earlier, we signed a one-year contract for reduced energy rates on electricity bill. We went from 8.08 cents a kilowatt hour to I think 6.something.

That was a consortium put together with buying power by NRPC with these communities. So it's an added service. If you think about that \$19,000, we're saving more than that in electricity.

Mr. Cashell said Zach's Field they were an instrumental body in putting all of that together too. You can as a community request an audit of actual tax dollars or I should say dollars that we're paying in dues. I asked them for an audit and they can prepare that for the community dollar for dollar what we're getting in return for that \$19,000. If we wanted to do that, they would be able to accommodate that. Usually in a given year we're getting 3 or 4 times back the money related to the amount we're paying in dues.

Selectman Brucker thought that they will be a participant if we do a traffic study for that south corridor. I don't think we can do it without them could we? Selectman Maddox said it would cost us money. Selectman Brucker said it would be too costly. Mr. Cashell said they help to facilitate cost reduction and projects such as that.

Lodging. Selectman Luszey asked what out of town travel requires lodging in this department? Mr. Cashell said every year there's a New Hampshire Planners Association, a Northern New England Planning Association. There's also the American Planning Association conferences.

Selectman Maddox asked about the 304 line - gasoline. That's carrying all of the departments. It's just in planning but that's actually zoning and building. Chairman Nadeau said that was Engineering too. Mr. Malizia said later on in the budget on another evening you'll have a proposal for a gas pump replacement. That's an old technology. Obviously we're using keys and there's a key based on the slots assigned to that group. If we want to spend, we can get a lot more slots.

Selectman Maddox stated that we don't pay for ads. We've spent nothing in '12, '11, '10. Mr. Malizia said Planning Board notices are under Planning Board if that's what you're thinking. Selectman Maddox asked why is there anything in this line item - 214. John Cashell indicated that last year we didn't spend any. In years past, you had those amounts of money where we'd be advertising a lot more with zoning amendments, site plan regulation amendments, and just a lot of general advertisements. When we have applications now for site plans and subdivisions, the applicants are paying for those. So those aren't an expense for the Town. Kathy Carpentier mentioned they also do adds if there's new hires. So if there's an open position, he could definitely spend that money if he was advertising for a new hire.

5572 - Planning Board.

Mr. Cashell in your crystal ball, Selectman Maddox said the Planning Board is cancelling meetings left and right. You figure by 2014 we're going to need all of this money. Mr. Cashell said he went to a summit today - New Hampshire State of the State Summit in Manchester put on by the Manchester Chamber of Commerce. There were some high level people there throughout the State, including Senator Shaheen and a lot of major developers in the area of Manchester. Everybody there had a positive outlook. This was from last year. Last year everybody was really pretty much in a down mood about the economy. Everybody there this morning was in an upbeat mood. There's a lot of development taking place in the Manchester area, Bedford area, Londonderry. We're still getting our share. I would just say that regionally the airport has attracted quite a bit of recovery growth over the last couple of years. Merrimack - they're showing tremendous signs of growth even in this recessionary period. One of the most important things that was said by one of the developers and the Secretary of DOT was that in a down economy, that is the absolute time to invest whether you're buying land or you're building and you're anticipating the turnaround. Every one of the developers that were there and the State Highway officials, they're trying their best right now to invest in infrastructure improvements and developers are investing in the purchase of land and the planning for developing.

Mr. Cashell said we've had quite a bit of small growth in Hudson over the last year. One of the local developers, Tate's, they've come forward with a couple of projects. They're moving forward right now pretty aggressively with the Route 102 project at the corner of Robinson Road; 75 River Road we now have site plans in for that. I'd say I'm most concerned about in planning is the reoccupation of vacant buildings in the Sagamore Industrial Park. If anybody drives through there, they do realize there's quite a bit of vacancy down there just with the number of signs. Hopefully we're not going to lose any more companies to competing communities or moving out of State for instance and that we continue to hold our own. By stabilizing our tax base and possibly growing it over the next several years, it's going to really help out the community in trying to pay its bills. I realize that we're still in a recessionary period but we're not in a position where we're losing industry per say. We're in a position that we could gain from this point. We're trying to do everything we can. I'd say Mr. Maddox being on the Planning Board for as many years as he has been realizes that the Planning Board is trying to do everything it can to make sure that we have a strong positive growth in the commercial and residential sectors of the community.

To get at Mr. Maddox's question, Selectman Luszey asked if we really foresee the same level of activity in this particular cost center. He would actually probably respectfully disagree a little bit with your statement around losing. PressTech had an announcement that they're in serious trouble. Atrium is heading out later on up to Merrimack. I still think our community is in a negative slump here. With nothing really happening in terms of developing an alternative to the parking lot on Lowell Road, I don't see a whole lot of significant development going on. Is this cost center appropriately funded?

As far as PressTech is concerned, John Cashell said that's a proposed sale of the company to a private company. Right now it's public but they're planning to go private. No one has said that they're leaving Hudson at this point in time. So that's up in the air.

Just to put this one to rest, Selectman Maddox said 5572-214 and 238, which is the newspaper and the postage. I'd like to put that on the "can" list. You are up \$2,000, which would make you flat. If we needed to, we could always come back rather than spending much more time on this horse. Chairman Nadeau asked what Selectman Luszey's pleasure was. Selectman Luszey said he wanted a "W". Selectman Brucker said a "C". Chairman Nadeau said a "C". Kathy Carpentier asked if was a "C" on both line items. Selectman Maddox said yes.

John Cashell wanted to say that they probably won't spend it so it will go back. We're not out spending any money if we don't have to. Chairman Nadeau said that Selectman Luszey doesn't like to raise any money if he doesn't have to. Selectman Luszey said that was misappropriating funds. If you think we're not going to be using it, we shouldn't be appropriating it. John Cashell said he agreed with that.

Zoning & Building (5581, 5582, 5583)

Chairman Nadeau recognized William Oleksak.

William Oleksak said he was there to answer any of the questions on any of the line items in Zoning. I can give you a little bit of the Zoning is on the salary side. It's myself, my assistant, and receptionist are part of that cost center. We know that we lost our receptionist so any replacement for that, the number built in was for the early step. There is a reduction there in salary but the rest of the 100 numbers kind of threw that back up again above. So we did save a little bit of money and I did take some money out of a couple of cost centers to get us down to 2.7.

To elaborate, Kathy Carpentier assumed the open position, the one that just recent became open, at a full time insurance for family, which is our standard practice to do. That's why his insurance is going up drastically.

Page 13, Building Department

Again, Bill Oleksak said everything here as submitted. Does the Board have any questions of any of those items? I do have one request and that is in our FY2014 budget that we have a Full Time Building Inspector. My reasoning for that at this point in time is my part time inspector will be reducing his hours down quite a bit mainly to help us out in crisis situations and not as a regular weekly employee but for hopefully the eventual increase of Planning Board traffic will bring in some more development other than what we have right now, which is we do have a couple developments that are moving along at a better pace. The cost analysis was done here and you've seen that number before. I've been before the Board a few times with these numbers for a full time person. I took all but \$6,000 from the part time job so that that person could fill in for when either myself, the Building Inspector are out and that person could help us in through those periods of one or the other person being out.

Kathy Carpentier said pages 18 and 19 are illustrative of what Mr. Oleksak was saying.

Selectman Maddox asked how the hunt was going for the Part Time Building Inspector. William Oleksak said not as well as I had hoped. The number of applicants we had was 11. Out of those 11, 5 I looked at by interview. The majority of those people were looking for full time, how long before you go full time. I can't answer that question. The last one was 3 years and we still didn't have a full time. People kind of shied away from that. Out of the 5 that I interviewed, I probably had 2 that were questionable if we went full time with them. One had some good experience. The other one was no experience and would have to go through some rigorous training to come from the private side to the public side being on the inspectional side versus the production side, an actual tool man.

Selectman Maddox said that maybe they should look at contracting as opposed to hiring an employee. If you can't find a qualified part time person...William Oleksak thought if we advertise for a full time person, we'd have a better selection. Somebody that's looking for full time versus part time. The contract side, you can't get people quick enough to come in. In this business when somebody calls up and says I need an inspection for tomorrow, we'll have to do that Friday - today's Monday and they want it Tuesday, we can't get somebody in until Friday to come in, what am I going to tell them you have a hold up on your project until Friday. Contracting - who are we going to go to - MRI and pay their rates of \$60 plus.

If you recall, Mr. Malizia said they spoke to them and they would not put somebody here for any length of time. Mr. Oleksak said an on call basis is very hard to find anybody to do that. I wouldn't use ABC Director or XYZ Plumbing as a conflict of interest. There's an ethics violation having somebody that may be working in town inspecting somebody else's work. Not a good situation.

Again, Selectman Maddox is going to have to ask some of the places a little below Concord are using contractors. Mr. Oleksak asked who. Mr. Malizia said they went through that survey and he didn't recall seeing anybody doing that. I actually presented it to the Board. There were people that did some part time work but there was no one...Mr. Oleksak said that there are people who are circuit riders. I know of two that do but they're called "circuit riders". They do 3 little towns up north and they go town to town. This is a town of 25,000 people plus that when people call in to have some work done, inspection, they don't want to wait. Everybody is on a time table. Selectman Maddox said they also don't want to pay for somebody \$40,000 more. We're trying to balance those two dilemmas.

Selectman Luszey didn't think we fully explored the contract job. Given the current economy and I also wonder if you had a number of applicants that applied for the part time, you had none that you felt were qualified? Mr. Oleksak said no. Selectman Luszey said he would like to see a little more work done on the contract inside because we can pay a lot of money for a per inspection rate I think. I haven't seen the data yet that really justifies going to full time. Having recently used this service, I had to wait. I had to make an appointment, and I had to wait, and I had to coordinate with PSNH. It can be done and I think most contract folks know when they're inspections need to take place. It can be scheduled. I'm still not convinced yet on a full time person.

Selectman Brucker said we've been dancing around this since I came on the Board. What I see is people falling away in that department. People are ready to retire or to cut back to a lighter schedule. I'm very concerned about us being business friendly and I don't think we are being business friendly when we put people off. I would go with a full time person. I think we are getting more than we can out of our people. I don't know how a contract situation would work.

Selectman Luszey asked if Selectman Brucker would go to a full time person and eliminate the current part time. You're talking a little over a penny on the tax rate. The two increases that we've talked about within this budget already is two cents more. Selectman Brucker said she could see some overlap for training. Wouldn't we need the part time person for training of the new person? Bill Oleksak said in the beginning but that would be before next year's budget comes along. We've been operating now for 4 months without a person. It's difficult at times. Wearing four hats and trying to juggle everything, get everything done, and keep everybody happy on the street we're doing it but there's other things that are suffering.

Selectman Luszey asked what was suffering. Bill Oleksak said Code Enforcement. I haven't been able to put the effort into the code enforcement side of things that I was doing when I had somebody here helping me out. Selectman Luszey asked if that was the only thing. Mr. Oleksak said there's things on the zoning side. I have zoning determinations that are a little slow in getting done. I'm having to help my assistant because she's basically spending a lot of her time at the front counter and she hasn't been able to do her daily functions on a regular basis. She's backing up. We're all trying to work together to get these things done. Things that are normally done - I think you might have just got your reports from last month. We don't like to wait until the middle of the month to get those things out. We like to get them out the first of the month. We just can't do it. The tracking system that we initiated we just got through with the help of IT its helping. We can't even get going on it because I don't have the time to get into it. There's a lot more to it than just going out and doing an inspection here and an inspection there and coming in. There's a lot more to it. That person, if we were to go to a contract person, that person is only going to go out to the person that is called for the job for the inspection. That person has no knowledge of what else goes on in town and to see whether Joe Power down the street is putting a garage up because he has no knowledge of it. This person that we're going to use for a contractor. He's going to come in, do an inspection, and leave. He has no other knowledge about the Town of Hudson and he could care less about the Town of Hudson. That's why I'm saying you have a full time person that's on the street that is keeping everybody out there. We try to keep everybody honest. We're already finding things where people are coming in after the fact. They're calling up and saying they're selling their house; they did their basement over; what do we do now because I can't sell my house? I have to go on one Thursday same thing. Somebody did some up in your neck of the woods - did some modifications to a condo with no permits. Now they want to sell it. Oh well.

Selectman Luszey said that was going to happen whether you have a full time person or not. Bill Oleksak said it was going to reduce it down. That number is going to be reduced down. I can tell you it is. Selectman Luszey said how. Mr. Oleksak said when somebody is on the street and you go do an inspection, you're making observations as you go. You make mental observations so that when you go back a week later and you say wait a minute that wasn't there last week. The guy has a deck there. For the external stuff, Selectman Luszey agreed. For like finished basements and stuff like that..Bill Oleksak said we wind up finding that out through the Assessing Department. We're getting good cooperation with them. They're going out and doing assessments and they're saying is that a three family? No. It's not supposed to be a three family. They're past the litmus test with the ZBA. It's not a legal three family. We wind up there's a letter process. A letter out and go through the process.

Two things Mr. Chairman. Selectman Maddox said first, I think we should go to the system that Nashua has. If you come in and ask for forgiveness, you pay twice the permit rate and a surcharge to make people come in at the beginning. Secondly Mr. Chairman, I think that we should look to have that service of MRI or whoever. At least come in for a month and catch up on some of the backlog and address some of the issues because we haven't had a building inspector for four months. It will give Mr. Oleksak a chance to catch up on some of the zoning issues, get some inspections done and at least dig out of that hole and assess where we are. We can certainly put this down as a "C" to come back to it because that "C" could also be to add. I think we have to do some other things besides that Sir.

Selectman Luszey had another question. The Building Inspector is different than the Electrical Inspector. Are you saying that the need for a Building Inspector is greater than an Electrical Inspector because you're reducing the electrical? Mr. Oleksak said he would look for a combination. I want a licensed person - electrical, but has a good building background too. I call them a combination person. They're out there. There are people that don't want to turn the tools any more that are good people that know the Code that would rather at this point in time be on the other side of the stick and work it so that they can...they're knowledgeable. When you get somebody in the trade that's either a licensed electrician, they're pretty knowledgeable about the other disciplines - mechanical, plumbing...

Selectman Luszey had a question on that strategy. What is the longevity of that person if they're in the trades and they want to get on the other side of the stick are we looking at a 10 year employee? A 15 year employee? Bill Oleksak said it was hard to say. From what I've seen of people that have done this, there's a gentleman over in Merrimack - Fred Kelly, who is with Derry and he moved over to Merrimack when Merrimack had their push. They put on a second inspector. He's there. Like I said, he was a Master Electrician and had his own business. I think Fred has been doing this for maybe 15 years now. You're looking for somebody that's looking for something that's looking for something to...

Mr. Malizia said tired of running their own business, tired of chasing accounts. Probably in their 40s and looking to get something where they can take that skill set and maybe have a regular schedule as opposed to scrounging for work. Our thought process in the first place when we brought the previous person in was to look for someone and we vetted people to look for that electrical experience. We had folks that had plumbing. We had some folks I think that had gas or something. Our goal, long term, was to get that electrical experience combined with buildings so we could have one as opposed to maybe two, or some other number, or one and a half. That wasn't a strategy. That was our goal. Our strategy right now is dependent on some folks that probably are looking to retire in the next year.

Bill Oleksak said their part time person is really looking to back down quite a bit. I figured \$6,000 and that might be a push. It's probably going to be less than that. He wants to just be a crutch. Somebody we can go to when we need them. That's why I'm looking for the Board to put that full time person in the next budget. Where we've been saving money over the last four months if the Board so wishes, I can probably get through to the first of the year and then maybe we can address that to really seriously look at some for the second half of this fiscal year to put in with the money that we've saved from the first half and maybe get that person in. That would start the training process for that combination person that we would like to have so that in the event...that way our part time person could then be around long enough to train but then to ride off in the sunset and then I can train. We'll have somebody to fall back on in the event that I say that...

Selectman Luszey asked if Mr. Oleksak could get that in writing. It sounds like what you're really telling - at least what I'm hearing is you need a person full time for electrical and building. If you get that person, you eliminate the part time. Mr. Oleksak said pretty much. Selectman Luszey said not pretty much. It's a yes or...Mr. Oleksak said it will be. By this budget cycle, that person...sure. Selectman Luszey thought they needed to do a "W" will come back on this at the end.

Selectman Maddox said absolutely. I think we need to get some more information. I think we should try to get the MRI for a month to see what that does for us. Again, no one has called me and said that they're being hurt...because you're taking care of it. Mr. Oleksak said yes because we are taking care of it. Again, Selectman Maddox said it's a \$40,000 leap from 32 hours to 40. It's a \$40,000 leap. Again, I am still the mindset you're better off with two part time people than one full time because you're putting all your eggs in one basket. The guy we got doing electrical inspections, I know he's older but some of us older people are still viable. I think putting all your eggs in the full time may not work out any better. I think it should be a "W". It's something we're going to have to come back to.

Selectman Brucker said she definitely wanted to come back to it.

Selectman Maddox was assuming that since all the gas goes under Planning, you get all the vehicles. Mr. Oleksak said yes. I have a vehicle listed in 014. I was advised by HPD that there was not vehicle this year. So the money that we put in is probably going to wind up for mechanical work on the vehicles that we have now.

Chairman Nadeau said that could be a choice Selectman Maddox. Would you like to put a "W" there? Selectman Maddox said no. We'll cover that in the other one.

Zoning (5583), page 20

Chairman Nadeau said zero percent increase.

Selectman Maddox asked if Zoning had been as busy as the Planning Board. Mr. Oleksak said yes. They have been. Actually we've got 5 cases this month. We have 2 or 3 for the first of November. Chairman Nadeau said it was picking up. Selectman Maddox said he was going the other way. Planning Board has cancelled a third of their meetings. Mr. Oleksak said they were maintaining.

Selectman Luszey asked about where the legal line was. Mr. Malizia indicated that legal is in the legal budget for the Town. All the Town legal costs. Selectman Luszey asked if we'd see an increase in that. Mr. Malizia said no, we'll hold the line.

Selectman Maddox said if they are doing the same as they were in 2012 for actuals, it was \$7,400 and you have \$11,500. That's why I asked the question. Are you not having as many meetings as they are in the Planning Board, thus you need to have \$11,500 as opposed to the last 2011 and 2012 were \$7,300 to \$7,500 range. Let's put a "C". Again, maybe some clarification with how many meetings you've had. Like I said, the Planning Board has cut out a third of their meetings in the last year. So you don't need transcribing. You don't need mailing out. You don't need advertisement. Mr. Oleksak said in August we didn't meet. That was the one month this year so far we haven't met. Selectman Maddox said in 2012 Mr. Chairman, you were \$7,500. So you're planning for big things in 2014? We can put a "C".

Selectman Luszey said a "W". If we look at the actuals on that the last couple years and if its \$7,500, we should be reducing it.

Selectman Brucker guessed they can. I would say a "C" can come back.

Chairman Nadeau indicated that it would be a "C" - 5583 the whole cost center.

Selectman Maddox asked if they were going to at least look into what it would cost to bring somebody in to assist for a month or are we going to wait until a regular meeting to deal with that? Chairman Nadeau said they were going to wait until the next meeting and get some information before then and see if we can get some information to help us with our decisions on this item. Mr. Malizia said your decisions are two different things. You're not talking apples and oranges here. You're talking about bailing him out of a hole this year. It has nothing to do with next year. That's not the strategy your asking...Selectman Luszey said if we were to ask him to use a contracting service now, literally starting tomorrow, that would give us a short period a few weeks of history on how he's doing that we might be able to use that to help us determine the 5582 answer.

Mr. Malizia said he could short circuit it because when we had this conversation before, I spoke to the principal of MRI and he said that they were not a permanent building department. Can we help you on a short term, perhaps? So if we're going to try and use that short term data to extrapolate some other answer, it's not going to come from them. Quite honestly, they won't put out an RFP to see if there is some other entity that we are unaware of because at this point in time, I'm not aware of an electrical contractor for towns.

With all due respect, Selectman Luszey said if we don't it, we won't have the information. I appreciate the feedback. If we call MRI and say we want to inspect it, they'll send an inspector. How we choose to use them, right, I don't think is of their concern. We may call them once a month. We may call them 5 times or 20 times a month. It's on a per call basis. We don't have to let them know what our plans and strategy is for utilizing their service. Mr. Malizia said they may not be a regular service that they provide. It may be that they don't have the personnel based on the conversations I've had. Selectman Luszey said if we get that out of this exercise, then we'll know it.

Bill Oleksak said the Board is also requesting a letter correct? Selectman Luszey said yes. That was from the 5582 conversation. We'll come back and it is to take a look at moving from a part time to a full time based on a commitment from the part time.

Selectman Maddox thought one doesn't necessarily gel with the other. If we don't fund the part time guy, he goes away. Selectman Luszey said absolutely. I said we're coming back to look at it. Selectman Maddox said he was not in favor of getting rid of the part time guy. I think that, again, we're better served with 3 part time people than 1 full time. We'll see where the bus goes.

Before we move on to Engineering, Chairman Nadeau indicated that the Board will be taking a 5 minute recess and we will be returning at 9:00 p.m.

Engineering (5585)

Chairman Nadeau recognized Town Engineer Gary Webster.

Just to let you know, Gary Webster said it was 4.6 on the rector scale. That was the rumble we had. I came in at zero with the Engineering budget except - thanks to KC because when I retire, we'll hire a new Engineer and there's probably insurance costs that might be up further than what we're doing right now. She kind of plugged that number in there so it brought up my salary and benefits a little higher than it was before. My own budget came in at zero. I did change a few things around - my office supplied went up and so forth. It's zero in my own budget.

Selectman Luszey said to Gary Webster that you're assuming we would hire someone at his rate based on that. Kathy Carpentier said at his rate - no I don't believe so. I usually do about Step 2 figuring if they came in now, a 6 month probation, Step 2. Selectman Maddox said you're carrying in the book on page 3. Mr. Malizia said why should Ms. Carpentier. She didn't have any other information when she put this data together. Selectman Maddox said that number could be \$5,000 less. Ms. Carpentier indicated it depends who you hire. Mr. Malizia said there was a salary range. I forget what step Gary personally is on. They haven't had a contract for two years so I think when he came in three years ago, he only maybe had one step. He is not at the top. He's probably mid at best. You'd be somewhere in this vicinity. You may save a couple of thousand of dollars but you're not taking him from the top of 89 down to some other number. He is not at the top. He's a few steps from the top. The contract has been pretty much static for the last two years and he came in I think 3 or 4 years ago. Ms. Carpentier said that they haven't negotiated the vacant civil engineer's position either as far as I know. Mr. Webster said they kept it as a part time position which they did carry over for next year.

Selectman Maddox asked what Step 1 would be for a Town Engineer. Kathy Carpentier said she didn't have that readily available. Selectman Maddox indicated that they could make it as a "C" and come back to it. Chairman Nadeau said they could make it a "C" and come back to it so we can know what Step 1 is. Selectman Maddox said it may change this number. Selectman Luszey said it was a "C" versus a "W". Are we going to come back to it or you just want a "C" can come back to

it? Again, Selectman Maddox said if the budget at the end of this is where we think it's going to be...I don't want to make a lot of "W"s. I want to make the few "W"s that we make are ones that...in fairness, Kathy Carpentier said you should do 102 also because they're working in tandem. Mr. Webster said you need a range. We have one kind of written up but you have to decide what you...

Selectman Brucker asked to understand Gary Webster's department. It looks like you're the only one in the department. Gary Webster said he's the only one there absolutely and I'm still the only one there. I'm the last man standing and the work is piled up and piled up. Hopefully in the new year it will be better for the Engineering Department to have a full time Engineer and using me as a part time person. I'm in the whole. I'm not like the other departments around here. I'm really in the hole bad. I'm doing outside inspections now. It's hard for me to be doing inside and outside.

Selectman Brucker asked Mr. Webster if he was helping out Bill. Gary Webster indicated that he did help out Bill in the Health Department on the test pits as I'm a registered designer. I go out there and I did to the test pits. He was gone and I was out 4 or 5 times too doing that besides my own stuff. I did fill in for him.

225. Selectman Maddox asked for someone to refresh his memory Mr. Webster. Engineering fees. Gary Webster said technically he could use it for hiring somebody. What I've been doing with the consultant for the storm water, I do that for the Highway Department every year. We do a class up there as far as storm water. Like I said, we do it at Highway once a year which is part of the storm water on call services. We have water in Engineering but if I need somebody to fill in for me or something like that I can use it. I don't have anybody in line but it is there. The outside engineering service are obvious for inspections if I really get bogged down I can go out. Selectman Maddox indicated that Mr. Webster could go out tomorrow to get someone because you've only spent \$788 in 2012. That's why I'm just trying to...Gary Webster said he spent everything last year in the engineering budget. Selectman Maddox told him he must have moved it around because according to this, it says \$788. Mr. Webster said he didn't have much left from last year. Selectman Luszey said in 2012 right now he's sitting at...Kathy Carpentier said 2012 closed at \$800. We don't know where he is right now.

Gary Webster said he used some of the engineering budget for his upgrades. I bought the GPS unit out of that. I sacrificed myself to get upgrades to the CAD system that we got and also the GPS unit, which is very useful. I don't have a separate line item for that. Selectman Maddox said where he's coming from is the same thing we just said to the building inspector issue. You have money in the line item that you only used \$788 out of \$1,800. You might want to think about bringing somebody in and doing some of these outside inspections to give you more time to do other things.

Selectman Luszey said he didn't disagree with that but I think we have a bigger issue right now. That is our succession planning is not going too well for us right now. We have a bunch of people that are retiring and we don't have people in the pipeline to take their place.

Steve Malizia stated specifically here the plan was that when Mr. Webster retired or on or before his retirement, we would hire an engineer and we would retain Mr. Webster's services to assist that Engineer in a) getting up to speed, understanding all the tasks and responsibilities and Mr. Webster would be able to take some of the work load as that person gets up to speed. That was the intention if you recall conversations in this department, specifically last year's budget.

Selectman Luszey said we have a plan but we're sitting here in October. Mr. Webster is retiring in December and we don't have I believe one application for a part time engineer. Mr. Malizia said that Mr. Webster is the Part Time Engineer. We're not planning on taking a part time and making him a full timer. We're hiring a full timer to replace a full timer and making Mr. Webster a part timer. Selectman Luszey said he would like to do some research on it. I believe we said we'd go for a part time, bring him in, get him trained, and make that person a full time. Selectman Maddox said he missed that. Mr. Malizia believed that the analysis and the minutes will prove otherwise.

Chairman Nadeau said this is where Mr. Webster said he'd stay on and help us. At our next meeting, we're going to post...Mr. Malizia stated he received Mr. Webster's retirement two days ago. As I received it, I've prepared something for the next Board's agenda to a) determine if you'd like to post and advertise with a notice specifically to do so with due dates of a specific time to get resumes in. I work at the pace of which I've received information. That's what I have and that's what I'm working towards.

Selectman Maddox thought we were going to bring a full time person in and drop the full time person to part time. Even I understood that.

Gary Webster indicated that he brought this last year at the same time, same meeting here I brought that up that I was mentioning retirement. I would come on part time because I need somebody part time. I'm technically going to be the part time person helping him out, which I think is a big advantage to the Town - just the background that I have to help the person out. He can tackle some of these jobs but we need to get some of these other jobs out of the hole. The new Engineer I don't want to give him all the dirty jobs I have but I'll give him all the clean jobs so he can take over and I'll take the dirty jobs so I can get rid of them. It's only fair because I need somebody now. By January if something happens and we can't find somebody, obviously I'll be kind of the full time/part time person until we do find someone. I'm here. I'm just taking a little vacation in January and that's it. The last time I took vacation, I was in contact with Betty all the time on a daily basis to find out what was going on. Hopefully we can find somebody and have someone on board before I leave.

Selectman Maddox said he didn't see why we need to wait until the next meeting. We know what the issue is. We've almost planned for this. Why wait another week.

Motion by Selectman Maddox, seconded by Selectman Luszey, to advertise for the position of Town Engineer.

What Selectman Luszey believed we're voting on is we're going to post for a full time person and we would bring that person on full time next week if they were to find an appropriate candidate. Mr. Malizia said it would come back to the Board. What Selectman Luszey was saying if we would bring that...in a timely manner, Chairman Nadeau said they will bring this person on if they find the correct person.

Vote: Motion carried 4-0.

Selectman Maddox questioned the 225 line item. I guess you should be hiring somebody this week because you have the monies there. Can we get a clarification. If you only spent \$788, can you clear that up for us? Selectman Luszey asked if that was the balance. Mr. Webster thought that was the balance I had left over. That's I spent? I thought I spent everything in there. Kathy Carpentier said she'd go back and look at it. Mr. Webster knew he paid a dam permit out of that. That was \$1,500. I thought I kept track of it and I thought I didn't have much money left in there from last year. I'll have to look in my 2012 but I thought I didn't have much left over from last year's budget. It was almost zero. I thought I had \$200 - \$300 left. Chairman Nadeau said they'd check into that.

Selectman Maddox said to make it a "C". We can come back to that. Kathy Carpentier said you're looking for the information on whether you decide to retain it again. I took it as an action item.

Water Fund (559 to 5594)

Chairman Nadeau recognized Jeff Rider joining Gary Webster at the table. Good evening.

As you know, Jeff Rider said the water budget is made up of 4 different sections - debt service, supply, operation/maintenance, and administration. The debt service ONM and administration all have slight reductions this year in the budget. The water supply has an increase and that is primarily due to the replacement of the Weinstein Well which we have budgeted which is our main production well. We are also budgeting for an increase in the amount of water that we purchased from Pennichuck. There is also an increase in our SCADA line item because that's part of the maintenance for the existing SCADA system and also when the new Weinstein Well goes in, that's going to be a wireless system as opposed to a land line system.

Overall, Mr. Rider said we got an 8 percent increase in the budget I believe, which is obviously as Mr. Malizia mentioned earlier, this is a self supporting agency. We also have an 8 percent increase in our expected revenue. We know we do have an increase. It doesn't affect the tax rate. Kathy Carpentier said it was .8. Mr. Rider said this was within the existing rate structure so we're not proposing any increases in any of the rates to the water users. Other than that, any questions?

Selectman Maddox asked where were we with expanding wells within the Town of Hudson. Mr. Rider said that was also part of the increase here is that we're continuing to look at a couple of different locations for wells within the Town. Mr. Webster was working on the 2013 budget - another spot I haven't, we've gone 2 but I haven't done anything so far in this year's budget. I'm working on it when I have some free time. I will try to find another spot. Selectman Maddox said we can stop buying from Pennichuck if we can develop our own wells here. What is the cost of water from Pennichuck? Mr. Malizia said \$2.07 per hundred cubic feet. Selectman Maddox asked what it was if we do it ourselves? Mr. Malizia said after you build everything up, it's pretty cheap. If you looked at what we pump out of Litchfield if you looked at the average cost, it's like \$.15. It's cheap. You're going to have significant capital - put wells in, permitting, and everything else. It depends on how you want to review that. I'm not saying you're shouldn't. That's why we have money in the budget to do so. We've continued that effort. As he goes around, he looks at the most likely places based on the hydrology maps. He's gone through a couple that don't appear to have enough yield to make it worth our while. So he continues to do that. We continue to put money to keep exploring that. At some point, I'm assuming the wells are in Litchfield for a reason when Consumers owned it.

Gary Webster said they one in mind that they can use. It's not a big yield producer but yet it's there and a possibility. The owners talked to us and we've already tested it. It was one of the wells we have done. Mr. Malizia said don't forget you need a 400 foot radius too around your well. So there are other factors. You can't just put them anywhere.

Selectman Brucker asked if that was what the \$15,000 was for. Is that what I'm looking at? Exploration - decide additional owners. Mr. Malizia said yes. That's what that \$15,000 is for. Selectman Brucker asked if that was enough. Gary Webster said it grayed in that area by the time we put the test well and so forth. We've been pretty good about being close in there in that amount. We've gone 1, 2, 3 and we've just been under that. We just plugged that 15 in.

238. Selectman Maddox asked about postage. Are we working with IT to at some point be able to pay that on line? Gary Webster indicated they had that meeting last week with the Sewer Committee. I know Lisa came in and did the presentation. Tomorrow night we have our Water Committee and we're going to present it to the Chairman. Since I'm always there and Bernie Manor as Chairman of Sewer will be there tomorrow. Lisa cannot make it tomorrow night. We're going to explain the

new system going over using the credit card or automatic checking account to take it out automatically. We've done the Sewer already. That's the next thing. Selectman Maddox was saying there's a \$36,000 line item that hopefully we could reduce. I forget to pay my water bill half the time because everything else I'm paying on line. I have to really think about it.

Jeff Rider said that would be coming up under "Other Business" tomorrow night. Selectman Maddox thanked him. Kathy Carpentier said it's also by user. We'd still be mailing out - there's 6,000 customers. I'm sure not all of them are going to be paying on line because that's not our group of people who pay the bills. Selectman Maddox said right but every month you get something that says "do you want to go green, i.e. save me the postage" on all of those credit cards, bills, and whatever.

Selectman Luszey asked on the wells - you've been looking for a new well for a couple of years now. How close are you at determining if and when? Mr. Webster said they did 3 wells exploring. One was by Alvirne, one was on Old Derry Road, and we have another one that we did a test on and it yielded 180,000 gallons. Not a high yield but we have to treat it for arsenic and so forth. It's a ledge well. We like gravel wells so that's what I've been looking for are gravel areas. I got some new maps from Weston and Sampson. They're excellent because we did the test well at the Weinstein and it was right on the edge of it. It was one of our better wells. We're having a problem with the radius because I'm encroaching. We're looking in town. I have some areas down in the south end. Some of the trails that someone mentioned to me - water up by the Smith Farm. Until I see proof and the hydrology doesn't prove it but we're looking.

Selectman Luszey knows Gary Webster is looking. Do we have a time table as to when we plan on having this project complete or should we just...Jeff Rider said basically you keep testing until you find an area that works. Gary Webster hated to say it but it was ongoing. Just like the Ouija board, you don't know until you hit it. Until we do the test well if it doesn't produce, then we just move on to another site.

Mr. Malizia assumed the areas that are identified hydrology wise, that maybe what you're looking for. You're not working totally blind but you're working from hydrology and other assets and you're trying to focus on those areas obviously. If they don't produce sufficient yields to make the investment worthwhile, you basically move on. You know to keep track and then you move to the next one. Based on the amount in this line item, Selectman Luszey said what that means is you could be sitting here 10 years from now and had spent \$1 million and not found...Steve Malizia thought it would be \$150,000.

Selectman Luszey asked if we have looked at any other alternatives like pumping water out of the Merrimack. Jeff Rider said that is a source. Mr. Webster said that Pennichuck just put a new treatment plant in. I don't know what the cost was but they have the right to pump. It's a special thing you have to through with DES. They do pump out of the Merrimack at certain times. Mr. Rider said once you get into a treatment plan process besides the physical plant itself, you end up with - particularly with taking river water, your chemical costs skyrocket. Your personnel skyrockets. You're going to have to have...Selectman Luszey said we're at the break even now. Maybe we need to start looking at doing that because we're not going to find a water source...Mr. Rider said we still have a few areas...Selectman Luszey asked at what point do we run out of water. Mr. Malizia said we don't. We have a 2 million gallon a day agreement with Pennichuck. We're never going to run out. It's just to see what you want to pay. Right now we're paying a retail rate. Selectman Luszey said that's the break even when it makes sense to start developing...Mr. Webster said it was cheaper to buy from Pennichuck at this moment if you don't have a well that yields 1 million gallons. It's cheaper to buy from them because of the expense of putting in and the regulations today. Until we find a well or a couple of smaller wells that will equal that, we did the one that we looked at and it was cheaper to actually go through Pennichuck to buy the water by the time you get everything developed - water lines and all that expense of doing all of that work you have to make the cost in there. There's a big cost factor in there. In some of the areas we might have to run a couple miles worth of water lines to get there, treat it, and so forth. We can do it but everything comes at a cost.

Selectman Luszey said not do it and just pay the increase costs and not any more money while looking for an alternative water source. Where's that analysis that says what we should be doing here? Do we have one? Chairman Nadeau said Selectman Maddox wants to hire one of those water guys to walk around with the sticks - divining rod. That will be under "other professional services".

Gary Webster said that Weston & Sampson has done a study on that. We have that information.

Information Technology (5330, 5X77's)

Chairman Nadeau recognized IT Director Lisa Nute.

Rather than the Board going back and forth, Lisa Nute thought it might be better to do what I did last year as well. It's just to make it convenient for you so you don't have to keep flipping pages back and forth. If you start at 5330, that's where your books should be opened because that you do not have in front of you.

Thank you Mr. Chairman. Ms. Nute indicated that they were looking at 5330 cost center which includes the salary and benefit costs for IT staff, the majority of software and PC replacements for little departments, etc. It has remained level funded. There are no new technologies being implemented for that reason in this cost center. The majority of this cost is made up of contractual software maintenance, work related subscriptions, and things of the sort rolled up as well in other the other IT departments have remained level funded as requested by this Board.

Lisa Nute called the Board's attention to 5330-269, which is our software maintenance. That one has consistently been up. We're tied to contractual maintenance contracts for the majority of our software that is like Munismart IMC which fire and police use, our virtual VM ware, and things like that. Those consistently go up just like supplies. What I've done over the years is compared things like printer cartridges and things. We do a very good job I think of always finding the lowest costs and finding any cost savings that we can in everything that we do. Over the years, we've been able to stay pretty stable but we are getting to that point now where when it comes time to doing something that's not in here, where do you take it from? Where do I take from when software and things like that go up? I don't have a lot of control other than to get rid of an application, which is not exactly feasible.

For that reason if the Board looks at 5330-411, Lisa Nute did have to raise that. That's the reason. The majority of these other cost centers have kind of fluctuated back and forth. I had to pull from something and what is suffering here is our replacement work stations. Either our virtual clients or for those systems that are old enough and do have to have a traditional PC, I had to reduce those down - not the normal count. So we are now at a 6 year replacement cycle.

Selectman Luszey said that Microsoft announced their new version of Windows 8. It's a touch pad operating system only. No keyboard. No mouse. How is that going to impact you over the next 12 to 18 months? Vin Guarino didn't think it was completely...for an added cost, Selectman Luszey said you can get an add on. The operating system is designed for a type pad. If you read their OS plan, it's to go to a touchpad like Apple. This is the first version that you will have to pay more to get a keyboard and monitor. Ms. Nute said she hasn't actually seen the software yet. I know it's just coming out now. By the time we are ready to do that, we're going to be down the road. We will have an opportunity to look at that within the whole next budget plus. Our next upgrade after this exchange which the voters just approved would be to look at our servers. We're at 2010 to 2012. Then after that, we'd be looking again would be client operating systems. We will definitely review it and come back with the best possible solution.

Selectman Luszey said Ms. Nute was thinking the reduction here given your current break and run rate and all that. You're kind of okay. Lisa Nute stated the reason that I had to increase theirs because we're due for servers. As some of this Board may remember 4 and 5 years ago, we had an opportunity to replace our technology with virtual servers. What that does is we've reduced by going from 11 servers down to 2 on the police end and 4 here in Town Hall. So that was a huge cost savings. Town Hall alone was like \$70,000 just opening the boxes of savings. Now we had less servers to have to maintain, less maintenance, less costs to upgrade them, and the power was 50 percent plus that we saved even though energy is not in my cost center. We did save the Town a good chunk of money there. Those servers are coming due. The two servers that I really would like to replace and could only afford one in this cost center will be 5 years old this spring. It is maxed for memory which is where we're utilizing the most. We're really hurting for memory at this time. I really need to look at two servers at a minimum in either this fiscal budget or one now is what I did. I'm hoping we can get a second one next year unless you would like to put a "W" on this and come back and give me money for that.

Lisa Nute wanted to go through the packet that she gave the Board. These are all the individual departments. I would like to speak on that. The front sheet is everything rolled up. As you can see, it is zero across. The first page is town officers. If you look at 5077-269 software maintenance. This gets to Mr. Maddox's question to Gary Webster. We are in fact looking at expanding our credit card and check payment for many more departments rather than just Town Clerk. As you remember, we used it as kind of a test site and she's been using that in Town Clerk's office but it's been limited. We now have an opportunity through our current vendor with Harris as a new business relationship where now we can offer the on line service of invoicing - paperless invoicing if our residents desire to do that and sign up for it. They could pay on line instead of having to come in here and use their credit card. This would be with service through the cloud. I had a meeting that Patti and I organized for a majority of staff - sewer, water, pretty much everybody who touches money through clerical personnel to look at it, what it would look like on the back end. I am confident that this is a secure way to go which we didn't 4 and 5 years ago. We've been looking at this for a while. This does not give us extra clerical time. I think this is a good solution and once again we're happy to finally be able to offer that to other departments as well. The maintenance on that does not change. It's pretty much a wash. This is why the Town Clerk stays the same. She would pick up the maintenance on that but the rest in start up costs and that's what I'm looking at asking sewer and water to help us do, which is why I met with sewer.

Selectman Luszey asked if he included PayPal along with the credit cards or people that want paperless transactions. Ms. Nute said this third party she didn't think offered PayPal but that's a good question. I can ask that. The departments that we looked at, the other municipalities using it, I didn't see it on there. It doesn't mean that it can't do that. I will ask and find out. Kathy Carpentier said the users can choose to have it be totally paperless. Selectman Luszey said a lot of the younger generation have PayPal accounts and not credit cards. Ms. Nute said she would ask on that. Ms. Carpentier said they only saw it as EFT - electronic bank drafts, and the credit cards as an option.

5277 - Community Development. Ms. Nute indicated it did not change. It's basically printing costs. The reason the cartridges went up is because now they're using this line item for their OCE cartridges. They were always taking it out of their 303 I guess previously. I don't know if their other 303 went down or changed at all.

5577 - Highway. Lisa Nute said nothing there but cartridges and no change.

5677 - Police. Ms. Nute said this one if you look at 269 is a perfect example where I talked about the rising cost of software maintenance. We did get approval to implement a digital signature piece of software. That was therefore added. We had to add some maintenance and the usual IMC changes. I don't think I actually had mine...there was an increase and I think it

was IMC but I'm sorry that I don't actually have my document on that one. The PowerDMS was new. Because of that though, I had to keep it level funded. I had to take money somewhere to cover those rising costs and what got affected was 411 again. There was supposed to be 3 replacement Toughbook laptops here. I could only afford 2. On my list that we will go over at the end, I am looking to see if somehow we can put that back in to keep it on a 5 year cycle. That is basically it for that cost center.

5777 - Fire. If you look at 411, Ms. Nute did have a replacement laptop in there. That should not say training. At any rate, we are looking at instead of the Toughbook which as you know can be very expensive because it is ruggedized. It does hold up in vehicles whether they go below subzero temperatures and get very heated up and just are mobile. So the hard drive bounces around. So the ruggedized have definitely been worth their weight in cost. We are looking at possibly changing that out with tablet technology - off the shelf tablet kind of technology which would be a huge savings there. There's a company here in Hudson that is willing to work with us and make Fire the beta site for some apps. I'm open to that but I have not seen what that is yet. I do have the money still in here but we are looking at that and we have a scheduled meeting coming up with the Deputies and IT.

5877 - IT Rec. Ms. Nute indicated that there's no change there but their printer is getting pretty old. I will have to probably next year look at that.

On the final sheet that you have, Ms. Nute said it talks about the 9000 projector. That will go with the 5330. At the end of my cost center, 5330 pages 8 and 9, is my needs and requests outside the budget. A. down below is the second replacement server I was talking about that is 5 years old this spring and maxed on memory. I thought that if at all possible I would like to be able to replace. Second is the Toughbook laptop I've removed out of police to bring us back up to the 5 year replacement cycle. It would be \$4,500 and there's the account that would need to be restored. What they're doing is a replacement work stations that remove to stay level funded. It's a cost of \$2,600. If you look at the next page, this is as crucial as our server replacements.

(Lisa Nute) Letter B to replace our equipment now we're in FY2015 at the latest would be the HP 9000 printer. This is the printer we have in our computer room that is used primarily for water, sewer and tax bills along with other things like motor vehicle statements, dog licensing, mailings, and things like that. Any huge job goes to this printer. This is our work horse. It has held up very well. I believe it is approximately one dozen years old. We couldn't actually find the exact year of it. It was here before Vin and I came. The expected life of it is approximately 1.5 to 2 million copies. By the end of this December, and that's the sheet that you have on that other page, I do expect us to reach 1.59 million with the rate we're going by the end of this year - copies on it. By December of 2015, we will have reached the 2 million if it holds up. I have had an increase in service calls to it. I've had two substantial pieces of hardware on it replaced this past year. So we're starting to see now some service calls and things that may end up nickel and diming us. I need to have this on the radar. If it dies, I need to come before you. If it happens in FY2013, I don't suspect so but I need to be prepared for that. We would need to look at contingency funds. Obviously our revenue source needs to go out. I did look at the cost to outsource printing. If we had to come to this Board and say can we at least get the tax bills out and then look at a printer if we can't...whichever comes fastest I guess is what I'd be looking to do. Again, to just be prepared for that. To outsource the bills, Ms. Nute was suspecting that the printer we should get 12 to 15 years out of it. I took the year 15. If you look at the bottom left hand column, the replacement cost of this - for everything - the huge large draw, etc. is \$6,000 - the networking piece, the sorter. The cartridges to run that for a year is approximately \$1,500. Maintenance kits, which we do keep it maintained. We keep good care of it is \$400. Perforated paper, this is just for the bills - sewer, water, and tax bills is approximately \$4,000 for a year. I estimated IT time to maintain that printer, Sewer Clerk, Water Clerk, and Town Clerk hours to print their bills at their current salary. If you project that out over 15 years, we're talking about \$208,000. In the right hand column for the same number of years, it would be just under \$1 million to send those bills out. This is, again, just those bills. We actually do a whole lot of other printing there too. Lisa Nute said there were also things confidential that we print on that like motor vehicle statements and things like that. I don't know if we could even send that out to a third party. I didn't get an answer on that in time.

Selectman Luszey asked about outsourcing. Does that include the folding, envelopes...Ms. Nute said no. That's above and beyond. It's \$.45 just to line up that perforation and to get all these bills printed. I sent them a sample bill. They needed to look at that. This is the same company that we currently do use our mailing and our folding for. Selectman Luszey said that EDS does this for all kinds of companies. As a wholly owned subsidiary of HP, I know it's a heck of a less than this. Ms. Nute said a lot cheaper. I can look at that.

Chairman Nadeau said the HP printer, the 9000 that we're talking about, will print our water, sewer, and tax bills on it. If we were to say that this was a \$6,000 printer that it says here, do we charge \$2,000 off to water, \$2,000 off to sewer, and \$2,000 off to the tax bills? In reality, it would only cost the Town of Hudson \$2,000 for this printer because water would be paying \$2,000 and sewer would be paying \$2,000. Ms. Nute said they could even break it down and look at the number of water bills. Water would probably pitch in a little more than sewer in my eyes. I do the same thing with our cartridges. Water pays more for cartridges than sewer does. In reality, Chairman Nadeau said this is only \$2,000. Selectman Maddox stated you pay it out of your left pocket or you pay it out of right pocket. Chairman Nadeau said no. I'm moving from here to the other end of town. I don't have water and I don't have sewer.

Selectman Luszey said or cable utility. Cable users pay a franchise fee. If I don't use cable, I don't pay the franchise fee which means I don't have to pay for all of this nice stuff. Selectman Maddox said it was still being borne by the same people that pay taxes. Chairman Nadeau said no it's not. Selectman Luszey said it was by the user and not the general tax base.

It's very different. Selectman Maddox said okay. I'll tell them that. Thank you Mr. Chairman. Kathy Carpentier said a taxpayer can be a water user, can be a sewer user as I am. Selectman Luszey said a sewer and water user needs to move in order to not pay. Selectman Maddox said they're as trapped as a taxpayer. Chairman Nadeau wanted to make sure. Ms. Nute said we're pretty fair about that. I am now going back to this list of outside of the zero based budgeting. We're on letter C.

Ms. Nute wanted to give you a heads up on this next one which is GIS web interface. This is a crucial upgrade that we need to do. This is I know making it more difficult for the various boards, Planning Board, and all of our users who use the GIS system. Our current GIS current interface - what that is is when you bring up a map, etc., it's kind of like our equivalent of GoogleMaps but it's directed right here in Hudson without on layers, etc. and our real estate is more than a decade old. It was written by CDM. It's running on a retired and unsupported version of the ESRI software, which is ARC IMS91 to be exact. It's too old to run on our newer version, which we own. The server is built. It's ready and our State orthos we could use on it as they are. The interface is holding us back so we can't move everything over to it. The estimated cost is \$11,800 to do that. We will be going before the Planning Board and we do have some funds we've identified. We in talking to the Assessor, Community Development, Town Engineer, and I have been looking at this. So we do have some source funding and would like to tap in with your permission but when I get ready for that, I'll come back before this Board and see if we can get a recommendation from the Planning Board to do so. This is the low ball estimate. This is based on NRPC assisting with a piece. This is IT assisting with moving the GEO database over, etc. NRPC is not able to do the actual reading. We do need to either go out to CDM again, which is what this is based on. We did get other quotes. This is the lowest quote. Basically I've put this here to give you a heads up that I will be coming back before you.

The last thing Lisa Nute indicated was facility improvement to our computer room. We do need to address that space. It's getting out of control. We've got mats everywhere too which make it difficult when we have to pull out the server. We are constantly doing that. We need to get behind it. We have to hook up the generator to it. We had to do a number of things this year. It's very difficult to pull that out when our tiles are half buckled up, or thick rubber mats on top of it to keep it from being a safety hazard. I'd like to try and replace some of the tiles within the main walking area there. Are there any questions?

Selectman Maddox went to the 5330-208 line item. You've been tracking between \$6,000 - 7,000 for the phone service. What has gone up? Ms. Nute said phone is actually down. Selectman Maddox rephrased his question. In 2011 it was \$6,900. In 2012, it was \$5,800. You've budgeted in 2013 for \$11,500 and now you're budgeting now and have dropped it to \$10,800. What is making the jump from the \$6,000 or \$7,000 to the \$10,000? Ms. Nute said we had some fiber costs in here. We did the Rec. and I think that...I'm not sure actually. Can I get the history on this? I will get back with you. Selectman Maddox thought our phone costs were going to go down. They were...Mr. Malizia said these aren't the phone calls. These are switches and other things. Selectman Maddox said it was trending down and all of a sudden it's gone up. Lisa said she's actually already spent 44 percent of this in this year. It depends on what's going on. We had some changes in Community Development phones. I believe that may have been a request from this Board. So that requires people to come in and reconfigure the phone and things like that. It kind of depends. This is just my staff. This is not the phone calls. That's all in the administration account. That has in fact gone down approximately 50 percent or so over the last several years.

Kathy Carpentier said she just looked back at your backup from last year. It seems this year you've added replacement switches for \$5,000 and replacement pots, IP phones, handsets for 10 facilities which is the difference between what was budgeted this year. Ms. Nute said they have not looked at the phones in several years. I do need some spares. We do have either lightning hits or for whatever the reason, but I have nothing to grab from so I do need spares to be able to replace phones. Thank you for that KC.

Selectman Brucker noticed that services or the professional is up 28.9 percent. Do you think you'll need...Lisa Nute said when it comes time for the GIS piece, we do actually need to consult if I run into a problem with something where we can't resolve it. We've had to do that with a previous exchange version. If we have to consult for expertise beyond what we can do. Then we also have an IT intern in here that we've utilized in the past to help us get over when it's time to replace work stations and things like that. I do need that. The reason that I don't want to reduce this too much is because we have some unknowns right now coming up. Unless Planning Board and other accounts would allow this, I can give them - we talked about the GIS and I can give them a figure based on quotes. There are also some mobile pieces that are just being written now so that people can use their mobile apps. for things like our GIS running it on a tablet and things like that. That's just being written now by CDM so I don't really have that cost. I'd like to be able to if I need to say yes put that in for us and it will be at this additional cost. I don't expect it to exceed what I do have in here. Between that and the intern, that's basically what there is.

Selectman Luszey said the whole thing around GIS. Is it possible to put our data off site and (inaudible) NRPC? Lisa Nute said they looked at that. We had that discussion with Sarah when she was here. NRPC is not capable. Selectman Luszey asked to talk to Londonderry and see if they would host our data. Lisa said they actually have this as part of our costs for this GIS upgrade. We looked at everything. We looked at the cost to...when you say everything, Selectman Luszey said there's the ongoing maintenance of it, support of it, and expertise costs that's hidden. Lisa said they looked at four different scenarios. We looked at keeping exactly what we have for the interface, keeping IT doing exactly what they're doing on the back end and having people constantly coming to us for things that it really can't do. Selectman Luszey said to get rid of it. Lisa said they looked at that but we'd have to upgrade, convert the State orthos to be able to use them. So we looked at that

cost. The second thing we looked at was to outsource the entire thing to Cartography Associates and three different scenarios there. One they rewrite our thing and give us the code and we can have the flexibility to put our own layers on. You have the interns that come in and work on the engineering. They go out there and they do these things, they make a layer. We can put that on. If you outsource that, what you see is what you get and it's their interface. You can't do things like that. The second thing we looked at is well okay...

Selectman Luszey said he was with Lisa except I don't even know what we need, and how often does it change, and all that. It sounds like this thing has been out here for almost a decade - no changes, and we pay a lot of money to maintain it. Is that fewer changes would it be beneficial to outsource it with the few changes. Ms. Nute said they don't pay a lot of money to maintain it. Vin Guarino said the actual server part of it is renewable. It's the GIS piece that's the problem. Selectman Luszey said do you only use the hardware to run this. Vin said no. It's a virtual system. Selectman Luszey said no. You're consuming CPU space. You're consuming disk space. You're consuming band width internally when people access it. Vin said we have the infrastructure for that. Selectman Luszey said there's a cost of owning all of that. I'm just wondering if...I think this is a prime application of outsourcing it and letting somebody else...Mr. Guarino stated the problem is we will still get calls to do GIS stuff that we don't have that expertise for. Selectman Luszey said no the other people will. Ms. Nute indicated it was approximately \$1,000 for ESRI for the software which we own. The license which we own costs me about \$1,000 a year. That is the cost of GIS. Our interns do all of the - they take the GPS out there and they do all the mapping for us, and they make the layer, and we add it on. I think what you really need to do maybe is take a survey of other departments and how much they use this. Selectman Luszey asked how much time to you spend making that layer up. Mr. Guarino said they didn't make the layer the interns do. Ms. Nute indicated all they have to do is put it up on the back. It's very minimal for what IT has to do here. This is actually...Selectman Luszey stated that they really made the case why we should get it out. Ms. Nute said no because you're paying huge money to get it out. I can show you those costs. It's huge money where its \$1,000 right now. I can tell you it's not worth sending it out for the amount of monthly costs. Selectman Luszey said it was more than \$1,000 because it's all the infrastructure to support that year, over year, over year. Every time I come here all I hear is bad things about GIS. It's a pain in the butt. We can't get this. We can't do that. It's not like we should let somebody else maintain that headache. Mr. Guarino said we need a GIS Department. Selectman Luszey said why would we bring more resources in. If I do that, that's a fixed cost that I'm going to pay year, over year, over year escalating. Mr. Guarino said it wasn't an IT function.

Ms. Nute thought if they looked at how the departments use it, they will tell you that they use this on a daily basis. I know that Highway uses it. I know that Engineering uses it; Community Development uses it; Planning Board uses it; Assessing uses it...Selectman Luszey wasn't saying it's not used but it sounds like it's a very static type of application there anyway. I just need to be convinced that we need to own it. As long as - Ms. Nute said the interns have been a godsend where we're not applying them. They're going out and they're getting all the data. We have all kinds of sewer things, etc. Selectman Luszey understood that. What I'm saying is we can keep doing that but why do I want as a taxpayer to keep paying for the infrastructure and maintaining GIS. Ms. Nute said its \$1,000 and minimal server. Minimal.

Selectman Maddox said it's not working so it's not \$1,000. Ms. Nute asked why do you say it's not working. Selectman Maddox said because they can't use the 2010 data that we got from free from the State because our interface is so old that we haven't maintained it, whatever the issue is, so we're going to have to spend X amount of dollars to make that happen. It's not \$1,000 and your department is always saying you're under staffed and need more XY and Z so why not simply say this is something that goes outside. Ms. Nute said they would like to outsource the rewrite of it. That's not something that we're going to be taking on. We need to outsource that for I think \$11,000 is worth the cost to do that and now we can easily use the orthos and we're up to date on the server. We already have the server. It's sitting there. It's waiting for those State orthos. It's just that interface we'd like to outsource, to rewrite. I will show you those other costs. To outsource the whole thing is even more. Selectman Maddox indicated that Ms. Nute was also talking about a GIS person. That cost would certainly...Ms. Nute said they hadn't had one ever. Selectman Maddox asked if they were going to put a "W" next to this one. I think we ought to wait until our regular meeting that it comes up and you've come up with all the numbers. I don't think it's a budget item for 2013. Good or bad, it will come from somewhere.

Selectman Luszey had a comment under "C", item 3 - facility improvement. If it's a safety thing, it should be taken care of this year now. The floor tiles. Selectman Brucker said yes. If it's a safety issue and someone trips and falls, Selectman Luszey said that's a liability that I don't think you should be put this town in. Selectman Maddox said it's been there for 3 years. Selectman Luszey said this was the first time he sees it in writing that it was a safety hazard. Selectman Maddox said it was on the budget last year. Ms. Nute said she's been putting it on year...Selectman Luszey "As a safety hazard?". Ms. Nute said she has. She had the Budget Committee tour look at that. Selectman Luszey was remiss and I will make a motion. Selectman Maddox thought that Selectman Luszey knew someone at HP that's closing down a computer and we could get those 2 foot by 2 foot tiles. Selectman Luszey said I bet you not. We don't have raised floors any more.

Chairman Nadeau said that's something they'd take up or direct the IT Department to fix it out of their current budget. Mr. Malizia indicated that they'd work it out. For the short money that it is, we'll find it. Kathy Carpentier indicated that water lives down there. Finance lives down there. IT lives there.

Again the same thing with the printer, Selectman Maddox asked if they were going to come back to that. Chairman Nadeau said Ms. Nute said it was good for now. Selectman Maddox asked if they could put it as a "C" that if miraculously we've got money that we can reallocate, it would make sense to do this.

Ms. Nute indicated even if at the end if you were to put a chunk of money or something in a capital reserve - I already had a capital reserve for IT. If you add half of this or something and if it should die this year, I will have to find the money somewhere. I'm just saying. If we can...Mr. Malizia said we have contingency. That's why we have contingency. If it happened to die this year, we would just come to the Board and say can we spend contingency. That's sort of what it's for - things we don't anticipate. Ms. Nute said it should be somewhere in the next budget if possible.

Conservation Commission (5586)

I'm James Battis - Chairman of Conservation Commission. Basically in our budget we tried to come in with zero funding. Zero level funding as you have requested. Most of the line items we made small adjustments in dollar value to more accurately represent where our actual expenditures are occurring. Just leaving that aside, our main line item is other professional services 252-000. Last year it was \$33,788. This year we're requesting \$34,900 for that line item. Basically this other professional services pays for the volunteer lake assessment program, water testing - which is Robinson Pond, Ottarnic Pond, the Lake Host Program, and invasive weed control at Robinson and Ottarnic - the DASH operations.

For this year as you'll recall at the beginning of this year, Mr. Battis said the Board of Selectmen have asked us to enhance our efforts in town land stewardship. So we put in a request for an additional \$1,500 which would support efforts in stewardship. Primarily this year we've been looking at Musquash and next year we expect to increase our view to include the Town Forrest. That additional \$1,500 would be for materials to make trail signs and that sort of thing.

In terms of the volunteer Lake Assessment Program, Lake Host Program, and the invasive weed control, Jim Battis said when they generated this budget we decided to stay the course - request the same funding. We increased the funding for the water testing just a little bit to cover expected increases and costs. The funding for the other two programs we kept the same. Basically we have a 3.6 percent of \$1,287 increase over our last budget. That's as we requested. However since I would just bring this up to inform you of the situation right now, the timing of when we had to have our budget in, we had a meeting. The friends of the ponds I'll call them had a meeting with the DES and DASH operator contractor a week ago Saturday where they discussed the status of the pond. Just to give you a brief summary of what was discussed, last fall was an extremely mild winter. The end result is that the invasive weeds - Milfoil, Fanwort, had phenomenal growth this year and it wasn't just at Robinson Pond or Ottarnic. It's throughout the region. They were talking about the State Limnologist pointed out that in one of the bays - I think its Winnepesaukee, they had gone from pretty good control of the Milfoil. This year it exploded to over 23 acres. They basically had it under control. When that happens, the bad news is that the DASH is insufficient to maintain a low level of infestation. The end result is that on that Saturday the State Limnologist recommended that we look at additional herbicide treatments. Since we did the herbicide treatments several years ago, there's a new product on the market. The good thing is its half as expensive as the treatment that we use - the sonar. Unfortunately they believe the most effective way to use it is to use it over two years. The good thing about it is its applied once early in the season and then you apply it again to the same pond early in the next season.

James Battis said they had an estimate provided by Amy Smigula the State Limnologist that Robinson Pond would be about \$28,000 for that treatment. She anticipates that we will get matching funds from DES. She has to wait until she sees what applications come in to her and everything. She's expecting about a 50 percent matching grant to cover it. It would cost us about \$14,000 per year for two years to treat Robinson Pond. Selectman Luszey said \$14,000 per year. Mr. Battis said that would be next spring, which is actually this fiscal year and another treatment..Selectman Luszey said déjà vu. Mr. Battis said you say déjà vu but this is like weed control in your lawn. You can spray it and get rid of everything. Selectman Luszey said what he was actually talking about is we went through this with the DASH unit where we had to cover the costs in the current fiscal year with funds coming in the next fiscal year and it was very stressful and painful.

Mr. Battis indicated that last night at their October Conservation meeting we had a motion to request that if possible the Board of Selectmen put \$15,000 into the pond remediation capital reserve fund out of any surplus you might have to cover the cost of that treatment for next spring. We also had a motion to request that we alter the requested budget in line item 450, which we presently put in \$1 in the capital reserve fund in the FY14 budget that we also add \$15,000 to fund the next year's treatment. You'll notice I haven't spoken at all about Ottarnic Pond. It was the recommendation of the State Limnologist. She admits that this is experimental. We don't really know how well this will work when we have such high levels of infestation. Her recommendation was basically we continue the DASH operations at Ottarnic which didn't get out of hand as much as Robinson Pond did this year and put off herbicide treatment there for a period of time until we can see how effective this new herbicide - trade name of "Clipper", actually is and that we concentrate on Robinson Pond. I will point out that even though she's recommending the herbicide treatment, we would have to continue with a DASH operation - a slightly different pattern of DASH operations throughout the year.

Selectman Maddox was trying to figure out here. You have in 252 invasive weed control \$27,300. Mr. Battis said that covers that DASH operations at Ottarnic. We stayed the course. This year we were doing DASH operations to do weed control. It's gotten so out of hand because of the mild winter and good growing season. The DASH operations is like a maintenance type thing. If Mike put off herbicide treatments to once every 10 years or something, every once in a while you're probably going to have to go back in and do an herbicide treatment. Because of the mild winter and exceptional growing season this year, it's come a lot faster than anybody expected.

Selectman Maddox said you're asking for not only the \$27,000 for invasive weed control, you're asking for an additional \$15,000 on top of that. Mr. Battis said that was correct. Selectman Maddox indicated that we don't know if Mother Nature

will correct this by having a long, hard freeze this winter. If the justification is...Selectman Luszey stated the freeze won't take away what was already there. Mr. Battis said that's the problem. It has gotten so out of hand...think of it like crabgrass. If you just let your yard go and there's a good crabgrass year, even if you go around and try to pull some crabgrass out, you're never going to get a lot. One year it's going to take over the whole lawn. Selectman Maddox said then you just mow crabgrass. I think that at some point we're going to keep throwing money at this what is our...Mr. Battis said there are alternatives. There are towns in the State which have decided not to do anything. Just let the Milfoil grow. It will create eutrophication of the pond. Its served a death stage...Selectman Maddox asked if there was a happy medium between doing nothing. Mr. Battis said there are other possibilities that have been suggested. The DASH operator said one thing you could do for example is only do DASH operations around the beach area. Its town own land, town access, recreational access. So you could just selectively say this is the area I'm going to work on. Selectman Maddox said then use that new herbicide in the entire pond outside of those areas. Mr. Battis said that would help. Obviously it would reduce - you could do it something like that or you could just use the DASH and forget the herbicide and say I'm going to keep the beach clean. Selectman Luszey said that doesn't keep the pond alive. Mr. Battis said that does not keep the pond alive.

Right now, Mr. Battis said Robinson Pond is a town resource but it's really a regional resource. If you look at the report that Jim Kegley has prepared from The Friends of the Ponds on the Lake Host operation and everything, it's amazing how many people visit that pond with boats, fishermen, throughout the year when it's not iced up. Coming from all over the State and the problem of course is if people come to Robinson Pond and put their boats in and take them out that Milfoil/Fanwort is heading to the next lake that they want to visit. My recollection is he said in the 7 or 8 years he's been doing the Lake Host, he's recorded over 200 destinations where people are expecting to take their boats next and where they've come from what lakes. Part of the State's interest in Robinson Pond in particular is that we're an infector because so many boats do use Robinson Pond we could be the source that they have for infecting other ponds, which is part of the reason that we get the support from DES - the 50 percent matching grants.

Moving right along, Chairman Nadeau asked if we wanted to put a "W" on this and come back to it. What's the pleasure of the Board?

Selectman Brucker thought Robinson Pond is one of our assets. We use it for recreation - people go there in the winter and they skate on it; people go out there and fish. As Mr. Battis has said, people come from all over the State and use it. I think that we need to give it some thought about how we're going to consider it. The DASH unit will clean up the biomass that you end up getting from the herbicide but the DASH unit can't manage all of the Milfoil and Fanwort that's there. If we don't do something with it, it's going to spread even more around the pond. If you just treat the areas where the beach is, the kids could still go swimming I guess. It would be pleasant to swim there but I don't know about fishing or other things. So we want to seriously consider it.

Just a counterpoint. Selectman Maddox thought the answer to just throw money at it I think we need to do some more research. There are some communities that are doing nothing. I think we need to find that balance of whether it be using this new chemical, working with the State, some DASH. Just to say let's put \$15,000 more in is a never ending cycle. I think we need to have some more research. I know that the Conservation Commission and the Friends of the Ponds are very into that. I just don't want to say here's another \$15,000 in the budget go ahead because next year it will be oh that didn't work. We need to find that balance. I think that's really what it comes down to for me. I don't have a problem coming back to look at this Mr. Chairman but just putting another \$15,000 isn't my answer.

Selectman Brucker said the thing is that it's not an annual thing. You're going to have to do it twice right this spring and the following spring. That should take care of it for...Selectman Maddox said "should". I heard the DASH unit and the chemicals we've heard this thing go around, and around, and around. Next year it will be rock snot because that's the new invasive plant that's roaming around.

Chairman Nadeau asked if we were going to with a "C" and we'll come back to this.

Selectman Luszey said yes. That's a can. I think we need to, which is a "W" will come back to it.

James Battis indicated that they just had their meeting with the minutes last night. That ran until 11 p.m. I was hoping to introduce the situation here and I intend to compile the various reports and provide you with this supporting information in the near future. I just wanted to let you know what our two motions were so that you were aware of it.

Chairman Nadeau thanked James Battis for enlightening us on the pond situation and we'll take that into account. So we're going to go with a "W" that we'll come back to it.

When you come back to it, Selectman Luszey said about 2 years ago or maybe 18 months ago, we kind of had the same conversation where we were doing an herbicide application and then we went to the DASH. When we went to the DASH and we went through the exercise of getting funding in the current fiscal year and a grant coming in the next fiscal year and all that, a statement was made that you'll never need to go back to herbicides, which I thought was a pretty stiff statement you made. When you come back to us are you going to come back with more of what an ongoing program probably is going to need to look like so we can plan like capital reserves and things like that. James Battis indicated they were discussion that last night. If you could tell me what the weather forecast is for the next 5 winters, I'll tell you what the...

Selectman Luszey said he wasn't looking so much at that level. He's looking more of a...it really gets at Selectman Maddox's statement around some communities doing nothing, some communities are throwing a whole lot of money at it. What is your thinking or your strategy? What is your ongoing thoughts? James said one of the issues we have - talking with Amy Smagula we can probably come up with something every 7 years you need a herbicide treatment and other times you need DASH operations in between to maintain it. You should be aware, and I will put this in the report, especially with this new treatment, this is in its infancy. People don't fully understand. The sonar that we had used fairly successfully at Robinson Pond and Ottarnic several years ago - 2008 or 2009, killed the entire plant. The concept behind the Clipper is that it kills everything but the roots. Their theory - while I say theory, the intent is that by doing it in two years, you've weakened the plants sufficiently that with the DASH operations and the herbicide treatment that the plant is maintained in a very minimal level.

Selectman Maddox inquired that didn't they hear that the root lasted 7 years. I remember that number and that's why we had to do both because it doesn't die for 7 years.

Chairman Nadeau indicated that they were going to get more information on this.

While we're getting more information, Selectman Maddox asked if we could find out from our attorneys if there is money that the Conservation can fund. I know it's to buy land but if we put a warrant article on to say to deal with these types of issues maybe that's a be all and end all of this. The Conservation Committee comes and says they need \$47,000 in the next 4 years and we transfer it out of that conservation fund. Selectman Brucker seconded that motion. Chairman Nadeau said they'd have the attorney look at it.

Kathy Carpentier indicated that the Board has asked Mr. Battis to come back. Is he coming back next Thursday or...Selectman Maddox asked when is our wrap up? Chairman Nadeau said at the next wrap up is when they'll do everything. It could be a busy last night. Ms. Carpentier indicated November 5th. Selectman Brucker stated it was the night before Elections. Selectman Maddox said he didn't want to be there until 11 p.m. the day before working 20 hours at the polls. Ms. Carpentier said that would give her 8 hours to turn around all these big changes that you guys are going to do to get the books to the printers and off to...Selectman Brucker suggested Wednesday.

Kathy Carpentier stated that the Board's next meeting was Thursday, October 18th. They're doing most of the Town officers positions, Fire, insurance, and some administrative departments.

Chairman Nadeau indicated that Kathy Carpentier will tell us that our numbers haven't changed for this night. She usually tells us that. Selectman Maddox said with the "Ws" and the "Cs", she won't know until we make up those decisions. Mr. Malizia indicated there were not motions to change anything. Selectman Maddox indicated that we're saving all that time now. Kathy Carpentier said it still doesn't matter. The books need to be done. Technically you never - if I may take one minute - the tax rate you never mentioned at the opening where we came in. So that's probably what we should do on Thursday night. You never said where we're starting. You went right into it.

6. ADJOURNMENT

Motion to adjourn at 10:55 p.m. by Selectman Maddox, seconded by Selectman Brucker.

Selectman Luszey had a request or something he'd like to discuss about a meeting that the Administrator is going to be having with department heads. I wanted to know if this Board would like to add to that.

Selectman Maddox withdrew his motion because this sounds way too exciting.

Selectman Brucker withdrew her second.

Selectman Luszey said he had a discussion with the Chairman Nadeau and Selectman Maddox. The Town Administrator is going to be having an offsite with the department heads to discuss some organizational opportunities that are presenting themselves to the Town. Both of you folks have made statements to me around the possibilities of looking at a Department of Safety and doing some work there. We've had conversations around combining dispatch. I'm wondering if this Board would like to have the Town Administrator have that as part of those discussions that you're going to have either the 17th or 18th. Mr. Malizia indicated that it was tomorrow.

Selectman Brucker said she'd like to raise an objection. I want to know why the 3 of you are meeting and talking about this? Selectman Luszey said it was not 3 of them. There were comments made to me at different points in time. I've been thinking about the Administrator's tasks that we tasked him with. I believe that, and I've made this statement here, that it is during the budget process that if we're going to make significant changes to our organization now is the time to do it. The Town Administrator is having a meeting with the department heads to talk about the suggestions that I've put forward around the administrators, and maintenance, and stuff like that to see what they come back with. I'm asking this Board if we would like to add to that list. It's up to this Board.

Chairman Nadeau indicated that it was something that we have talked about when we've talked about combining dispatch a year or two years ago making a Department of Safety. It's been talked about in passing. We've talked about it years ago during the budget cycles. Selectman Maddox said they've talked about putting inspectional over to the Fire Department. Chairman Nadeau thought this might be the time to talk about that tomorrow with them and just throw it out there and see where it goes.

Selectman Luszey indicated that was all he was asking. They're having a meeting with I would a third party facilitator to help through those conversations. If we get something good out of it, great. If we get nothing out of it, okay.

Selectman Brucker asked who was going to be at that meeting. Mr. Malizia stated our department heads. Selectman Brucker reiterated Mr. Malizia, department heads, and the facilitator. Nobody else? No board members? Mr. Malizia's understanding was we were looking at work flow particularly as it related to administrative personnel. Now I'm hearing Department of Safety, hearing combined dispatch. The scope expanded and now I'm going from doing what we thought we were doing to now all of a sudden we're going to something else in the same allotted time. So I don't know what kind of products we're going to get in the end, frankly I've sat here and listened to inspection can go here and everywhere else. I've seen meetings people have had off line for combined dispatch. Now I'm hearing, and I've been here for 16 years, Department of Safety. The first I've heard of it.

Chairman Nadeau didn't think it was called that when we've talked about it. Mr. Malizia said he didn't even know what it was. So now we're going to have to facilitate...Selectman Luszey said neither did he. Mr. Malizia said now he was going to have to facilitate a meeting that going to go all over the place. Selectman Maddox said Mr. Malizia should stick to what you have at this point. Everybody has a great idea that we can do something. Just trying to make it work within the governmental program is at times challenging. Yes could we put all of the inspectors under the Fire Department which we talked about several years ago? Yes. What's the ramifications? What's the requirements and all the other questions...I don't know how you're going to do it one day.

Selectman Luszey indicated it wasn't a one day conversation but we need to start getting stuff on the table so we can talk about it. I've been here almost 2 years and that's all we seem to do is put ideas out there and talk. We don't take action. What I'm looking for is for the Administrator to come with some ideas that hopefully we can take some action on and do some things differently and provide a better level of service for the Town. If we don't start doing stuff, we'll be here next year and the year after talking about it. Quite frankly, it's this Board that owns moving these conversations forward and that's what I'm trying to do.

Selectman Brucker thought the level of service that the Town is getting is pretty darn good except for the fact that we're short some people. Selectman Maddox asked how many people have called Selectman Brucker to say they're missing those people. Selectman Brucker asked what they hoped to do. If the service is being done...you know the saying if it ain't broke don't fix it.

Selectman Luszey was hearing two things. One that is broken because we heard tonight that there's a need for more people yet to Selectman Maddox's point, we're not getting a whole lot of phone calls from anybody that says service isn't being provided and things are broken. We have an opportunity to take a look at the people we have and can we do things a little different to...are we doing things that we shouldn't be doing any more? We basically have a structure in place that has been in place since I've been in this town which is over 25 years. Things have changed. Technology has changed. The way we do business has changed. We heard tonight we're going to be doing electronic transactions. What does that mean for the people in the employment of the Town? Can we stop doing stuff that we've been doing for the past 25 years that allows them to do different work and maybe better?

Selectman Brucker asked they change in IT, I don't see why that isn't generating from IT to the departments that they can handle things...Selectman Luszey said that's what he was asking them to do - to take a look at that. How has technology changed the work of everybody in this Town? That's the work flow conversation. Is there work that could be consolidated? We may have 2 or 3 people doing the same type of work where we might be able to have one person do it and it frees up another person to do work that's not getting done. That's new work that's changed. That's what we're asking.

The GIS thing. Selectman Maddox said it may prove that outsourcing this...and not outsourcing is a bad word, but not tying up our people because they don't keep track of every 15 minutes that they do something how much time is staff spending on that plus keeping the software updated, keeping the data inputted. It may be more cost effective when you add in retirement costs, insurance costs which were not done on here sheet to somebody else that's doing it in the region.

Selectman Brucker said they're not doing it for free. They want a profit. They're not going to do it as cheaply as you can do it yourself. I can't believe that. Selectman Maddox said those were the questions they wanted to ask. Selectman Brucker knows every Planning meeting we go to, John uses GIS. Selectman Maddox said they're using

the 2005 data and somewhere in this building there's a disk with 2010 that we can't use because our system is so antiquated that we can't use the new information. So the house you're seeing isn't there. Selectman Brucker said that's what she was asking for - \$1,000 isn't that what she said? Kathy Carpentier said that's the cost is what she's saying. Selectman Luszey said no. Its \$11,000 almost \$12,000 to get it updated. What I'm hearing is no further action.

For now, Chairman Nadeau said we'll nix that and maybe next time we'll do that.

Selectman Brucker said she'd be interested in hearing the feedback from people. Mr. Malizia said he was sure she will. Selectman Brucker thanked Mr. Malizia. You know you have all these ideas but we need to hear why it might not work.

Motion to adjourn at 10:55 p.m. by Selectman Maddox, seconded by Selectman Brucker, carried 4-0.

Recorded by HGTV and transcribed by Donna Graham, Recorder.

HUDSON BOARD OF SELECTMEN

Benjamin Nadeau, Chairman

Richard J. Maddox, Selectman

Ted Luszey, Selectman

Nancy Brucker, Selectman