

HUDSON, NH BOARD OF SELECTMEN
Minutes of the October 20, 2009 Meeting – Budget Presentations

1. **CALL TO ORDER** by Chairman Coutu at 7:02 p.m. in the Selectmen's Meeting Room at Town Hall.

2. **PLEDGE OF ALLEGIANCE** led by Road Agent Kevin Burns.

3. **ATTENDANCE**

Selectmen: Roger Coutu, Ken Massey, Ben Nadeau and Shawn Jasper. Selectman Maddox was absent.

Staff/Others: Steve Malizia, Town Administrator; Kathy Carpentier, Finance Director; Mark Pearson, Assistant Town Administrator; Kevin Burns, Road Agent; Gary Webster, Acting Town Engineer; William Abbott, Bernie Manor, Leo Bernard, Donna Graham, Executive Assistant

4. **BUDGET PRESENTATIONS**

Before the departments are presented, Selectman Massey asked if it would be worthwhile to have some small discussion on where we want to wind up overall with the budget. Chairman Coutu thought it wasn't a bad idea. As Selectman Massey was looking at the budget if we take the budget as presented, we're looking at a 5 percent increase in the tax rate. Personally, he's not ready to do that right now. From his perspective, he was hoping that we would be able to come in with a budget the same as last year – zero increase in other words. That means we're looking at about \$500,000 that we're going to have to...if we did that, we would be looking at about a \$500,00 reduction in the proposal.

Selectman Jasper said it was good to have the discussion. He believed it was going to be very difficult to reach a zero because we do have contracts in place that are going to be extremely costly in terms of the percentage as we look at police in particular. There's a lot of money there. Obviously there's no fire contract in place and the highway contract won't cost anything but there are others. He thinks they'd probably be looking at cutting personnel or services to do that. He agreed that 5.4 percent is too much. He would like to see them stay within probably a 2 percent range. It might be more realistic given the fact that we're just coming off of a default and a couple of years of nothing. At some point, something has to give.

Selectman Massey indicated that tonight is not the night to decide it. But there are at least 2 items in the budget that Selectman Maddox referred to the other night. Actually there were 3, but one of them is zeroed out this year. That would be the 3 unfilled positions in the Town. The Community Development position is not funded for next fiscal year. So that takes care of one of them. The other two are the Information Manager in the police department and the Engineering Manager in the Engineering Department. He thinks that at least during those 2 departments there would be certainly room to discuss whether or not those items could be zeroed out. If we were to do that, that would achieve about 30 percent of the reduction down to zero. It would certainly be about 50 percent to where you're looking at Selectman Jasper.

As the same set as Selectman Massey at the moment, Selectman Nadeau would like to see it at zero percent increase. Knowing some of the stuff that we have going on, he doesn't think that is going to be a reasonable number to achieve. He would like to be close to zero as possible. That's where he stands on it.

To weigh in, Chairman Coutu agreed with Selectman Nadeau's sentiments. He thinks that it is going to be very difficult to achieve in light of the fact that without having to cut more personnel, he doesn't know how they would achieve it. He thinks 2 percent may be a realistic number, but it doesn't mean that we can't work towards trying to get to a zero increase budget. That's what we had requested. Who knows what we are going to discover as we proceed through this process. As

we know by experience, it's a lengthy process. It's definitive. We discussed this each and every item that is of interest to us with each department head. They will either justify their budget and if they can't, then there may be reason to make some cuts. We need to be prudent and at the same time, we must realize that we can't affect the overall services that we provide our town because they've become accustomed to them. Though it would be nice to maintain a balanced tax rate in the next fiscal year 2011, we have to realize too that we have to do so with prudence and a watchful eye on the services that we provide the citizens.

Highway Department

Steve Malizia stated that the bottom line that the budget you have in front of you takes into account some of the taxes the State took last year. For example on the revenue side of the house, we don't have the business profits or business enterprises taxes in there which is about 250k. We have the pension increase for the police and fire personnel that passed down to us. That's the piece that the State used to pay for our police and fire fighters. There is some offloading of that on to us. So that's in the expense side of the house. As you recall at the last meeting, we discussed surplus i.e. the unexpended fund balance. The Board directed that we take \$600,000 for the current tax year. We've put that same number in for next tax year. So that's a relatively modest number compared to what we've used in the past or compared to what the Board's used in the past for surplus. So as you're looking at the budgets, perhaps near the end depending on how close you are to your target that might be an area you would look at possibly to maybe squeak another \$100,000 or \$200,000 out if you wanted to get closer to a zero tax balance.

A couple of other revenue highlights. The motor vehicles are at \$4 million, which is what they are budgeted for this year so there's no increase there. We're not going to forecast an increase so it's the same. Investment income is basically gone over the side of a cliff. We've put about \$200,000 in it and in years past, we were getting 500 – 600 on the general fund. Again, 200 is reasonably attainable. Hopefully the economics will improve, but we don't forecast that. The revenue side of the house has been fairly conservative. Mr. Malizia knows department heads worked hard to come in or to comply as best as they could with the directive of the Board. You'll see the predominance if not all of the departments at least on the items that are not labor related. They worked really hard to either come in at or below the numbers that we're looking at. Again, there may be a couple of exceptions to that, but that's generally the effort that everybody tried to make and in general tried to make the effort in their labor. That's not always easy to do because you have other forces – insurance, again the pension he mentioned that unless he cuts heads, he can't get to a zero there. He has the same amount of people. There are no new positions, no new bodies in here. (inaudible) just expenses increase.

We only forecast about a \$20 or \$30 million increase in the worth of property. When you look at our property base with the other components, we're about a \$2.8 billion assessed value in this town. When you add \$20 million to that, it's a drop in the bucket. Years gone by when the Town's value was \$1.2 or \$1.5 billion, \$30 - \$40 million, \$20 million made a little bit of a difference. He doesn't want to say it's insignificant, but it's not really significant. So as we pick up any construction improvements or any value of which there's not a lot, it doesn't make much of a difference.

Also the water and sewer budgets are in here. As you are well aware, there's revenues that offset that. You'll look at those tonight. They have no bearing on the tax rate. Just to point out, there is no rate increase or shift or differential for those 2 utilities. So you'd be looking at the same rates that people are currently paying. So if Mr. Malizia sets the scenario, water and sewer are basically flat, i.e. there won't be any change in the rates to the users. They are in here, but the revenue does come out as you're all well aware on the other side.

Chairman Coutu asked Mr. Malizia a question with regards to a statement that he just made. He asked Mr. Malizia to repeat what he said about vehicles – the \$500,000. Mr. Malizia said in motor vehicles we have a \$4 million budget for registration. Last year that was the same budget so we

have not increased or decreased that budget. In years past, we would always forecast an increase in that. This year we have not. From the revenue perspective, we've taken, he thinks, a very conservative approach and have assumed no growth in that revenue. That's an offsetting revenue to the tax rate. The more people that register vehicles the better off we are because it's a non-tax revenue. Is it a tax? It's a fee to the people who register a car. He's not trying to kid you that it isn't, but it means you don't have to raise it through property taxes. You raise it through people registering their cars. You buy a new car, you pay a higher fee. You register the same old car; your fee goes down eventually to some bottom line level.

Chairman Coutu indicated that in light of some of the numbers that are not in the budget that we were presented with this evening and we'll get into a discussion with our Finance Director with regards to increases that have come to light with regards to retirement. Things like that. We won't get into the specifics. If we have a capital reserve and we're committed or we would historically would put let's say X number of dollars to buying vehicles. As a last minute resort we determined that we want to get to a zero and we can't find any money, we can – and correct him if he's wrong – withhold money from capital reserve? Mr. Malizia stated you can do that through this process here if that's what you're asking. You could always make a capital reserve funding line item in this budget zero if you so chose. You can make it a dollar. There is some benefit to doing that because if you make it a dollar and at the end of the year you find you have money, you could put more in. You could make them zero. Chairman Coutu was looking to see what their options are in the end. He agrees in principle with Selectman Massey that we would like to get to zero, and he wanted to know what their options are, and that's another option they can look at.

Kevin Burns stated very briefly. If you had looked at the percentage change report prepared by Kathy Carpentier, you would notice that his operating expenses are down 8 percent or \$125,479. He'd love to end his presentation there and leave, but he does have to point out that the \$125,000 is taken up and 5970 for solid waste. So he is level funded as directed. It looks really good on the first page until you get to the trash page. He did want to point that out to everyone. He did come in level funded as the Board asked. There are no equipment purchases in here that affect the tax rate.

When Chairman Coutu looks at Mr. Burn's entire budget, and it was quite a job to do when you go through highway administration, streets, equipment, maintenance, drainage, waste management, and grounds maintenance. Correct him if he's wrong, your total appropriation or budgeted amount for our fiscal year 2010 was \$3,408,164. When he looks at the requests that Mr. Burns has made for the 2011, Chairman Coutu comes up – and correct him if he's wrong, \$3,326,157 or almost .02 percent less overall in his entire budget. Mr. Malizia thought 2.4 percent less or approximately. Chairman Coutu indicated .024, so it's 2.4 percent less his overall budget, his bottom – Mr. Malizia stated not counting the solid waste contract. His request at present except for solid waste is 2.4 percent less than his 2010 budget. So he went beyond what we had requested in his department.

Perhaps just as an overview, Selectman Massey said we might just look at the two accounts and have a brief summary of those because those are the 2 that are driving this budget down. It's the 4312 streets and the 4321 solid waste management. One is down about \$100,000 and the other one is down about \$50,000. So perhaps Mr. Burns what in particular for those 2 accounts is causing those 2 numbers – he does applaud his 2.4 percent reduction. That's way beyond anything any of them would have expected.

In a nutshell, Mr. Burns reduced town-wide paving to \$400,000 to \$340,000 which is actually higher than he had reduced it last year. So it's back up from 250 to 340. The last round of Mac trucks were paid for in this fiscal year, so it saved him \$84,000 – the annual payment. Back when we originally came up with the plan, we had planned to replace the last 3 of our older trucks but with the way things are now, we'll just make those trucks last until better days. Chairman Coutu said that was the most significant change in his 5552 budget with that 404 line the trucks. Does that satisfy your inquiry Selectman Massey? Yes it does [Selectman Massey].

Selectman Nadeau asked what 3 trucks were you looking to replace. Mr. Burns said the last 3 six-wheelers. Selectman Nadeau asked what was the mileage and the shape of the trucks. Mr. Burns indicated that the mileage isn't that high because we don't use them that much any more because they're six-wheelers and we have the 8 ten-wheelers which we use because they're much more efficient. They basically had become old time snow removal vehicles. We use them in the winter for plowing. Other than that, they pretty much stay in the garage. So we've been able to baby them to get them to last. He can see at least a couple more years out of them. We've replaced some rear ends because of fatigue. The engines seem to be holding up okay. We might have to replace the V-boxes at some point – the sanders in the back, but for what we use them for because the max is so much heavier duty that we use them for everything. These old Fords just in the summer time just sit in the corner of the garage and wait for winter. They're the only people out there that wait for winter...so we have a couple more years out of them.

Chairman Coutu asked if the grader has been a great asset for you as well. Mr. Burns said fabulous. The old one, like he said, plowed about 7 miles an hour. This one made it up enormous strides. Chairman Coutu asked how it was held up. Great [Kevin Burns]. No problem. He used it at Benson's making parking lots last week.

VacCon Truck Replacement

Kevin, when the Budget Committee met with you on site and we had looked at the sewer Vactor truck we talked about that, but Selectman Jasper indicated that Mr. Burns did not have that in there. Chairman Coutu indicated that it would come up at a later discussion. Selectman Massey indicated it was a separate warrant article. That's what Selectman Jasper would like to talk about because we're never going to get that...Chairman Coutu indicated that if he wanted to do, let's do it now. He's fine.

Selectman Jasper stated that we have been doing all of our actual replacement vehicles through the budget process – the cruisers and everything else is going through. This is a true replacement. He thinks that this really ought to be budgeted and the Budget Committee understood that as well. The Budget Committee, he thinks quite overwhelmingly, would support it being in the budget. With the complication, particularly between the split and everything else, we're just never going to get it there. The reality is that truck is going to die in all likelihood during the next fiscal year. It would be nothing short of a miracle if it didn't, and we're going to be in a situation where we're going to have to rent vehicles and throw a lot of money away. So we need to bite the bullet and put it the budget.

What Chairman Coutu is going to do is 2 things. One let him make a comment with regards to that. There was a warrant article last year and shame on us we didn't sell it right. We should have sold it. It's a vehicle that's absolutely necessary. What he's going to do at this point is he's going to defer to the Town Administrator because we've had some discussion about it. He and have communicated in the past couple of months and let you know what the options are with regards to the Vac truck and what has been proposed.

If you turn to Tab K in the back of your book, Mr. Malizia indicated that's where the warrant article – there's 2 options back there for right now for discussion. The simple goal is to replace the VacCon truck. It's that simple. That's what we're trying to do. Last year's warrant article tried to do that, but it got complicated. It got complicated even at the Budget Committee level because we were taking the money from a) a capital reserve fund as established for that purpose, and there was funding put in through the sewer utility, and with the balance of the funds to come from a lease purchase which was supposed to be not more than some certain number, and coming from general taxation. It confused everybody. Mr. Malizia assumed nobody understood what we were doing and didn't quite get it. There's two really simple ways to do this. Number one is you raise an appropriate the 284, which is his understanding is the number – the budget of the truck - and you withdraw \$284,000 from the capital reserve. That's not all sitting in the capital reserve

right now. The sewer utility through their budget is proposed to put some more money into that capital reserve during this budget. If they do that and this budget passes and this passes, you'd just take the money out of that capital reserve and buy it. It's pretty simple. It assumes this budget passes and assumes this warrant article passes.

Mr. Malizia indicated that the second option is we have a capital reserve fund. It's got money in it. It's approximately \$154,000 - \$155,000. Why don't we just appropriate the balance from the sewer fund the balance, which is the amount of money that's in excess of what they need? That way this article stands by itself. If it passes, we buy the truck. If it doesn't, the money is still in the capital reserve fund and we haven't lost anything. Those are two options as far as how we could write this. It gets a little complicated because there's been a discussion of well how do we pay it back. That's the discussion for the Board. Do you want to pay it back? This piece of equipment is used for drains and for sewer. Selectman Massey asked what he meant by pay it back? Mr. Malizia said if you're taking it all out of the sewer should the taxpayer, the general fund pay for something because there's a drain component with this. It's not just for sewer.

Selectman Massey indicated that the policy or the procedure that we've been using forever is 50 percent of the cost of an item that is used by both sewers and the highway department is 50 percent for each. So if we wind up taking no money out of sewer then 50 percent of the final cost, then yes in his mind we would have to refund it to the general fund. He thinks if he could, Selectman Jasper, from what he understands Selectman Jasper is really proposing is that we don't go with a warrant article that we go with putting it into the operating budget. Is that what he's understanding?

Selectman Jasper is going under the assumption that we were going to go with a 50/50 split and that the 50 percent would be in the operating budget. He would like to discuss...Mr. Malizia indicated that you have money in the capital reserve fund. To appropriate and expend that money you need a warrant article if you'd like to take that money up. That money represents "the sewer share". We had a problem last year is we got very complicated by trying to finance the other half of that money. If one thing doesn't pass and the other thing passes, you're not going to get the truck. For example, if this article were to pass and we could take the money out of this capital reserve fund and you put the other budget in here and this doesn't pass, you don't get the truck. He thinks that's the ultimate goal is to get the truck. So how do we accomplish that goal?

Question by Selectman Jasper, which he should have the answer to but he doesn't. He knows we have people whose time is split and budgeted for that. Administratively none of your time is charged to the sewer department is it? Kevin Burns said, "No". None of your foreman's time? Kevin Burns said, "Yes" one of them. Mr. Malizia indicated one of the foremen is a 60/40 split. Selectman Jasper asked, "How much time do you think that you put into the sewer end of things in the course of a year as a percentage of your time?" Mr. Burns said, "15 percent". What Selectman Jasper proposed is we have one piece of equipment. We don't charge anything for the Road Agent. If you use 20 years at 15 percent, you've got more than the money that we would be putting in here. He thinks it would be a reasonable thing to say that based on the time, and let's look at the capital investment we have of the building, that it's not unreasonable for the sewer utility to buy this truck - this is the one piece of equipment that is really split, correct? Mr. Burns said, "Yes". [Selectman Jasper] and just do it that way and go with the second warrant article and just say this is going to be there. Their contribution towards the building, the utilities, and the Road Agent's time over the course of the building. He didn't think that was unreasonable.

To make it a little clearer, Mr. Malizia stated there is a charge from the general fund to the sewer fund for administrative purposes. There is a modest piece of Kevin's time in there. Probably not all of that 15 percent as there is for the Finance Director, himself, the Treasurer. All the folks who work administratively. There's a charge going from the general fund to the sewer. It's 40k. Again, it doesn't cover all the buildings or anything else. Just so you don't walk right through it, there's no time charged. To be fair, there is a modest charge just so you know that. Mr. Burns said his office staff is probably 25 to 30 percent spent on sewers. Mr. Malizia indicated it doesn't

cover all of the items. [Kevin Burns] – which is not covered 60/40, so his office staff does the sewer work without being reimbursed.

So if Selectman Massey could maybe understand from the Town Administrator, how would a warrant article be worded? There's \$154,000 in the...Mr. Malizia said if you looked at item "K" here, there's option A and option B. If you go down to the back where the tabs are. There are a couple ways to do it. The sewer utility has put in \$180,000 through their budget to go into that reserve fund. Then you'd have to withdraw all of that from the reserve fund. That's option A. In other words, in their budget in this book, you put \$180k into that existing capital reserve fund. Option A would withdraw all of it from the capital reserve fund. Selectman Massey stated except we'd have to get in budget \$130,000 into the capital reserve fund. Mr. Malizia said it's in the budget. It's slated to go from the budget into this capital reserve fund as the sewer utility has presented their budget. They've put more money into that capital reserve fund through their budget. This would incorporate all of that money. Selectman Massey thinks that from his perspective option B is the more clearer indication of what we want to do. We certainly have a pretty good health surplus in the sewer capital assessment. There's over \$5 million in that account. Selectman Jasper thinks the reason that option B which Steve alluded to is the better option is that if we were to go on a default budget again, then we would be in a situation where we wouldn't have the money in the reserve. We wouldn't be able to buy the truck. This way, it would work just with the warrant article regardless of what happened to the budget. If you were to do option B when you got the sewer, Mr. Malizia indicated that you most likely would want to move that \$180,000 that was slated to be funded.

Again, Mr. Malizia is just trying to look at (inaudible) without confusing everybody. He's hopeful because this has no tax impact and theoretically it doesn't have any sewer rate impact. We're not going to have to change the sewer rate because of this. It's a once and done. If this passes, you buy it. If it doesn't pass, you don't buy it and you also don't take any money out of the reserve. Chairman Coutu agrees that on the basis of how this is presented or what we're trying to accomplish. It won't affect that tax rate, and it's certainly not going to affect the sewer utility rate. Again looking at it as a voter/taxpayer who goes to the polls, he doesn't find this any less confusing than the one we had on the warrant article that we had last year. The language is complex. He understands the reason for the language. We have to dot our Is and cross our Ts and that's what you're doing. He still thinks that the language is complex in that when you open with "to vote to raise and appropriate" the first thing that comes to mind when they see that is I'm not voting to raise anything. No. Mr. Malizia stated he didn't write the law. Chairman Coutu knows that's what you have to do, but we're just going to have to sell it. Selectman Massey said that the bottom line is the only way we ever get to pay for this truck is through a warrant article because the warrant article or the capital reserve fund was established with the voters as the agents to expend. Chairman Coutu agreed.

[Selectman Massey] No matter what year we do this, the warrant article is going to have to say to take it out of the capital reserve fund. If we do the first option and take it completely out of the capital reserve fund, then we do one run the risk that if the operating budget is not approved and the default budget goes in, then we don't have enough money. So even if the warrant article past for the VacCon truck, we wouldn't be able to do it this year. So if we have any hope for success to doing it, Selectman Massey thinks option B here is the best option and it just means as Selectman Jasper said at the beginning, we're going to have to do a very good job of explaining to people why this truck needs to be replaced. Maybe just one question, Mr. Burns is a new truck going to be quieter than this? Mr. Burns said yes. [Selectman Massey] That alone for people in the neighborhoods when they hear this little beast coming down the road, you hear it and you hear it for the entire time it's there. On top of it when you see it, it's a beast. If people don't want their drains clogging up and backing up into their property, we need to keep these drains clean. He thinks we can do a good job of selling it. It's up to the voters at that point obviously, but he thinks option B in his mind is the best option given all the complexities of where we get the money from.

Selectman Jasper thinks that the best way to sell it, and he didn't recall if we did it in recent years, but we've done it in the past years, spend the money, put a voter guide in the Hudson News, we can put the warrant article, and then have an explanation saying that this does not affect the tax rate...dada, etc. or the sewer rate. If we do a voter guide, put it in there. Most people then read it when it's in the paper, mark it up, bring it with them, and vote from that. He thinks it's important that we do a voter guide and put the explanation there and he thinks we will have no problem there. He agreed it's a problem if the first time they see it and try to understand it as when they're in the voting booth.

Kevin with regard to the vehicle we presently have, Chairman Coutu asked how did it hold up this summer and did it get a lot of use? Kevin Burns said it's babied. We're not doing a whole lot of preventative maintenance. It's generally going out there to put out fires. We have plugs and things like that. We're not doing a third of the town flushing and cleaning like we should be. We're basically doing no preventative maintenance just responding to problems and trying to make it last. Chairman Coutu asked, and he thinks he had, done an estimated cost that if this thing should totally collapse what the cost would be to rent a vehicle in the interim until the decision is made to buy by the voters? Mr. Burns indicated that last year was \$150 an hour. He doesn't have it figured out this year. So when you say \$150 an hour, Chairman Coutu said we're obviously not going to take the truck in for 2 hours this day, 3 hours that day. We're going to keep it and as long as we keep it its \$150 an hour, 24 hours a day until we return the vehicle? Mr. Burns said yes and its \$150 an hour for the time they're driving from their location to Hudson and then \$150 an hour on their way back home. It would be astronomical. Selectman Massey indicated that if you were to just run it for the 3 summer months, which you need to do it really in the fall too to pick up all the leaves and needles that are going into the ground, and you ran it just 40 hours a week for 13 weeks, you're talking about \$78,000. That's a sunk cost. We'd never recover it. Mr. Burns said generally we run the machine here as soon as it gets above freezing in the winter. So above freezing it works.

Chairman Coutu indicated that the reason for this discourse is so that the voters are aware of what could potentially happen if this thing should die on us. The most important message we want to get out is that if this warrant passes, it has zero effect on the tax rate, and it has zero effect on the sewer rates for the Town of Hudson. So that's the kind of pitch we need to make. He doesn't know where you want to go at this point.

Motion by Selectman Jasper, seconded by Selectman Massey, to move Warrant Article K, Option B, to the Warrant, carried 4-0.

Selectman Massey said it might be worthwhile if we could get Mr. Burns and our liaison to start working on some type of a talking point document that we just went through tonight so that we could then come back when we finalize the budget and have that ready to going to the Budget Committee because they're going to want to see it as well. He thinks the cleanest way they probably can put together the document. Mr. Burns suggest bringing the old machine to voting day and turn it on. Selectman Massey did recall one year when a street sweeper was brought to the old town meeting over at the Memorial School. That might not be a bad idea because he thinks when people see the condition of that vehicle, it says a lot. He doesn't know if you have to run it, but just looking at it you know it's a 20+ year vehicle. Selectman Nadeau in light of the conversation and you being the liaison, Chairman Coutu asked him to work with Mr. Burns on developing a talking point on the VacCon truck.

On Highway/Streets, account 206 (electricity), account 5552 – Selectman Jasper did give Kevin a heads up today. He keeps thinking about this and then forget to go any place with it. He doesn't propose to do anything necessarily tonight. As he drives around town, there doesn't seem to be a lot of rhyme or reason to where we have street lights any more. There are some corners that are bad that have a light, and then you go on a worse corner and it doesn't have a light. He drives down Derry Street and it seems like we have twice as many lights as we need to, particularly with the mall and all the lighting there. There's a lot more lighting than needs to be. We're looking at

134,000 in this account, and some of that is not just for that. It's for the traffic lights as well. It would seem to Selectman Jasper that while certainly there would be some people if we proposed to cut out half the lights – they're proposing to do that some place – Milton. He's not proposing that, but he thinks if we put somebody on the task at looking at where we have lights, and where we have them every pole versus every other pole, we should be able to save some amount of money. We could certainly accomplish this by the time the Budget Committee wrapped up with things and maybe save \$20,000 to \$30,000 by eliminated a certain amount of lights. Chairman Coutu asked if our electric bill is strictly PSNH. Mr. Burns indicated yes. Chairman Coutu asked Mr. Burns if he received a phone call from a company that he suggested. Mr. Burns said yes. [Chairman Coutu] He knows they're going to save him 18 percent of his utility. He's going to save about \$200 a month in his electric bill by not using PSNH. They're going to provide the electricity with all of the other costs are far more reasonable with this other company. He had asked these people to get a hold of Mr. Malizia to make a presentation to him. Several small businesses in town are converting from PSNH to this competitive carrier. PSNH is still our service and we'd get 2 different bills. If you look at your electric bill, it's 60/40. Forty percent for electricity; sixty percent for supplying the electricity. It's that 60 percent we were going to realize our savings. In this case let's assume the company could – and it's on a 30 day basis, you can cancel at any time if you're not satisfied.

Selectman Jasper agreed with Chairman Coutu and the county had some savings. These are lights that physically belong to PSNH. It's not the electricity so much that we're paying for here. It's not metered. This is not metered electricity. We pay a monthly charge for each light. So that wouldn't work in this situation. The only way to recognize...Chairman Coutu can understand that. He has a flood light that's owned by the power company and he pays a flat fee for that. He doesn't realize any savings. All right. He thought it was a utility bill. Selectman Jasper said no.

Selectman Massey said certainly we need to look at alternatives if they are available. He's reminded of those folks who the predecessor to Comcast first came in and they chose not to rent their cable mode from the company. When a problem occurred, the distributor said I got a signal to your cable. That's the end of it. You're own your own from that point on. The same thing is true with the phone company today. Unless you pay an extra price, and it's fairly expensive from what he's seen, if they can get a signal at the little checkpoint on the box outside, then you're responsible for troubleshooting anything inside your house. That's another way of saying that when your distributor is the same company as your producer, you've got a lot of accountability. Once the distributor is a different person than the producer, now you've got finger pointing that potentially happens. So if we were going to do it, he thinks we would have to have a very clear understanding of the capabilities of this other company because he wouldn't want to see the Town suddenly without power some night and the finger pointing is gone on as to where the problem is. It's worthwhile looking at, but it certainly has a risk attached to it. Just to wind up with Selectman Jasper, Selectman Massey is glad he brought it up because he was kind of looking at the Milton thing and thought it was a good idea. He thinks he's probably right. If we were to just arbitrarily say 50 percent of the lights in town go off, it probably would be a much more difficult sell than if we look at strategically where some of the big things like up and down Derry Road, up and down Lowell Road, we might be able to drop some of those lights and have maybe a \$20,000 savings.

Kevin Burns said he appreciated the heads up. Sometimes you come to these not prepared for a street light question. We have 1,084 street lights. This is the printout of where they all are. We pay an average. Some are more expensive than others because of their size. On average about \$10 a month per street light. The average street light in town is a 50 watt, and that's like \$9. So we pay about \$100 a year per street light. It would cost us \$200 to turn each one off. There is a fee to turn them off because they take them down. For example we pay \$100,000 a year for street lights and we're going to turn half of them off, we have to up the budget to \$150,000, \$100,000 to turn half of them off, and then \$50,000 to pay for the other half that we're keeping on. So there is a cost involved. Not only that, he thinks any decision to turn off street lights would be unpopular with those affected. If you're down the street and say okay lets take this one off, leave that one on, it wouldn't be a popular decision and it would costly to implement. We are at the lowest rental

rate available because in the early 1990s we switched to the high pressure sodium. So this is the lowest rate. There's nothing we can do right now to change the lights to get a lower rate. We've already done that. He thinks what is coming in the not too distant future is LED, which we have done with our traffic lights. That's about 10 percent of the cost of the incandescence. Mr. Burns talked to Public Service today, Elizabeth Larocca, and she thinks that they are not too far away. They're not there yet. If we're looking at street lights that use only 10 percent of the electricity would our rates go from 100,000 to 20,000? He thinks if it was 20,000 we wouldn't even be having this discussion. If we take all these fixtures down and 2 years they say we have a retrofit that's LED for these lights and there's a one-time cost but now all our fixtures are gone. Does he understand \$100,000 is a lot of money when you look at it as a whole when you know there's 1,000 street lights out there and it would cost more to take them down than to keep them up? Maybe it might be better waiting for a more efficient lighting source than just taking them down off the poles.

Chairman Coutu indicated that's why we have these conversations Mr. Burns so that we can be enlightened and the voters can be enlightened as to what we're trying to do with the budget and where we're trying to save. Selectman Jasper said, "What a racket". He doesn't want to rent it any more. Now it's going to cost you more. Perhaps that's a legislative thing to look at. It will certainly be interesting to see how long before they get there. He still thinks under any circumstances we need to take a look at some of what we're doing. Selectman Jasper said there's one on his street that he asked why is there a light here. It's a corner, but it's not a bad corner. He looks at the corners where all the accidents are, and there's no street lights. What are we doing with this light here? He doesn't think it would negatively impact anybody because it's not in the neighborhood. It's not really in front of anybody's house. Those things he thinks we ought to look at long term and say we have too many on Derry Street. Under any circumstances, why do we need one on every pole and then we go there's one on every other pole. There ought to be a little bit better rhyme or reason for why we have lights. Maybe that's something long term to look at that may be something we could look at in the winter when it is generally dark and we have DPW people out there. If it doesn't happen to be snowing, try to figure out something and look at it long term. Just because they're dark there doesn't mean they should be there for the next 100 years.

Benson's Park

Selectman Jasper doesn't really want to say the word, but there is a – Chairman Coutu said, "Tell me about Benson's Selectman Jasper". [Selectman Jasper] Do you want to do it within Kevin's budget or do you want to do a separate budget for Benson's? What Selectman Jasper is looking at primarily is equipment for long-term maintenance on it. He worked with Kevin and came up with some numbers to make things happen. The first item that we talked about, and he thinks he talked with the Board about, the need to have some interns to get in there so we would have 80 hours a week in there. The idea that he's talked to Kevin and the Committee about is that if we had 2 interns, one would stay at Benson's...

Point of Order [Selectman Massey] Mr. Chairman. Since this is brand new in terms of really looking at and the numbers. The logical place to have done it is where we do all the other committees and commissions. If we could defer this until Saturday and have it as part of the...and then if we could get the materials between now and then so that we'd have a chance to look at it and understand it. Selectman Jasper has one e-mail and it doesn't have the interns in it. Chairman Coutu asked if he had some sort of an informal document. Selectman Jasper indicated he...Chairman Coutu indicated we're going to have all of the numbers conclusively...Selectman Massey said (selectmen talking over each other) we'd want all the other members from the Benson's Committee. Chairman Coutu agreed. So we'd want to have it conclusively so that we can make an intelligent decision. Selectman Jasper agreed. Chairman Coutu also wanted to emphasize quite emphatically because he's received a couple of phone calls and several e-mails of concern about what the costs to the tax payers are going to be with regards to Benson's. He wants to allay a lot of fears out there that we've tackled something more than we can chew. He doesn't

expect to support any major increase in the budget or anything that is going to significantly impact the budget with regards to allocating monies for the Benson's project. However, and Chairman Coutu wanted to make this very clear, that there may be assuming that the south end park is approved, additional labor requirements on your department that would tax some of the equipment you presently have. If he can be assured that based on this, and he understands it's a modest request and it's certainly not going to affect the tax rate by not even a penny, that he is assured that any equipment that is going to be needed for other park projects if some of this equipment can be used and its equally spread and used in those areas as needed. He understands that there is going to be a need for housing, and we certainly would use the Benson's property because we have adequate housing there to house the equipment. If you need it for other park projects in the town, that it would be used for that and its not used exclusively for Benson's.

Chairman Coutu thinks it's more palatable and he doesn't want the taxpayers to think that we're going to be spending thousands upon thousands of dollars on the Benson project. This is going to be, from Chairman Coutu's perspective anyway for the most part, a volunteer program. He understands the need for – we undertook buying this park and we have a responsibility to maintain this park. He just wants those who sent him e-mails, and telephoned him, and told him that they were very concerned that they were going to commit sums of money for Benson's that whatever we do in terms of Benson's is going to be modest at best and any equipment that we purchase is available to his department for other purposes other than Benson's. With that assurance, Chairman Coutu would certainly support a modest increase for the equipment, especially if it is as we had discussed it and had been proposed. He guessed Kevin had done some research. So we'll discuss this at length Saturday.

The only other thing Selectman Massey would like, but he's expecting that we're going to see a request from the Benson Committee including this equipment that it would be what they are looking to run their committee for the entire year. First of all we would fool the voters and the people in town if we say that we're not going to spend any money on this property except through volunteer activity. That is an unrealistic expectation. Although for every volunteer we get, it's less money that we have to spend. We can't sit set the expectations if there's zero dollars. Particular for next year, he'd have to refer to the Town Administrator, but there is somewhere in the neighborhood of how many thousands of dollars left in the operating account for Benson's? Mr. Malizia asked what operating account? Selectman Massey said that 6 years we had a warrant article the put, he believed, \$250,000 in it. Mr. Malizia indicated it was gone. It was encumbered. Selectman Massey said that when they spent the \$140,000...Mr. Malizia said that was that. You're done with that. Selectman Massey stated that there's no money left in the Benson's...Mr. Malizia said of that money. There is money coming from impact fees... Selectman Massey wanted to know how much was in Shepherd's Hill? Mr. Malizia didn't have the account information with him. Selectman Jasper indicated somewhere in the vicinity of \$80,000. Chairman Coutu indicated \$80,000 to \$84,000 he believed is left in the account. Kathy Carpentier indicated that some of it has been spoken for the roof project for the barn. Selectman Jasper said no, not on that. He encumbered the 140 and some of that is going to lapse. Kathy Carpentier said the matching for the grant for the bond.

So it may turn out, Mr. Chairman, Selectman Massey said that it may be too soon to do it on Saturday to have a complete record for what we need to spend on Benson's. Make no mistake about it; if push comes to shove, we need to spend money on the barn before we spend money on equipment. We have a fiduciary responsibility to the State to maintain that barn. So we need to understand the total cost of the buildings going into next year in order to make an informed decision. Selectman Massey doesn't want to wind up making the decision on some equipment and then find out later that we need to have more money on the barn and therefore we then have to come back and look at this. That's why to his way of thinking maybe even because it doesn't sound to him like the total request for Benson's Park is included in this request that maybe Saturday is too soon to pull together all the information.

For the purpose of clarification, Chairman Coutu indicated that we have 2 famous barns now at Benson's. This is the Haselton Barn which is in the Historical District and which we have an obligation. He wants to make sure people don't confuse it with the...Selectman Massey said he was referring to the Haselton Barn. Chairman Coutu wanted to make sure the voters knew. Selectman Massey said that's the only one we have the fiduciary responsibility for.

Selectman Jasper had a couple of things. In terms of the Haselton Barn, there was money and he thinks that money has now been reduced to about \$40,000 which is not all going to get spent. We've been trying to track down Aaron Sturgis to talk about the foundation and all that. Frankly, that's not happening. At this point, and that was something he wanted to the Board about is simply there is a leak in the barn. Probably two leaks in the barn and there's some shifted shingles. The best thing to do is to probably have Mr. Shadan gives us a proposal to tighten up those. That's short money. Have the remainder lapse because there's nothing else we can do with it at this point. He doesn't believe. We had encumbered it for those projects, but those projects aren't going to happen so we're going to do what we can do, and so that's going to leave some amount lapsing. We do not have a budget other than the equipment budget for Benson's. Frankly we just haven't had really a time. There's been a lot of turmoil going on. It's not where he wanted it to be in terms of that. The reality is he thinks, KC we had the money that we encumbered. We spent most of it. There's a balance left now. There was another pocket of money which a certain amount had to be set aside for the train station. That left at the time \$84,000. We have drawn down on that. Selectman Jasper's expectation was that because that money is still there that we weren't going to ask for any additional monies for moving forward on the other projects on the park next year. Next year we would be continuing to draw down on that. It would be the Board's decision on this equipment as to whether or not you wanted to take this money out of that \$84,000, which he hoped they would not. That's a possibility. The only real new money would be either the \$38,000 plus, the 10 roughly for the interns. We would then come forward the following year once we got the park opened and really know what we're that we would come forward with a normal operating budget aside from having things moved.

Chairman Coutu asked Selectman Jasper to put a together for the Board. Selectman Jasper said he would work with KC. He thinks she could probably help him put that together. Chairman Coutu thinks for clarification as well in terms of the subject matter and in light of Selectman Massey has pointed out, could we have some clear numbers of the entire Benson's project. He wants to know what's in the railway station, what's in the barn account, what's in that other general account so that we know exactly where we stand dollar for dollar. Kathy Carpentier indicated she did do one in July, but she will update that. Is it your intention to review that on Saturday? Chairman Coutu didn't want to put any burdens on her. We're only beginning and he knows her numbers are changing. You supplied us with a new document. He doesn't want to do anything that is taxing. It would have been nice because we're going to be reviewing on Saturday – where were you coming in with that Selectman...Selectman Massey said it would have to be at the moment at the bottom. Chairman Coutu said the police department is going to take some time on Thursday the 29th. Kathy Carpentier asked if a representative of the Benson's Committee be at the meeting on Saturday. Chairman Coutu indicated that the problem with Saturday is the soft opening. It's supposed to pour. Selectman Jasper said it's not going to happen probably.

Chairman Coutu thought that Selectman Jasper would ask the Chairman of the Benson's Committee if he could engage in some conversation with him. He didn't want to put any burdens on Selectman Jasper. Selectman Jasper stated that the problem is he has the e-mail; he's shared the e-mail with the committee verbally but in terms of what he's proposing. This is simple because we're essentially talking a salary line, and then a tractor or trailer, a mower and some hand tools. KC could put this together in 15 minutes. Selectman Massey said it wasn't that simple. If we don't have the money that we're going to be raising and appropriating this money. So he thinks they need to see the Benson's, as you say, all the money there so that when we're looking at this we can understand where it fits relative to how much of it we can use for the existing monies and how much we would then have to raise and appropriate. Chairman Coutu said exactly. From Selectman Massey's perspective, it sounds to him like Thursday next – the 29th

would be a more appropriate time. Chairman Coutu concurred. Let's do that. The only question Selectman Massey asked is could the Finance Director have the financial piece of it. Chairman Coutu thought it would be easier for her to it a week from Thursday than it would be for Saturday. Selectman Massey thought they would then accomplish what Selectman Jasper wanted. If we do it without understanding all the ramifications and later we found out, oops if we'd only known. Selectman Jasper said that's only necessary if your goal is to take it out of the monies that we were planning on spending on the park. We were asking for new money here. Chairman Coutu indicated that what we're saying Selectman Jasper is we'd like to see the whole picture before we make the commitment. So Thursday next. Selectman Jasper said that was fine, which is the Benson Committee meeting night.

Once again, Selectman Massey stated that Mr. Burns has proven why he's such a great Road Agent. He's got a great crew that works for him. He happened to see him out there working on the corner of Wason and Lowell this week. There were four of them there and they were all working on that little curb cut problem. Chairman Coutu said that's why he appointed him king of all in Hudson.

Sewer – operating

Mr. Malizia indicated that this section is borne by the sewer users. This is through the sewer rate. It does not have an impact to the taxpayer. At this point, the sewer budget is balanced. This is where the \$180,000 was though. So you may want to make a motion to take that out because you've gone with option B. So moved [Selectman Jasper]. Selectman Massey seconded for discussion. He wasn't sure what we're talking about at this point.

Motion by Selectman Jasper, seconded by Selectman Massey, to move forward Warrant Article K to the ballot.

Kathy Carpentier noted it was the sewer fund section, page 5, 5562. As you go through this budget, Mr. Malizia indicated that the very last line item on the next page is the \$180,000 that was budgeted by the Sewer Utility to go into the capital reserve if we were to do option A. Selectman Massey said if we do option B, we can take this money out. Mr. Malizia said we don't need the 180 in there. Selectman Massey said there's a good chunk of our – Selectman Jasper indicated that didn't have anything to do with the tax rate. Chairman Coutu asked if they should pull the Sewer Utility. They're here now. Do you want to – Chairman of the Sewer Utility are we satisfied? Selectman Massey said yes to give them the courtesy.

Sewer Utility (5562)

Chairman Coutu advised that Bernie and Bill were there for the discussion they had with regard to the proposed warrant article and the discussion they had on the 5562 line item 410, the \$180,000. Do you want to shed any light? Do you have any objections? Do you have any offers of recommendation in light of the conversation that we had?

Bernie Manor indicated that at the committee suggested this route, and he thinks it's the right route to take. He's not sure of the \$180,000 is the right number because his understanding from tonight's numbers is we have 150 in there already. Chairman Coutu stated \$154,975 plus interest. Mr. Manor indicated that the cost of the truck is around 280. So we probably only need 130 added to that. Mr. Malizia said that the way we've written the article this amount would actually go away because the article would purport to take it from the reserve and from the unexpended fund balance, which is probably where you're getting this money to start with. So this is an unnecessary step. It's just another step that you don't have to take. His only point was if we went with option B, which you did, this could be zeroed out because there's no sense putting it in a reserve fund because we're not going to be taking it out of there. He didn't want to call it a shell game, but that was the accounting of it.

Selectman Massey indicated it would boil down to – right now as of June 30th the sewer capital assessment fund had \$4.9 million in it. If the warrant article goes on the ballot this year, we would draw down that 4.9 by \$125,000 or \$130,000. Mr. Malizia said it's more accurate to say we'd draw the surplus – that's not the surplus that you're referring. What you're referring to is the capital funds account. Selectman Massey stated we're not even taking the money out of that. We've taken out of the surplus...which Mr. Malizia believes is in excess of \$1 million. Yes, Selectman Massey indicated there's over \$1 million in that account. [Steve Malizia] not to confuse the folks viewing. [Selectman Massey] The sewer capital assessment, the selectmen are the agents to expend on that. In order to try to accomplish the goal in the most simple way, the way that we've already discussed, Mr. Malizia indicated it's probably the best way. To do that, you need to take this money out of here because this now is an unnecessary step. It has no affect on the tax rate. It has no affect on the sewer rate. But we'll take this out and we'd make the corresponding reduction on the revenue side so we keep both sides of the ledger clean. That's what we'll end up doing. But if you do this, we'll automatically do that from a revenue perspective. So if this motion passes KC, Chairman Coutu indicated we're going to zero that line out, right? Mr. Malizia indicated that's correct. [Chairman Coutu] That would be 450? Mr. Malizia said yes.

Vote: Motion carried 4-0

Chairman Coutu thinks that we share the sentiments that you've expressed Selectman Massey with regards to the manner in which he has run his department.

Selectman Nadeau saw on the front page for the sewer utility revenue estimates all the different betterment districts that we have on here. One that he doesn't see is the Ottarnic Betterment District. Is that because we haven't created it yet? Mr. Manor indicated that we're in the final process of getting all the numbers together and it should be very soon that we'll get that number. It's some form of a legal document that we have to get Al. So just as soon as that's all done, it will show up. Selectman Nadeau wanted to know if it would show up on the document. Mr. Malizia indicated it should consistent from a revenue perspective whenever it's done. It just wasn't done for this.

Chairman Coutu thinks Mr. Webster had said that they were preparing the final numbers, and then they would – Mr. Malizia indicated they just closed it out last week if you recall at the meeting. Chairman Coutu signed off on that this evening on Ottarnic Pond. So as soon as Gary gets the numbers together – that would be included right KC in the revenue portion? While they're here, we're going to continue through their budget, right? Having reviewed the budget, of course being the Selectman liaison to the Sewer Utility Committee, the situation he inherited because Selectman Massey was overloaded. He tell us he's sure Selectman Massey would reiterate is that the committee as a whole, as he's sure the water department, very mindful of the revenues and the potential cost to maintain the sewer utility and they're very mindful of the numbers they reviewed at every single meeting. Questions are asked. Major fluctuations are questioned intently so that we have a clear understanding of why certain items have gone up or below projections. He thinks, again, this year the voters we had said it initially that the sewer rates will not change at all this year. The sewer utility is relatively financially stable. The only question he would have of Mr. Manor is – you went to the meeting in Nashua Sir am I correct. Mr. Manor indicated right. Chairman Coutu asked Mr. Manor his overall assessment/overview of what took place in Nashua and in light of the changes that they're making in Nashua – the upgrades they're going to make how that is going to affect the Town of Hudson?

Mr. Manor said they had a good meeting with Nashua. For once I think that they understand our problems. They have a different fiscal year than we do. So that makes it a little more difficult to come up with a right number at the right time. But they did give us some projections of what they are going to be spending. Donna took notes. They're somewhere in 2011 that we're going to have an expenditure probably of – coming from our end – less than 500 some odd thousand. So we're putting that into our budget to work that number in. We're really have a good time now

talking to them. Talking about a guy that can talk, Mario. He is going to come and meet with us over here in Hudson and view our equipment and pump station. We are making strides with him. Put it that way. Mr. Malizia indicated that Mr. Abbott, Mr. Manor, Mr. Webster, myself, and Ms. Sommers went over and met with them. It was a very productive meeting. They do understand our viewpoint as 12 percent owners of that plant we have a right and an expectation that we get some reasonably accurate numbers so that we can budget properly over here. This budget reflects those discussions. It's in here. They did commit to coming over and meeting over here, get a look around, get a look to see what we're doing just to keep those lines of communication open. The previous Town Engineer and myself would go over in the past. It worked well with the previous plant superintendent. There's been some change in management over there. Sometimes they're a little guarded with the information they want to pass out. He believes it was pretty productive, and they understand our concerns. Again after meeting with them we all went over. This reflects that. Chairman Coutu said as long as we get 12 percent of the information.

Selectman Massey indicated it's more critical to them now than it might have been. Because they did not tell us in time the last time, we had to go and request a special relief from the Department of Revenue Administration to pay for the cost. Because it was outside of our budgeting and planning processes, the State wasn't too happy. They're going to be extremely unhappy if we have to go back to them again and say we need this money because Nashua didn't tell us in time. They may at that point say no to us, which means Nashua then is on the hook for the money for the 6 months that it takes for us to get it into our budget. That was part of the reason why some of these conversations with Nashua went on is to let them understand that because they are on different fiscal year – he believes their fiscal year is January to December – they're 6 months ahead of us. As a result, we need to know when they're starting to do their budgeting way before that so that we can get into our budgets in October what we're going to do the following July.

Now that Chairman Coutu knows Mr. Malizia went to the meeting, in light of what's allocated in 624, the \$600,000 and the conversations you had with them, are you satisfied that \$600,000 will definitely meet the need for the improvements that they want to make? Mr. Malizia said yes. All we added was that they put together was 5 and change he thinks. So 600 is a reasonable number based on all the things that they know that they are doing.

Selectman Jasper indicated that first of all we need to take the \$180,000 out of the revenues. But he's trying to make things balance. The way he's looking at things, what he's missing the way things are now, if he goes to the summary that we get handed out tonight, it shows the 1945 which balances out. But if he goes to the detail, he has the 5562 which he's not sure where that shows up. Mr. Malizia indicated it was just being raised through the rates...Selectman Jasper said he knows, but when he takes all the pages and adds everything up, he comes up with 2.2 million. He's probably doing something wrong, but he's trying to figure out what he's doing wrong. He's taking page 2 - \$167,000, adding that to page 6 - \$1.1 million, then going and adding page 12, then he's going and adding page 13. That's 2.2 million. Selectman Massey sees it now. 5562...Selectman Jasper said that's not showing up. That salary is not showing up on the summary page. Mr. Malizia said on page 13 is 665,800, right? Selectman Jasper said that 5562 is not in that. Mr. Malizia indicated pages 2, 6 and 13. Where's page 12 [Selectman Jasper]. Selectman Massey said if you go to page 12, that's a detailed look – if you look at page 5, that's where all those numbers are. Selectman Jasper said okay. That's what he was trying to figure out. Selectman Massey said on page 12 it's the detail of what's on page 5. Mr. Malizia indicated that 11 and 12 are the labor support that ties out to the numbers on page 5. Chairman Coutu asked Selectman Jasper if he was off by 250,000. Selectman Jasper was just going along and looking at pages that totaled and added them together. Mr. Malizia indicated it was 2, 6 and 13 which equaled the 1,945,567. Selectman Jasper said with that then, what we need to do is reduce the amount from the capital reserve by \$180,000 on page 1 on the revenue. We've reduced the expenditures by 180; we need to reduce the revenue by \$180,000. That would be taking 180,000 less from capital reserve.

Motion by Selectman Jasper, seconded by Select Massey, to reduce the revenue by \$180,000 by taking \$180,000 less from capital reserves, carried 4-0.

Selectman Massey said, again, we need to really tout our horns. Hudson has one of the lowest if not the lowest sewer rate in the State. We've lowered the rate at least twice in the last 6 years, and we continue to have a system that's well maintained and works very good. He thinks that's a credit to both Mr. Webster and his department, and the sewer utility that really keep their thumbs up, and also the sewer utility clerk, Donna Staffier-Sommers. The people of Hudson should be proud that we have a sewer system that we can truly be proud of.

Chairman Coutu made another observation. He's sure Mr. Manor would agree with him. Again, these are appointed citizens who volunteer to serve on these committees. This past year and a half, he has personally witnessed as being your liaison to the Sewer Utility Committee, Mr. Abbott I want to applaud you Sir for the time, efforts, and energy you've put into reviewing all of the budget allocations, as well as the flow chart on revenues, and the value of our system to arrive at a fair rate that is palatable to the sewer users in the Town of Hudson. Mr. Abbott thanked him. Chairman Coutu has been impressed by some people in his life, not too many, you certainly impressed me with the amount of work and time and energy that you've put into this process. He knows that Mr. Manor, himself, and other members of the committee didn't take any of that for granted. We really appreciated it. You gave us a clearly understanding of where we were going right at a fact that Selectman Jasper a year ago out of mid air drew up that formula. He doesn't know how he came to it. You had to go do a whole flow chart. As he's said before Selectman Jasper knows everything. He knows all the answers and he's not saying that in a derogatory manner. It was so coincidental that you came so close to the formula. Bill, thank you very, very much. Bernie, we've got a great crew. As he's said, it's one of the most fun meetings he goes to. If nothing else, Bernie keeps him entertained. Bernie indicated it's mutual.

The Board of Selectmen recessed from 8:35 p.m. until 8:46 p.m.

Community Development

Mark Pearson – Good evening Mr. Chairman and members of the Board. Chairman Coutu welcomed Mr. Pearson to his first budget session as a department head in Hudson. What Mr. Pearson has for a brief overview is that the Community Development Department, which obviously includes the Planning, Zoning, and Building Departments respectively, has a decrease of 14.8 percent in the proposed 2011 budget. If you did look at the backup, you will see that there's been some transfers from one account to another that doesn't result in any change in the bottom line. One of them was to move some funds from the 252 account at the building into the temporary pay salary account and the FICA lines. That was because the interns for the scanning project were in that section of the budget, and we're trying to get those into the right line items of temporary pay with the appropriate FICA deductions. Again, there was another shift of some funds that didn't affect the bottom line, which was the lease and maintenance agreement and supplies for the OCE scanner that to the computer accounts, or IT accounts if you will. Again, none of this resulted in any increase or decrease to the budget. It was stagnant.

The Building Department is budgeted for a reduction of a full-time building inspector to a part-time building inspector in the 2011 budget. As you remember, Mr. Pearson came before you and asked for a part-time building inspector at 24 hours a week instead of 40. Also the full-time secretary position that you recently visited has been reduced to zero funding and will be zero funded in the 2011 budget.

There are slight increases in various line items for escalating costs and decreases in others to also help with that 14.8 percent reduction. This is an effort to come back to you with a zero percent budget; however there's some of those decreases in line items that he can't take credit for. Part of it reducing the building inspector to part-time and the elimination of the secretary's position. When Chairman Coutu looked at the building total, it shows a decrease from FY2010, which he

knows Mr. Pearson didn't put that budget together, he put the 2011 budget. There's a decrease from 230 from 109, which is a difference of \$121,000. With the exception of minor modifications to the budget, what you're telling us is the significance of the \$121,000 decrease this year as opposed to last year's budget is as a result of those 2 positions? Mr. Pearson indicated yes. Now we're just talking the building total. Chairman Coutu asked if there were any questions or comments. Selectman Jasper had a thought really. We have defunded a position and left it vacant. There's zero dollars in there. After a certain period of time on the computer system of being zero, that will disappear. Depending on what happens in the economy down the year, we may want to refund that position. It will not at some point be there. He's just wondering if it would be better to leave \$1 in there so that it's clear that it has been a position that is vacant, but we have not eliminated it – in other words, what would have to happen based on our policy is if we don't put \$1 in there, we will be back with a warrant article at some point to get a position that is already authorized if it goes away. That wouldn't happen for a few years potentially. Chairman Coutu was thinking of the IT position with the police department. It's been zero funded for at least 4 years now, right? Mr. Malizia indicated it's been unfilled. Chairman Coutu indicated we could leave the line item at zero. It doesn't eliminate the position. Selectman Jasper indicated it will go away at some point.

Mr. Malizia thought back to the example of the custodian, it was before his time, but there was a gentleman who was a custodian here and he resigned/quit and the Board decided to go with a part-time contract type of firm. That went on for some number of years. Then when he came upstairs he said this isn't working and we brought back that "position". We were able to bring back the position because quite simply put when we looked at the minutes of what happened, the Board didn't actually vote to get rid of the position. In other words, take it off the docket or transfer it to another part of the organization. They just decided not to rehire that position. What you're saying is if everybody was to be gone and somebody was looking back at this historically, they might not do all that research and see it. What he thinks Selectman Jasper is suggesting is if you put \$1 there, at least it's in everybody's mind. Do you have to? Not necessarily because we're parsing it. You haven't really voted to get rid of it, you just voted not to fund it. Five years from now if none of us are sitting here and somebody says we know that back, you don't have that. Chairman Coutu would rather air on the side of caution Selectman Jasper as you would suggest. Selectman Nadeau made the motion initially and by majority, it may have been unanimous, - it was by majority, we voted to eliminate the position. Selectman Massey indicated they voted to defund it for this year. Chairman Coutu understands that we cannot and when we're doing the budget that's 18 months out, it starts in July so it affects 18 months out, he'd rather air on the side of caution. But we don't know what the future bodes for the Town of Hudson. There may very well be a need a year from now or a year and a half from now to refill this position or revisit this position if there's a sudden surge of construction or whatever in town and the department gets overburdened. He would be in favor of putting \$1 in that line item.

Motion by Selectman Jasper, seconded by Selectman Massey, to fund the vacant secretary position at \$1.

Selectman Massey thought actually if he understood correctly that if we zero fund it if some time in the spring of 2011 we see that we really need that position and we have money in the contingency or even in this for whatever reason, we wouldn't be able to fund it because with zero dollars, he thinks it would be hard pressed to say that we funded the position. He thinks rather than parse it with anybody if we put the \$1 in there, then is we have to do something we've got the item on the budget line. That's why he thinks its worthwhile supporting it for the dollar.

Selectman Nadeau does not support it. We haven't done that in the past putting \$1 in to hold a placeholder. When he was on the Budget Committee there was quite a few positions that were zero dollars and left in budgets. So he doesn't think that we should be putting \$1 in it just so that we can go in and use it if we need it. He just doesn't think that's the right thing to do. We voted not to fund the position. The voters took it out. So he does not think he will be voting to put this \$1 in. Chairman Coutu asked what do you mean the voters took it out. The voters left it in.

Selectman Nadeau indicated we went to the default budget. We pulled it out of the budget last year with...Selectman Massey said that was correct. Once the voters turned down our budget and we went to the default, that position was refunded. That's why we had to do the motion that you made. Selectman Jasper was going to make that point that the voters never actually did do that. We also did not vote to defund it. We voted to lay off the person in that division was actually what we did. He thinks as long as we have secretaries we could probably fill the position. He thinks in terms of historical memory and arguments with the Budget Committee if we leave the \$1 there, it is clear that our intent is not to say we never want to fill this position again. That's the only thing. He doesn't remember any vacant positions that we've carried because he's never been in a situation where we've laid anybody off before. The only positions we've had like this had been part-time dispatchers in police...Mr. Malizia indicated dispatching and he thought assessing once a couple of years ago. Selectman Jasper indicated there were part-time positions. We have never done this with a full-time position. Nobody really cares about part-time positions. We've always been able to create that as we had the funding because they don't go to warrant.

Vote: Motion carried 3-1. Selectman Nadeau in opposition.

Selectman Massey wanted to look quickly at the summary page for a moment. Mr. Pearson had a bunch of talking points. Some of them he skipped over for the sake of brevity. He just wanted the Board to be aware that with respect to the vehicles that the Community Development Department currently uses. There are 3 vehicles. Those 3 vehicles are utilized by 5 people. Predominately the main 3, and then the other 2 – myself and the planner, will use them when they are available, if they are available. He just wanted the Board to be aware that no where in this proposal did he ask for any vehicles. The reason why he brings that up is he has the years of the vehicles here and he has the mileages. It appears that 20 months from, which would put us at the end of the 2011 budget, we're going to have 2 vehicles that are going to be over the 100,000 mark. We may even have one that's up around 120,000. So he just wanted to make the point and bring to the Board's attention that at some point down the road as we look forward to the 2012 budget, that he will be bringing up probably to utilize the trade program or the buying program with the police department to acquire 2 vehicles of the 3 vehicles that we have in the fleet. He didn't feel it was appropriate to bring up any vehicle purchases or leases or anything like that this year.

Selectman Jasper thought to that end though what they have said pretty much is unless it's a specialized vehicle, we're just going to budget the trade-in value and you're going to get an old cruiser. So that's short money. Chairman Coutu indicated they will just rotate the fleet. Selectman Jasper indicated Gary has a truck. Mr. Malizia said the building inspector has some sort of a truck. Other than that they are vehicles. Chairman Coutu said they were going to rotate the fleet anyway with regard...Mr. Malizia said the opportunities make sense, we will do that and we have done that. Chairman Coutu stated they'll be getting vehicles with less mileage and newer vehicles obviously in the process. That's not a matter for consideration.

Selectman Massey wanted to understand the question would be prompted on this. If he looks at the bottom line, Community Development, its gone from a budget for 2010 of 1 million 47 to 892,000, which is \$155,000 difference. If he understands it correctly, those are the 2 positions. One that's not funded, now it's funded for \$1 and the other one is transferring the Assistant Town Administrator position from this department to the Office of the Selectmen. Chairman Coutu said that was correct. [Selectman Massey] But if I go to the Office of the Selectmen and look at the salary line between FY2011 and FY2010, it's only up by \$60,000. If you look at what the Assistant Town Administrator position is funded for, it's funded for \$91,000. So we've transferred \$91,000 out of the Community Development and put it in here. He doesn't understand why it's only up \$60,000. Chairman Coutu thought it was up \$81,000. Selectman Massey said it's up 60. It's gone from 318 to 377. Mr. Malizia indicated that several things have happened during the year. One of them is Mr. Pearson's transfer to this department as you are well aware. When he was budgeted last year, I believe it had full benefits. Mr. Pearson doesn't take any benefits as you recall. So there is no benefits cost to Mr. Pearson. So from last year's budget going down, there's a difference there. We've hired a different Executive Assistant, which is a

savings. He dropped his insurance because his wife got insurance. So he's saving the Town money also. Selectman Massey is only looking at the 101 account. Kathy Carpentier said he's not. That's a roll up of all the 100s. Mr. Malizia stated we saved money in this transfer. Thank you [Selectman Massey] that explains it. Chairman Coutu indicated that for clarification, it's 101 – 189 to 275, right? Mr. Malizia said correct. Mr. Pearson indicated there was nothing else in Community Development. Chairman Coutu told Mr. Pearson it was a good job for his first budget. Things happened just right for you. It's nice when you see numbers go down like that.

Before Mr. Pearson goes, Selectman Massey said at least he would say from his experience over the last year that we've seen a change in the service level that the Community Development Department is providing to the citizens. It's no small effort to your leadership Mr. Pearson, and also to the willingness of the team to really pick up the slack. I think the citizens, again, should be proud that the department is functioning at a lot different level than it was a year ago. Thank you.

Engineering Department (5585)

Gary Webster – Good evening. Before we begin Mr. Webster, Chairman Coutu asked that he be patient and he's going to recognize the Town Administrator who has some proposed changes to this budget. He'd like to have everybody review and we can enter discussions if necessary. As we're all aware during, Mr. Malizia thinks, the last Selectmen's meeting there was a point made by Selectman Maddox, who is absent this evening, that we've gone – he believed this is the second budget iteration of the second budget looking at or contemplating that we don't have a "full time" engineer on staff. We've been using Mr. Webster in the acting engineer capacity. It appears given the products that we have what we may be facing that that's a level that we're good with for the next year or two. So he took a look at some numbers today and he talked to Mr. Webster. He said to himself with Mr. Webster's concurrence – what could we possibly do for this budget that would help the Town out and still provide some service. When he looked at the budget today, again he'd have to talk to Mr. Webster, and he did some calculations, he believed we can save about \$100,000 in labor on this budget provided that we possibly put some money to engineering services. Again, we may want to go out and use a CLD for parts of certain projects or whatever. So what he'd like to maybe propose, and just do it as a blanket motion because we can take of the details, to reduce the budget in the labor section by \$100,677 and to increase engineering professional services by \$20,000 to give us a cushion where if we needed to go out and rent an "engineer" or get some certified engineer to do something, we could do that. The net affect to this budget would be an \$80,677 savings. He believes, and he think Mr. Webster will concur, that for the foreseeable future, particularly if we utilize Mr. Webster's abilities, we could get by for this budget year assuming something of that nature.

Selectman Jasper would make that motion at \$1 less and leave \$1 in...Mr. Malizia said he hears his point because that it is a consideration.

Motion by Selectman Jasper, seconded by Selectman Massey, to reduce the budget in the labor section by \$100,676 and to increase engineering professional services by \$20,000

Chairman Coutu agreed. For clarification purposes, Kathy Carpentier stated we're decreasing the engineer line item and all benefits for \$109,767 and increasing engineering to \$20,000. Is that correct? Mr. Malizia said yes. That's a net decrease of \$80,676. Selectman Jasper said we would be reducing engineering, the employee line, by 109,767. Mr. Malizia indicated it's not quite 109. He did some other calculations. When he did it, his point is that he looked at where we should be and where we will be. He said if he looked at our labor savings, labor benefits – if its \$100,677 even, now its \$100,676. Then he said let's put \$20,000 to engineering services because we have some money there. It's pretty modest. If we put 20 in, that would give the Board a cushion should we have a project that requires certain certifications. Chairman Coutu indicated to Kathy Carpentier that his overall budget request for 11 comparative to 10 was a 3 percent increase. He thinks now we will show a decrease. He was hoping we could come up with the number. If you haven't keyed it in, that's fine. It won't be a 3 percent increase. It will be a significant decrease.

For the sake of transparency so people understand what Selectman Jasper's motion of decreasing the amount by \$1, Selectman Massey stated that effectively what we would do is we would put \$1 on the civil engineering position and the remaining monies on the town engineering position. Then adding \$20,000 to the professional services. So that's what the net effect of all of this would be.

Vote: Motion carried 3-1. Selectman Nadeau voted in opposition.

Chairman Coutu asked if there were any other questions on the engineering budget. Any observations you'd care to make Mr. Webster or Mr. Pearson? Mr. Webster said we try to come in on our end of it by (inaudible), but because of different costs there that brings it to that 3 percent. He looked at it and we're the same way is we wanted that down. He knew that when he was at the last meeting they did mention that. He was trying to have something we could fall back on. He didn't mind doing the job per say. Chairman Coutu understands that when you look at your budget Mr. Webster its self explanatory for him from when he's looking at it. Your overall budget requests went up 3 percent. Of course now it's going to go down based on the motion that just passed. When he looked at where the increase is, the increase is on the salary line. You have step and grade that you have to deal with. It's something that is built in and it affects the salary line. Every other request you made was zero balance as we requested. We have no control in light of contracts of the step and grade increases. It does affect the overall payroll and increases payroll automatically. So the 3 percent request would not have been unreasonable. It certainly was palatable to him. But he liked this plan even better because now we're well below the zero percent. We're going to show a decrease in your budget. Thank you Mr. Webster and appreciate your time and being patient in staying.

Selectman Massey stated this is one of those times when it truly is coming from the heart. When you look at where we were a year ago and Mr. Webster was suddenly thrust into the maelstrom of several projects, none of which turned out to be easy to do. Just to chase down the eminent domain request on Lowell Road and on Derry Road turned out to be far more than anybody would have thought. He thinks that it was thanks to Mr. Webster and his assistant, Betty Holt, that we got those projects done. They were all done with a great deal of effort on their part. He'll look also at what they did with Ottarnic Pond. Again, kudos and thank you.

Again, Chairman Coutu said so that the people of Hudson know the quality of employees that we have. He's been in this building on Saturdays and Mr. Webster has been here working. He's been here on Sundays and Mr. Webster has been working. He has had meetings with Mr. Webster on holidays, and he was here and set up the meetings. He can attest to the fact that Mr. Webster has, to his knowledge, never been paid a dime of overtime since he's been here anyway. He puts in an awful lot of time. He's dedicated to his job, and he's out late in the evening and up early in the morning. There have been situations where he's called me and wanted me to look at certain things, met him here, and we've gone out and we've ridden around, and we've looked at different things that he thought were things that should be brought to his attention and in essence the Board of Selectmen's attention. So Mr. Webster, he echoes the remarks made by Selectman Massey, and we want you to leave here knowing Sir that though you don't often get paid what you're worth, we sincerely appreciate everything that you've contributed to this town. You Sir are part and parcel of what makes this town the great town that it is and one of the best in the State of New Hampshire Sir. Thank you very much. Mr. Webster said he enjoy living in the town too.

Mr. Webster stated he has one point of information and you had the sewer utility up here first and he was in the back and didn't want to jump up. Going back with the meetings, we are having our meeting in January with the Nashua group over here. They're going to come and visit us, and also he is taking them around to show the pump station. So that was a point of information. Instead of us going over to the treatment plant, they will be coming over here to meet with us in January. So we're trying to get these more regular now and keep in the budget. He has their budget with him – the Nashua budget for the sewer treatment plant that we all worked on. We're getting closer and

talking to each other more open now. It's a big thing right now. Before it wasn't that way. The communication thing is open and they feel the same way. It's kind of great working with them right now. Bernie and Mr. Abbott have worked very hard on the project.

Water Utility

As you're aware, Mr. Malizia indicated that we've owned the water utility since April of 1998. We are in our 12th year. In almost 12 years there's not been a rate increase. The Board lowered the rate when we took it over by 10 percent and upheld that rate. This budget continues that succession or that streak. That revenue is funded by the current rates, so we should be able to provide clean portable water to our customers at the rate that they've gotten accustomed to. As you're well aware each year, the bond payment goes down from an interest perspective, so there's a little bit of savings there. We've also have a modest sum in this budget for looking for new water sources. As you're all aware, our water comes from 3 wells in Litchfield and also from a Pennichuck interconnection. There's been some discussion about perhaps developing some sources in our boundaries proper. So there's some money in there for that.

In addition, we have a contract with Pennichuck Water Works to provide service to us, meter reading, all the chemistry. There's a lot of service that they provide to us. That has a built-in cost of living clause in it. We cannot escape from that. It's basically based on the CPIU for this region of the country. It's a 400 something thousand dollar, almost a \$500,000 contract. So when you increased that by 3 percent, which is an estimate, you can't keep that at zero. But we look for economies and efficiencies wherever we can. So bottom line, the revenues tie out to the expenses with some modest (inaudible) to potentially develop some new well sources, pay our bond payments on time, and basically provide the service that the customers have grown accustomed to.

Chairman Coutu said Leo you're Chair of the Water Utility Committee. Can you give me somewhat of an overview of your budget request or the water department's budget request how and if, and if not why not, won't the water rates be affected. Mr. Bernard said he wish he could, but he just got the budget tonight. Chairman Coutu asked if the rates were going to go up or down this year. Mr. Webster indicated they will stay the same. No rate increase. We haven't had one since we've taken over the company from consumers and he doesn't see one forthcoming. Steve did highlight that we are looking into other sources. The water utility talked about it. We do have a location and we did get some estimates. We put that in budget because hopefully maybe next summer we'd be out there doing some testing in the certain area that we picked. We'll bench it out and come back to you anyway. We are trying to get more water obviously and cut the increase in the wells over at the Litchfield Dame/Ducharme and the (inaudible) to come back from other there. We are trying other sources and trying to be more dependent from buying water from Pennichuck which we're doing in the summer time especially. One thing we are doing right now, we are taking care of the Weinstein Well – rehabbing it, which will be coming in the first part of November. So we still have to have that connection across from Nashua, which is part of that budget is the water that we buy from them. We reel water from Nashua to Hudson. They usually shut that down usually around the end of November and turn it back on in April. So we're dependent on the wells throughout the winter because we don't have a big demand because of irrigation.

To also help set the scenario, Mr. Malizia indicated that when we took the utility over we had not reserves, we had no capital reserves. He wouldn't say in difficult times, but there were some projects we needed to face. As you're well aware, we did face those projects down in the south end in particular with the new water tank, the moving of the system down there so that if the water main broke we'd have a capacity to do that, and the compass point booster station rebuild. Through the years we've managed to accumulate over \$1 million in our water utility capital reserve fund, which was great because we started at zero. We also have \$330,000 in a repair fund, a capital reserve fund for water system repairs. So as time has gone by, we have been able to build those buckets of money up so that when we're contemplating possibly projects in the near future which we know that the north end requires either some work over here for the Marsh Road or that

area up near the high service area over there, we perhaps may not have to bond the whole thing or any of it depending on which way we go. So we've been able through the years to put the money aside. This budget puts another \$175k into that capital reserve fund, and another 35k into the repair fund. So this utility is constantly getting strengthened from a financial perspective. If you think about our sewer and how much money we have and how well protected we are there, we're getting there here. It's taking a while because we had zero when we started. But we are getting through. So through everybody's efforts, everybody working together, we're building this one up so that it's financial stable. It also has a reasonable fund balance, i.e., surplus. So at this point in time, we can tell everybody we don't expect any kind of rate increase in this next coming budget year. If there were to be some capital type project, it would also go to the voters because I believe this capital reserve fund...Selectman Massey said no. We changed it. Mr. Malizia agreed. You'd probably still though discuss it and let everybody know what we're doing. But bottom line if you were to bond something, you would have to go. We're getting in much better shape here. We really are. Running it 11 or 12 years without really having any major problems – you read sometimes these (inaudible) and accounts. A lot of that goes to Pennichuck's work. They're certainly experts at water safety and that whole issue there. The chemistry testing and making sure this water is safe, potable water. Again, it's worked out very well for the town.

Selectman Massey said you know you always hear the knock on government that it's inefficient, it can't get things done, that's it's a bunch of incompetence that sit around doing nothing. But he has tell you that as the liaison to the water utility for the last 6 years, you first of all have to go back and in 1998 when this water system was owned by Southern NH Water Company, he happened to be in Phoenix on a business trip. The rate that the Phoenix ratepayers were paying for their water was less than what the Hudson ratepayers were paying to Southern NH Water Company. So when we made the decision to purchase it, it turns out to be one of the best investments that this town has ever made. We bought it for \$27 million. We made a commitment to the rate payers that we would decrease the rate the first year by 10 percent and although there was probably some expectations that we might be able to hold that, he didn't think anybody in their right minds would have every thought that for 10 years we could hold to that same rate that we were charging the rate payers back in 1998. It's all because, first of all from the efforts that our Town Administrator put into the original financing, his observations about 3 years ago that if we went through some very interesting financial refinancing which was complex but riskless, we wound up decreasing the annual cost of our principal and interest.

Although we're still out to 2028 before we own it outright, he thinks that all of those decisions have worn out. The operations – we've had a great relationship with Pennichuck Service Corporation that has maintained our system for us. The Town Engineering Department – he can't tell us enough about how much that department has made to making this system work. Between what the Town Administrator has done and what the Engineering Department has done, he believes that we have one of the best water utilities around. Anybody that wants to look at government and say we're a bunch of crumblunds and we don't know what we're doing, and we're incompetent, and we're inefficient, and we stand around doing nothing, all they have to do is look at the Hudson Water Utility and the Hudson Sewer Utility and recognize that they are well managed and we're well served by the people in town who do it. He thinks that we all need to keep in mind that 11 1/2 years approximately after we bought this we're still paying the same rate. But there is still work ahead. We know that down the road within the next 2 or 3 years probably max we either have to take the Gordon Street tank and rehab it or we have to take it off line and put a new tank up on the Marsh Road area. We also need to put another high volume line up in the Marsh Road area and we need to put a new pumping system up there. But based on where we are with our capital and where we are with our rates, there's no reason to suspect that a good portion of that cost is going to be borne by our current operating surplus, plus what we have in the capital reserve fund. Again, he can't say enough about the Hudson Water Utility. Thank you.

Chairman Coutu thanked Leo for serving as Chairman. The water is still flowing in town despite you.

Gary Webster notified the Board of a serious break yesterday, believe it or not, in Litchfield. They were working on the line over in Litchfield for extension, the line they put in over there, a 12" line and he didn't hear about it until later on. There was a cap on it and it was never bolted on. They were actually drawing water out of the Gordon Street tank to go to Litchfield yesterday. The 12" line just went wild. It was by a trailer park on the other side of town. It was kind of a harry little thing there for a while until they turned the water off because they didn't know where everything was over there. Pennichuck had to go out there and they finally got everything. It was a big drawdown real fast. There was a little brown water yesterday and I apologize for that because he didn't know about it. People were asking him what's going on here with the brown water. Right after that, he got the phone call. It was yesterday afternoon it happened. Selectman Massey had a correction. He thought he might have said \$27 million. We actually paid \$28 million. The assets that were worth \$14 million were bought by Pennichuck for \$7 million, which left us with the \$28 million. All of those assets were not related to Hudson. We basically only kept the wells and the distribution system in Hudson. The other thing why it's important that we may go looking for other water, we currently pay \$1.11 .06 per hundred cubic feet for water from Pennichuck. We're paying less than...Mr. Malizia said it's gone up. Pennichuck has not kept their rates constant. So their rate has gone up. We produce it for \$.02 what they charge us, but that's the contract.

Leo Bernard had one other thing. Not only does Gary do a great job, our water clerk did a great job too. Selectman Massey said that between the 2 of them – Ms. Riel and Ms. Inamorati. Our collections are up. Our payables are down. It's all to their credit that they've been doing that. Mr. Bernard said they should be credited for it.

Chairman Coutu indicated that that is everything we have on the agenda for this evening for the budget.

Selectmen Remarks

Selectman Nadeau – None

Selectman Massey – None

Selectman Jasper – He took the opportunity to remind people that the soft opening is scheduled for Saturday and Sunday from 10 a.m. to 2 p.m. at Benson park. It looks like we may get very wet on Saturday. Sunday will be available as well. They had a very good turn out last night for the training session. He thought he heard there was about 25 people. Chairman Coutu indicated that he was told 25. [Selectman Jasper] so that was very good. Things are coming along well. We had a great day on Saturday on cleanup. The Chairman of the Budget Committee was there with his Kubota tractor, and a brush hog, and he brought along a friend with another tractor with a backhoe on the back. In total, about 40 people there when the Cub Scouts were there for a while. There was about 40 really making very good progress on the aesthetics of the grounds. He can't say enough good things about the job that the Highway Department crews have done out there, keeping up with the debris that we've been creating, but also grubbing out the area in front of the A-Frame so you now have a nice vision from the A-Frame picnic area out to Swan Pond. We're getting there. There's a lot of work left to do, but we really saw some difference in what was out there this last weekend. Unfortunately there were only 4 of us working for about an hour on Sunday, and then we got poured on. Cindy Provencher and her crew have been working inside the elephant barn brightening up the old part that's going to be used for some of what's going on Saturday and Sunday. Things are coming along.

Chairman Coutu wanted to add with regard to Cindy Provencher that she was kind enough to provide coffee and donuts. She had brought it down for all of the workers on Saturday. And, two Sir, he'd like Selectman Jasper to elaborate not at great lengths but just to bring the Board up to date. We had an interesting conversation with the scout leader; he's a contractor, and what they plan to do with the Old Lady of the Shoe. Selectman Jasper indicated that Mr. Ripaldi was out there with the scouts. On his way out he asked to speak with him and Chairman Coutu was there

as well. We went back and went over the plans and essentially to restore the Old Woman in the Shoe as it was. For now, we'll not add the steps but the deck will be there. There's a lot of work to do there because there's been a lot of rot over the years. He's got a good plan, and he's gung ho to get going on it. He's going to be out there cutting some more brush. One of the things that Roger and he talk about along with Mr. Ripaldi was opening things up from Kimball Hill Road so once again you could see the Old Woman in the Shoe, which will hopefully cut down on the potential vandalism. He met with Kevin out there on Monday because there are a lot of dead trees between the road and the fence. He's going to remove those. That will be taken care of when he can get to it. Things are coming along and he's very appreciative of Mr. Ripaldi. The Benson Committee approved the project, and Mr. Ripaldi will be doing the work. Chairman Coutu said that what Mr. Ripaldi will have to do is make some sort of an assessment of the value of things and bring it in to us for acceptance. He, too, was very impressed with Mr. Ripaldi and the scouts he had there. Over and above and beyond the shoe, as you stated, he walked with us around the property and said we'd like to clear this brush, we'd like to clear that brush, we want to take that own as well. He's going far and beyond what he originally said that he would like to do as a scouting project. It appeared to him that he was very anxious to do it for us. We're very appreciative of people like that who come forward and step forward and are willing to impact the project in a very favorable light.

Chairman Coutu only has one thing this evening. Once he apprises them of what he's going to do, he'll entertain a motion. He has received a letter of resignation from Mr. Timothy Boland who is a member of the Recreation Committee. He has moved to Massachusetts. So therefore, he is no longer a resident of the Town of Hudson so he cannot serve on the Recreation Committee. So that you are aware, he also submitted his resignation to the Budget Committee which Chairman Coutu will provide this to the Town Administrator and ask him to make copies available to the Budget Committee Chair so that they can take action.

Motion by Selectman Jasper, seconded by Selectman Nadeau, to accept the resignation of Timothy Boland from the Recreation Department, carried 4-0.

Selectman Jasper said since we are moving towards the season where we do the reappointments, he was wondering if we should solicit from the Rec. Committee if they'd like them to proceed to fill that as soon as possible or just wait until the December period when we would normally be filing the positions? Chairman Coutu thinks the process will take us to that time period anyway because he thinks what they might recommend is to take the alternate and ask us to appoint him to a permanent position. Then we'll be looking for an alternate, and I believe they have some names. So I think they want to go through the review process. He thinks what it is going to do is bring us in to probably November/December we'll make it effective whatever the – January 1 would be the annual year he believes they do for the Recreation Department.

Selectman Massey's only question is when does Mr. Boland's term finished? Is it at the end of this year or? Chairman Coutu stated they'd have to look that up. Either way, Selectman Massey indicated we're probably talking December before we make an appointment. Chairman Coutu agreed. If he has a year or two, we can appoint for that period and keep the cycle going for that position. Selectman Massey said correct. The only thing we would have is if someone got December 31st if that's the end of the term, then we have the problem that we'd appoint the person for a month and then we'd have to repost the job. Obviously we probably would want to do that. Chairman Coutu thought we were going to appoint effective the term to begin January 1st. There's nothing pressing between now and then. Selectman Massey indicated that the individual wouldn't be on the committee during the month of December if that's the case. That was Selectman Jasper's thought. Rather than ask for volunteers now and we're asking for volunteers later, just wait because they have alternates who can sit in the interim. Chairman Coutu would like to remind the listening audience and the populous of the Town of Hudson that we do have some vacancies on a few of the boards and committees in town. They are all posted on our town website or if they want to call the Selectmen's office, we can advise you of which positions are available. You can apply on the website or you can apply by coming to Town Hall and picking up

an application, or you can send a letter informing the town that you're interested in serving on a particular committee. We welcome your service and if you're available, please let us know.

One final on that. Selectman Massey stated we also will have expiring terms on December 31st. So he thought it would be appropriate if we could post on the website by the first of November all of the positions that will be up for appointment in December and have it available as part of the agenda just as an information only for the November – you probably want to post those positions effectively the first meeting in November, which is going to be around November 8th or 9th, whenever that is. Our first regular meeting we should post the jobs. Chairman Coutu said you can't assume that people are automatically going to want to refill those positions.

Selectman Nadeau asked what the Board's pleasure with the Budget Committee position that is open. Chairman Coutu indicated that it is an elected position. The Budget Committee appoints. Selectman Nadeau asked if we have to accept his resignation from the Budget Committee or do they do that? Chairman Coutu indicated no we do not. We have nothing to do with that.

ADJOURNMENT

Motion by Selectman Massey, seconded by Selectman Jasper to adjourn at 9:31 p.m., carried 4-0.

HUDSON BOARD OF SELECTMEN

Roger E. Coutu, Chairman

Kenneth J. Massey, Vice-Chairman

Richard J. Maddox, Selectman

Shawn N. Jasper, Selectman

Benjamin J. Nadeau, Selectman