

**HUDSON, NH BOARD OF SELECTMEN**  
**Minutes of the October 25, 2008 Meeting -- Budget Presentations**

1. **CALL TO ORDER** by Chairman Nadeau at 9:00 a.m. in the Selectmen's Meeting Room at Town Hall.

2. **ATTENDANCE**

**Selectmen:** Ben Nadeau, Rick Maddox, Shawn Jasper, Ken Massey and Roger Coutu

**Staff/Others:** Kathy Carpentier, Finance Director; Michael O'Keefe, Cable Committee Chairman; Paul Inderbitzen, Moderator.

3. **BUDGET PRESENTATIONS**

Selectman Maddox said he had asked the Finance Director for a breakdown of what they did on the first two nights and where they stand. It looks like they are about half way to the Board's set goal of \$396,000. He recalled that the Chairman wanted to get to zero, so if there's a secret plan, he'd like to see it now, rather than later, or maybe he was going to wait until the end to come up with the remaining monies because it's getting challenging, as it is. Chairman Nadeau said there was no secret plan. Selectman Jasper said it was his idea to have a goal, but he was concerned that the goal has become more important than the operation of the town. A goal is something you strive for and you take that into consideration when looking at the wants and needs. With some members of the Board, this has become the overriding thing; they don't care what happens to the town, as long as they reach the goal. They may go over or under, depending on the needs, the wants and the realities. He hoped they stop focusing on the goal as being the most important thing, because it is not. Providing the services to the residents and the monies to properly fund the operations are important. Everybody recognizes in their own lives that the cost of living has gone up significantly in the last year. That's what they need to be cognizant of and if they can reach the goal, great. When they get to the end, and they're \$100,000 off, he suspects they will talk about some of the things they already talked about and weigh those things against the goal. As they go through the budget, if they are not close to the goal, it shouldn't be made to sound as if they are not doing a good job, because they are doing a good job and this is disturbing. A couple members were fairly upset at the end of the last meeting because they weren't near where they thought the Board ought to be on the goal and that's not the way to do budgets.

Selectman Maddox said, as a counterpoint, the goal is something Selectman Jasper has stressed for years and it's something they need to be cognizant of. People at home are making difficult choices—whether they shut off cable, whether they get rid of the second car—so the Board has to be cognizant of spending monies that could be cut because of the financial situation, so he is doing what he does with the budget every year—look at the needs versus the wants and try to come up with a budget he can support. He'd just like to see them get there in a manner that is as cost effective as possible.

Selectman Jasper said they need to recognize this has consistently been one of the most frugal towns in the state. They looked at the analysis last year. There's only a couple towns in Hudson's range that have a lower tax rate. Salem, and they have a greater commercial base than Hudson and Rochester, which is a much poorer community to begin with and has faced some struggles. When you look at the real comparable communities—Merrimack, Derry, Londonderry, etc.—Hudson has always had a lean budget. The reality is it's the schools where the real money is being spent. Their budget is moving up at a much higher percentage and the town can't continue to take the hits. Reading in the Thumbs column, people say to vote out the Selectmen, who have nothing to do with the school budget. For essentially six years, they have been holding the line. They can't continue to do that when there is a continued stretch on the services. They are required to do more which costs continue to go up, with 80% of their cost being labor. He encouraged people to come in to talk to the Board, where they think the town could be saving money. They could write letters, send e-mails, go to the Budget Committee and hearings, and they can attend the deliberative sessions, but people don't do that. All they want to do is complain without making any real suggestions. People have a real responsibility to make the specific suggestions of where they think there is waste in government. He didn't see it. They have always been a very frugal town. Some even call them cheap—and that's something to be proud of. That's what he's tried to make his career as a Selectman and Budget Committee member about; trying to find ways to be more cost-effective. It does reach a point where there is not a lot they can do. They're not adding programs and they are not being willy-nilly with the increased spending. They should not get so upset about it in the process, which has bothered him since the last meeting. There seems to be a great deal of anger because they weren't getting there and he didn't think that was helpful at all.

**Community Grants**

Selectman Jasper didn't want to add a new program, but he was concerned because there was a lot of stress in these areas and it might be appropriate to increase this amount by 3% and allocate it accordingly, but he didn't think that motion would get him too far. Selectman Maddox said to make it.

*Motion by Selectman Jasper to increase the total of Community Grants by 3% and to increase each of the requests by 3%, rounded to the nearest \$10, \$2,700 increase, seconded by Selectman Maddox.* (Later in the discussion, Selectman Massey asked if they should just make it a decrease down so the net increase from last year is \$2,700. Selectman Jasper agreed.)

Selectman Jasper said he recognizes that some of them haven't asked for more, but he didn't want to punish someone for not asking for more. Selectman Massey asked if that included the new request. Selectman Jasper said it does not. Selectman Coutu said the 09 appropriation in that line is \$90,260 and asked if that was the number that was going to be increased, or the request that presently exists. Selectman Jasper said the 09 number. Ms. Carpentier said this would be a net decrease of \$12,464 for what's in the budget.

Selectman Maddox said he was supportive of the motion, as most of these service organizations are going to be stressed. This is something they should do. He felt bad about the new request, but they would probably stay with what they have. Selectman Massey said they get into squirrely things in the future if they don't keep things in even increments. If they do an

across the board increase of \$160 for each one, it would keep all of the numbers nice and round. Otherwise, they will end up with fractions of cents. Selectman Jasper didn't want to get into this too deep, so his motion should reflect he'd like the number to reflect being rounded to the nearest \$10. Selectman Massey said the last two would be the ones that wouldn't come up with even numbers, Transit and St. Joseph Community Services. Chairman Nadeau said Keystone Hall didn't request any money this year. Selectman Jasper said then he'd take their \$1,000 and 3% and allocate that amongst the others.

Selectman Massey said he was going to support what they do, but wanted to know if Selectman Jasper was suggesting that they not start with a base of \$90,260 but with a base of 89 and then add the 3%, or include the 3% on top of the \$1,000 they were taking from the one program. Selectman Jasper said he'd like to keep the \$1,000 in there to try to move these along a little more so the net result is the same in Community Grants and make a percentage allocation of that \$1,000 to give them a little more than 3%.

Selectman Maddox said they should take the \$1,000 and put \$500 toward the new program. They can swap Keystone for Healthy at Home and allocate over all of them.

Ms. Carpentier said they could take the \$90,260 and allocate 3%, zero out Keystone and add \$500. The motion is still to increase the \$90,260 by 3%.

Selectman Massey said he would support Selectman Maddox's suggestion, but rather than going squirrely today, they do the 3%, have the Finance Director adjust them all so they are in increments of \$10, so they don't wind up with this odd thing. The final number would be an increase of \$2,700, rather than 3%. Ms. Carpentier said that is technically a decrease because the \$105,432 is what's in the budget. Selectman Massey asked if they should just make it a decrease down so the net increase from last year is \$2,700. Selectman Jasper agreed.

Chairman Nadeau asked what they were going to do with the Healthy at Home. Selectman Jasper said if they were not present, he could not support adding money to a program he didn't have any information on. Selectman Coutu said he didn't object to helping non-profit agencies in the community. Based on the packet that was provided, he agreed that it was a good program, but he didn't know that for a fact until he could sit down and speak to someone that actually participated in the program. They are talking about only \$500, but did anyone know anything about the program, other than when the document before them said. Chairman Nadeau said he knew of someone who has used them. Selectman Coutu said they expect department heads to come in to defend their requests and the community service people shouldn't be treated any differently.

Selectman Massey said they were cutting the budget by... Ms. Carpentier interjected \$12,472 which is an increase \$2,700 to the 09 budget. She believed the directive was to zero out the Healthy at Home and Keystone. The new number is \$92,960.

Vote: Motion carried 5-0.

### **Trustees of the Trust Funds**

Ms. Carpentier said they were unable to make it today, but she is the staff liaison to them and she has been attending their meetings, if there were any questions.

### **Moderator**

Paul Inderbitzen said the Town Administrator put this budget together because he didn't really understand how everything was done. Different parts come from different places, but it's in his budget. He guessed they make an assumption they throw in one extra meeting a year, just in case they need to have a special meeting because there should only be one election next fiscal year, in 2010, the Town Meeting, Deliberative and Voting sessions. This year, there are four elections, which makes a big difference. They had to beef up the salaries for the additional people needed for the January Primary and in November. The numbers seem reasonable, but he hasn't had a real good handle on what has been done in the past. There wasn't much activity by the Moderator in the past. The decisions have been made by the Town Administrator and Selectmen in the past. This budget was a decrease and the only thing he was thinking of was looking into those stanchions which they would need only every four years for the big elections, but he didn't think they should be purchased now. They can't rent them. He spoke with the Chamber of Commerce, who is going to check around to see if someone has some they can borrow in November for crowd control. They cost about \$1,000 to get what the town needs; they are not cheap. The Fiscal 10 budget appears reasonable and they will probably be under because of the fact that the March election is not a big one, unless they get a hot item. The printing is the ballot printing and the programming and the Clerk takes care of that in terms of arranging with the companies. He hasn't gotten a handle yet on how the company charges for programming the cards, whether it's based on the size of the ballot. They will be talking with the School Board about sharing that printing for the town election. He didn't think they've done that in the past, at least the programming of the cards. The town has always done the programming under its budget, but some of that is for the school, and they should take a part of that. He didn't know if that makes it financially difficult in order to transfer the money. If they put money in the budget for the school, how do they get it?

Selectman Jasper said that's one of those things that is probably best left alone for the few dollars that are involved. The same thing with the rentals they were doing. It's insignificant. He asked if the Moderator has looked into starting to replace any of the machines. They've had some issues with them and they are getting worn. It would be better to replace one at a time, rather than have them all go at once. Mr. Inderbitzen said right before the January Primary, the Clerk had them refurbished by LHS, and they really didn't have too many problems with them in January, September and March elections. Maybe they should look at having a backup machine, but not necessarily for this budget, and he didn't know how old they are.

Selectman Maddox said in the past, there has been talk about the increase in the cost of the electronic booth. He asked if that has been stabilized and if it was in this budget, where they have to have the phone line and programming for it. Mr. Inderbitzen said there's no extra cost for that. It all came from the state. He didn't know if they have to replace anything or not. That whole special voter assisted booth was all sent and paid for by the state, from his understanding. Selectman Jasper said it was paid for with Federal funds, Help America Vote Act. Selectman Maddox said it jumps up \$1,500 every other year. Mr. Inderbitzen said that was based on the programming of the cards for the machines and number of elections. That was here when he came. If something breaks down, he didn't know if the state would replace it or not. They just sent another piece of equipment this year, to add on to it for the people who can't use the phone and use a motion thing. No one has ever asked to use it.

#### **Supervisors of the Checklist**

Ms. Carpentier said they wouldn't be present until 10:30 this morning, but it was a zero increase. Selectman Jasper said call and tell them to stay home.

#### **Cable Committee**

Chairman Mike O'Keefe believed everyone on the Board knew the process the Cable Utility Committee goes through to come up with their annual budget, but he would review it for the viewing audience. The Cable Utility budget is based entirely on the franchise fees that are collected from Comcast and paid for by cable subscribers in the town. Each year, they look at the most recent payment from Comcast—they are paid quarterly—and they multiply that by four to give them an annual revenue estimate for the upcoming budget. In general, that estimate is usually low because, typically, the rates go up over the coming year. They use that number as a bottom line revenue figure and then budget against that. In past years, they estimate their expenses for that fiscal year, take that total and subtract it from the anticipated revenue and that leaves a balance that, in the past, they've allocated to a capital reserve fund that was created a number of years ago at Town Meeting for the purpose of establishing a television access center in Hudson. The change that the Cable Committee is proposing in FY10 is to move towards implementing an access center, but rather than going down the route of spending all the money in the capital reserve account, they'd like to go the route that was recommended by some of the Selectmen and rent a facility for a period to see what interest is generated and how that proceeds before they contemplate building their own center. To that end, they modified the 2010 budget by a number of items. They added line items for lease and utilities. The other change was, rather than allocate money to the capital reserve, they moved that balance into an equipment line item, which would be used to purchase the equipment necessary to outfit the leased space. They hope to have the process started in the 09 budget cycle.

Selectman Maddox said Mr. O'Keefe was asking the Board to budget for a plan that they haven't seen. Sometimes people take disapproval at this stage and carry it forward to an approval. Whatever the Board decides, they still have to come in with a plan. His concern is taking the \$113,000 for small equipment. He was always under the understanding that if you were to rent a space in X location, one of the control rooms they presently have, would relocate to that site so they would have the basis of equipment. They would start holding some of the meetings in that facility, so they wouldn't have to start up a complete new site. If it doesn't work, they will have all this equipment for \$120,000 and they are not taxpayer dollars, but they are still monies. The plan, as he sees it, is still not fully fleshed out. He's not terribly comfortable putting \$113,000 into small equipment, not knowing how that plan is going to go.

Selectman Jasper said taking the equipment out of one of the rooms at Town Hall isn't very sensible. The business of town government needs to be conducted here where the resources are. They can't have the Selectmen meeting someplace else. The resources they very often need are available in this building, and the same is true with Planning and Zoning. The School Board could perhaps go someplace else, but at least they are across the street, if they need something. He's not sure what kind of studio they are talking about, but he didn't think they were talking about a room with tables and chairs, but a place where there can be plays. They're not talking about a place where there's a static setting, where people are going to sit because, for the most part, they could continue to do that here. They're talking about a production studio. This doesn't give them the approval to go out and buy all the equipment. They need to see the plan. They've just hired the new cable facilitator. If they don't do this in this budget, then they are waiting another year. They should probably put a dollar in capital reserve and then, at the end of the year, if everything hasn't happened, they can transfer money into that line. It should be kept open with \$1. Selectman Maddox thought the money would go into the general fund, if it wasn't allocated. Ms. Carpentier believed that was what would happen. Selectman Jasper said that's why he was saying that if they keep \$1 in this line... they shouldn't be taking the money that the rate payers are paying and putting it into the general fund. If there is more revenue than is spent, it goes into the general fund, but if they've got an approved budget and they don't do this plan, then they should continue to do as they have done in the past, which is capital reserve.

#### **Motion by Selectman Jasper to amend by taking \$1 from line 403 and moving it to 450, seconded by Selectman Massey.**

Selectman Jasper said it keeps the line open so they can make the transfer at the end of the year. If they didn't do any of these things, the \$25,000 utility, he didn't think they can then put it into the capital reserve fund without having an appropriation for that. If they have \$1 there, they can then transfer money in so that money does go into the capital reserve. Selectman Maddox said that's not how it has always been explained to him, noting that the Finance Director was also shaking her head. Ms. Carpentier understood putting \$1 in to create a purpose, but whether they can take the balance at the end and put it into the fund, she didn't know. If it wasn't to have an excess, then the taxpayers would be assuming that. Selectman Jasper said this was a line item budget and they've already established the purpose through the capital reserve account. They just couldn't put money in if they didn't, but they have the ability to transfer money from any line into any other line, as long as they have a purpose. If they hadn't established a purpose in the budget, they couldn't do it, but clearly, at the end of the year, from the appropriation, if there is a surplus of \$100,000 within the appropriation, they can move that to the capital reserve. Without

question, that is something they can do. If they don't like the plan they come up with, if there's a glitch to the plan, the money doesn't just go to the general fund. That's not the intent of the franchise fee.

Selectman Massey said with the absence of a plan, it's hard to look at this. Bedford has one of the best television studios in the state. All of their boards meet in that facility, and it's not near... so he didn't see that as a gate, but what concerns him is that they are talking about spending a lot of money without a plan. Before any of the money is allocated, just putting it there as a budget item does not constitute approval to spend. If a plan doesn't seem feasible, they are not only talking about taking money out of that small equipment area, but they are also transferring the electricity line item and the lease space line item into that capital reserve fund. Selectman Jasper said that was correct.

Selectman Massey asked what the current status was of the franchise renewal agreement. He is concerned because last time, because of cost issues, they piggybacked on top of the surrounding communities to get a single price. He was totally unimpressed with the cable industry attorney that was negotiating on behalf of the towns. He asked if it made more sense if the town hires its own attorney, given it looks like they have the money to do it, to negotiate in Hudson's best interest, not of the surrounding communities. When they did the original agreements, all the communities kind of compromised in order to get to a common agreement. Mr. O'Keefe said in the past, they were part of the consortium in order to pool their resources. The committee hasn't addressed that yet because the renewal process is just starting. August 2011 is the contract expiration and it can take up to three years to do the renewal. The original consortium was dissolved with the last effort, and he didn't know if there was any interest by the other committees to even do a consortium again. He wasn't the committee chairman at the time it was done. Most of the towns in the area utilize the same communications attorney to do this type of work, but he wasn't opposed to looking at other options. He can see if there's any committee interest in doing a consortium and bring it back to a Board meeting. They allocated additional funds in the legal area because he knew they'd be entering into the renewal phase. They always had the option of moving money from other lines, if it becomes necessary.

Selectman Maddox said since they just heard monies can be moved around in the budget, so he'd like to change the \$1 to \$50,000. If they are going to build or rent a facility, they can transfer it out, but at the end of the year when things happen, they are busy and things slide and then revert to the general fund if they forgot about it. If they put 50 in, at least it's there.

Selectman Jasper thought about something similar, but not specifically \$1. Putting more money in there gets into the question of honesty in budgeting. They've come forward with what their intentions are and the Board needs to shine light on this. If they put \$50,000 there, the only place they could take it is out of small equipment and then they are budgeting at \$63,000 and spending \$113,000 there's going to be a lot of questions why they did that. He's sure the Cable Committee will be very cognizant of what is available at the end of the year and they're not going to let that money simply go to surplus. They will be in to request transfers because that's in their best interest. It's not necessary for the Board members to remember that because the Cable Committee members will.

Ms. Carpentier said capital reserve funds that are funded, after the audit is complete, have to transfer the money to the Trustees. She does that sometime around August, no matter what happens to the departments after the fiscal year. If they put \$50,000 in she is responsible to give \$50,000 to the Trustees shortly after the year begins. Selectman Maddox didn't see anything wrong with that. Ms. Carpentier said they can't get it back unless they are buying a building. Selectman Maddox said but there are significant monies in other lines that have increased dramatically, but he thought he was shoveling uphill.

Selectman Massy said he liked Selectman Jasper's thought process on this because it's difficult to go into the Budget Committee and the Deliberative Session and defend spending \$113,000, but it's not in the budget. The Selectmen understand the process, but the average person doesn't. To transfer the monies sounds like they are playing with the numbers. Before they make a final decision on this, because it's a capital reserve fund, can you add to the fund if you haven't budgeted for it. Ms. Carpentier said she will follow up on that. Selectman Massey said he would support leaving it at \$1 because it preserves the transparency.

Selectman Jasper suggested to the Cable Committee that before this gets to the Budget Committee, and certainly before the deliberative session, that they have a little more detail in terms of what it is they are looking at for equipment.

Vote: Motion carried 4-1. Selectman Maddox voted in opposition.

Selectman Maddox referred to 252 Professional Services said that tripled from the rate they now have. Each of the last three years it has been \$12,000; this year he was budgeting \$35,000. He asked if that was in anticipation of more staff. Mr. O'Keefe said the facilitator's rate increased by 10 hours a month and he also include some for the senior camera operator and they estimate a certain number of government and school meetings that will be cablecast, and they are adding more, probably starting this year, but certainly in the 2010 budget. He added some on top of that for unanticipated additional costs. Selectman Massey said 09 was budgeted at \$30,000. Selectman Maddox said that's what was budgeted, but they've spent only \$2,800 so it's still tracking towards \$12,000.

Selectman Jasper assumed that if they got a studio, they'd be anticipating spending more time at the studio, plus have more expenses if more events were being done. Mr. O'Keefe said yes. The whole plan to put a studio together assumes they are ramping up activity in public access television in Hudson and if that happens, there will be additional hours for a facilitator and various camera operators. He didn't want to beat a dead horse, but if that line comes in over budget, they can allocate it to the capital reserve account at the end of the year, as has been indicated. His biggest factor is the bottom line, but he understood

the question. The number has gone up and it's significantly more than what they've spent in previous years, but the activity levels were significantly lower in previous years. They haven't had an access center and the work done by the previous facilitator was at a lot lesser level than the current one--and where they anticipate it going. He didn't think it was an unreasonable amount.

Selectman Massey said there was significant pressure on cable today because both the phone company and the satellite companies are doing extensive marketing campaigns to move people on to their own programs. The telephone company is now offering a bundle of three services. Yes, they see what the quarterly revenues are right now, but he hoped that since this budget gets approved in March, that they don't go out and implement this plan for a new cable system in July, finding out that the cable revenues are decreasing because the phone company and the satellite company are making significant in-roads into the customer base. If they buy the equipment in July at \$113,000 and the revenues drop the following quarter, they don't have a lot of room, at that point, to run the rest of the thing. The plan should also take into effect that before this gets implemented, of where the revenue looks like its going.

Mr. O'Keefe understood Selectman Massey's concern but historically, it has never dropped, realizing that that wasn't a guarantee. They can keep an eye on that. Comcast pays the town quarterly, so they can see how its trending. The programs available from the phone company are also available from the cable company. They also offer bundles of three, so they are competitive. He didn't think it would drop dramatically, if any. If so, they could deal with that over the course of the budget.

**Town Treasurer – 5050** (No change. No discussion.)

**Budget Committee – 5070**

Ms. Carpentier said there was a \$4,000 decrease in the budget because they took out the minute taker.

**Ethics Committee – 5080** (No change. No discussion.)

**Library – 5060**

Selectman Jasper said the Selectmen didn't have oversight of this budget and asked if they were included for some special reason. Ms. Carpentier said the Library's budget was rolled up into the town's budget.

Library Trustee Treasurer Arlene Creeden said they changed their warrant article, which is why they chose to come today.

**Warrant Article E – Wage and Benefit Increase for Full-time Library Employees**

Library Trustees David Jelley said they had a warrant article for a wages and benefits increase for full-time employees of the Hudson Library, asking that the sum of \$11,958 be appropriated, which represents a 3% increase.

*Motion by Selectman Jasper to move Article E to the Warrant, seconded by Selectman Massey.*

Selectman Maddox said, as a citizen, not a Selectman, the budget went up 4.9% on their line item and with the new library, many a year he's hear at the annual meeting, there would be a reduction in staff.

Selectman Jasper raised a point of order, saying they were talking about the warrant article, not the budget. Selectman Maddox said he was getting there. The budget is up 4.9% and there was talk many times about a reduction because there would be fewer people because of the trailers not being manned. He asked if the warrant article took into account the fewer number of people and asked if the \$13,000 reflected that. Mrs. Creeden said this warrant article was strictly for the full-time staff members, which covers only nine workers, and none of those nine employees will be eliminated.

*Vote: Motion carried, 5-0.*

**Energy Committee – 5085**

Ms. Carpentier said this was a zero percent increase budget. Selectman Jasper said based on what they've done so far, they haven't expended too much. They've done a phenomenal job in identifying areas where money can be saved and he thanked them for their diligent work. Chairman Nadeau agreed, saying they did the lighting changes with the electric company.

Chairman Nadeau declared a 10-minute recess at 10:00 a.m.

**Finance – 5310, 5320**

Ms. Carpentier said she has two departments, Finance Administration and the other is the Accounting Department. Because she needed to come in with level funding, she is short on her audit line because she didn't have any other place to take it from. She was requesting an additional \$10,000 to pay for the audit, as they did sign a three year contract.

*Motion by Selectman Coutu, seconded by Selectman Jasper, to amend 5310-228 Finance Administration Audit by changing request from \$26,345 to \$36,345 in order to meet the contractual obligation to the auditing firm.*

Selectman Maddox said it has to be done, so it has to be in the budget. This is just going sideways.

Selectman Coutu didn't mean to be disrespectful or argumentative, but in defense of the Finance Director, there was a consensus of opinion with some department heads, not necessarily all of them—he wasn't too impressed with one of the budgets the other night, and that's what he was upset about, not that they are not arriving at a 3% or 4% budget line. He was upset about one particular budget. There was a perception out there that the departments had to come in with zero level funding, with the exception of the wages, and they had to find an item to reduce. He felt that items should have been included that needed to be, and articulate why they were included, but the message the Board gave was for zero increase and include a wish list. In this case, the town has a contract, so it has to be included.

Selectman Jasper said yes, they have to do an audit, but in theory, she could have said they were going to turn back the copier and not make copies this year and she wasn't going to have the intern this year, which would have arrived at the same goal, which would have been more realistic. An audit is something they can't go without. A copier, in theory, is. They didn't have a copier 30 years ago. He asked if the allocation of the \$41,000 for the audit, with \$4,000 to the water fund and \$2,000 to the sewer fund, was based on some formula. He would think they could allocate that and maybe they are; he never really thought about it before. It should be based on a percentage of the budget. Selectman Maddox said the water and sewer were pretty straightforward. Selectman Jasper said they could reasonably say, if it's a \$5 million or \$6 million, as a percentage of the budget. Isn't that as good a formula as saying we think the town is more complex? \$5 million is \$5 million.

Ms. Carpentier said it is the complexity of the fund. The sewer fund has a lot of liens and sewer capital assessments and in one year it could mean more time spent than on any fund. There's no allocation; this is just history. In a couple of years, it has gone up. It hasn't been flat for the funds. Selectman Jasper said \$4,000 to the water fund, but only \$2,000 to the sewer fund doesn't make sense to him and he was wondering if they should be looking at the allocation. What does it come out to, if they take the raw numbers and divide it out? They should look at that. Ms. Carpentier said she could take that as an action item. The Water Department was charged \$3,000 in '06 and '07 and increased to \$4,000 in '08. Selectman Jasper said the Sewer Department was getting one heck of a bargain. Ms. Carpentier said the sewer fund has been doing \$2,000. Selectman Jasper said that shouldn't continue. This is something that should continue and take as an action item and come back Monday.

Selectman Massey asked if the auditors were spending less time with the Trustees of the Trust Funds now than originally. Ms. Carpentier said yes, primarily because she was attending their monthly meetings as department head liaison and works with them. Last year, they had a new tax collector, so there was some time there. Selectman Massey said the audit fees the Trustees incurred a couple of years ago were significant.

*Vote: Motion carried 5-0.*

Selectman Jasper referred to Temporary Part-time Help, the intern, saying this was something they hadn't done before, but they talked about it. They put the money in, it didn't happen. Ms. Carpentier said only in '09 has she been able to allocate the money, so she'd use it when it's closer to the audit, which would be June-July-August.

*Motion by Selectman Jasper to zero out line 203, seconded by Selectman Maddox.*

Selectman Coutu asked why. Selectman Jasper said this was something they haven't done, so if you haven't done something, you can't really miss it. It's nice to have, but not something that the town will come to a screeching halt if they don't have. Selectman Coutu asked why the Finance Director requested it. As more departments request things electronically and want standardized forms and that kind of thing, but she's OK saying no to them. The Budget Committee would prefer to see all of this on an electronic format, but she doesn't have the resources for that. The goal was to give out better tools, but she respects the cut and will respectfully say no when people are asking for different formats of data.

*Vote: Motion carried 5-0.*

**Finance Accounting – 5320** (No change. No discussion.)

**Board of Selectmen/Administration/ Town Hall Operations – 5110, 5120**

Selectman Jasper said 102 Salaries Part-time, spent in '08 was 16-8; '09 is budgeted \$16,000 and 2010 is budgeted at \$16,000, but the previous years was above \$16,000 as well. Ms. Carpentier said the \$16,000 represents the Selectmen's budget. The additional monies above and beyond \$16,000 would be for that help. Selectman Jasper said they are spending over \$16,000 every year; obviously, they are coming in alright on the bottom line, so maybe it's nothing to worry about, as it's matter of a few hundred dollars. Chairman Nadeau asked if this was for the lady that fills in when someone is out in other departments. Selectman Jasper said they each get \$3,200 which is \$16,000. Maybe they should put \$1,000 in there for filling in for vacations and what-not. Selectman Massey asked where the floater was in this whole thing. Selectman Jasper said her salary wasn't in there; it was built in to each budget. Wherever she is working, it's budgeted to that area. Chairman Nadeau asked if it should go in the 103 line. Ms. Carpentier said it's usually in 102. Selectman Jasper said for some reason, money was put in there this year, \$122. Selectman Maddox said there's nothing budgeted to support it.

Motion by Selectman Jasper to increase 102 to \$17,000, seconded by Selectman Coutu.

Selectman Coutu got the impression that Selectman Jasper was saying that each department is charged proportionately for the time that the floater spends within that department, and it's already in those departments' budgets. Selectman Jasper said she's not actually an employee, per se, with set hours. She is someone who is available on call, when she's needed, and she's

well versed in all departments—kind of like a substitute at the schools. There is no hourly rate budgeted. If a department goes over a little bit, it has to come from someplace else and the following year, they adjust it. Selectman Coutu asked if the proposed \$1,000 was the Selectmen's budget's portion. Selectman Jasper said that was correct. Selectman Massey said what they were doing was correct, but thought it was the wrong line, so he will vote no. It would be more appropriate to put it in 103. Selectman Jasper said he actually agreed with that because the Selectmen were part-time too, so the title should be changed to Elected Officials' Salaries and given a new number so everyone can see it. Selectman Massey asked the Finance Director if that was possible to do. Ms. Carpentier said yes. Selectman Jasper withdrew his motion; Selectman Coutu withdrew his second.

Motion by Selectman Jasper, seconded by Selectman Coutu, to increase 103 Administrative Salaries Temp by \$1,000 carried 4-1. Selectman Maddox voted in opposition.

Ms. Carpentier asked, if she creates a line for Elected Official, if the Board wanted that for every elected official. Several Selectmen answered in the affirmative. She asked if the Board wanted to start seeing that in the FY09 actuals. Selectman Jasper said yes.

**Town Hall Operations – 5120** (No change. No discussion.)

**Community Center – 5125**

Selectman Maddox said under Temporary Employees, they have an events custodian for \$12,000. He didn't think they had that many events. Selectman Jasper said they've been spending \$16,000-\$17,000. Selectman Massey said the Town Hall custodian also helps out there and at the Fire Department; he gets split between all of those. Selectman Maddox said then they have an events custodian. He asked if they charge people so there's revenue to offset this. Selectman Jasper said it's primarily Rec. Selectman Maddox asked why, then, wasn't it in the Rec budget. This same person is in the Rec budget. Chairman Nadeau said yes, he is. Selectman Coutu said he's a contractor. Ms. Carpentier said after every event, Town Meeting, elections, etc., he's the one who goes in there, no matter what time of the night, and puts it all back the way it belongs. The other part of his salary is his recreation hours. Selectman Coutu said they were talking about salary, and asked if his contract wasn't bid out for custodial services. That's what the Rec Director told him. The town has a contract with this gentleman, and he subcontracts some of the work out. Selectman Jasper believed that was true. A few years ago, they did go out to bid for custodial services on an hourly basis, and they just kept him on. There were a few people who put in proposals to provide those services. He didn't think they've done that for a few years, but recalled it was on an hourly basis.

Selectman Maddox asked if there was a revenue offset for this. Selectman Jasper said no. There are very few events going on there, and the Board waives most of the fees. Selectman Coutu said when AA came before them, the Board agreed to let them use the Community Center for a fee, and part of that fee goes to pay the custodian. Selectman Maddox said this person (not discernable) for \$24,000 to clean, on top of the full-time employee. He's just trying to clear up where all that cleaning is happening. Selectman Coutu said either he was misled or he's not. They either do or do not have a contractor doing a custodial task at that building and he subcontracts. If he's actually on the payroll and bringing other people in, there's a question about Workmen's Comp if somebody gets hurt and they are not being paid under a subcontract. They are just coming in, doing his work.

Chairman Nadeau said they should discuss this with the Rec Director when he comes in. Selectman Coutu agreed, saying there may be more than one person. Selectman Jasper said it was more than one person; there are two people involved. If there are more than that... they need to make sure that there is coverage and he still hasn't heard to answer on the camera operators. He assumed someone found out the answer to that, but he didn't hear it. Probably at the meeting he missed. Several Selectman said they were covered.

Ms. Carpentier said one individual has two different duties and he's on the payroll, so he is covered, as well. She's not aware if he contracts out or not. Selectman Jasper said the appropriate one to ask is the Town Administrator, not the Rec Director. Ms. Carpentier said anyone who is paid through payroll, and any contractors are picked up in Workers Comp, so they are covered. They do self-audits and give it to the Workers Comp carrier.

Selectman Massey said he was having a hard time understanding this cost center because the actuals for 6, 7 & 8, spending for Temporary Help, 17, 17 and 15-6, and when he looks at the '09 budget and the 2010 budget, they are both coming in at approximately the same amount as the '08 actuals. In order to get there, they've dropped the temporary by \$4,000. If for the last three years of actuals, they've been running consistently 55 plus with a temporary salary ranging between \$17,000 and 15-6, why they can suddenly keep the same total and keep the salaries... there's something about this that doesn't... he didn't understand it. Selectman Jasper said part of it is assuming that janitorial supplies has been level-funded. There's almost \$2,000 there. Building maintenance, if that's level funded, there's some money there. Perhaps in natural gas. There's a little bit of money here and there and, hopefully, they are trending down, and they certainly should be. To be spending \$20,000 on that building for salaries to maintain it is a little outrageous for what use it gets. Between the full-time custodian and part-time, they've spending \$25,000—almost half the budget. Selectman Maddox said Rec has another \$12,000. Selectman Jasper said that is for their building, not for the Community Center. They need to get a little better handle on what's going on, in terms of spending that much money. Granted, the building gets a lot of use in the summer, and a lot of basketball use in the winter, but they need to find out why so much money for two people and get a better breakdown of what exactly is going on. How many events are in the building? How often are they coming in? How is this being monitored?

Selectman Coutu said he couldn't help it, but was going to apply some of Selectman Maddox's theories here. Based on the number just thrown out, \$26,000, that's \$500 a week for a building that's not used for the most part on Saturdays or Sundays. Chairman Nadeau said that's when it's used the most, for basketball events. Selectman Coutu asked if they were paying \$500 a week to clean that building. If they are having basketball Friday, Saturday and Sunday, how dirt accumulates that he has to go in every single night. He thinks \$500 is a lot of money spent to clean a building that's used part-time. Selectman Jasper said it's not just cleaning. There's the chairs and tables that are put up and taken down. Selectman Coutu said he'd do it for \$400 a week. Selectman Jasper said there's cleaning the bathrooms and everything, but agreed \$500 a week was a lot. Even at \$20 an hour, that's a lot of hours. They need to look into it a little more. Selectman Coutu said he knows a lot of kids who could use the work, even at \$7 an hour. Ms. Carpentier said she made note of it for the Town Administrator.

### **Town Poor – 5151**

Selectman Coutu thought that level funding this item may create a problem, but his peers are more astute about it, having dealt with it over the years. If they are comfortable with the numbers, then he will be, too. Chairman Nadeau said the person running this department was doing a very good job and she outsources a lot of stuff to community programs that are available.

Ms. Carpentier said a couple years, a donation was made to subsidize this account, if they were to go into the red, so they have \$8,000 sitting in a donation account that if they needed to supplement the budget or the 2010 budget, they could do that. She had a handout from the Town Administrator. It shows what types of things the town was paying for—rents, food, medical, etc. Selectman Jasper said one of the big concerns was going to be the home heating oil and given that oil has hit \$64 a bbl, it will be less of a concern than it was last winter. He didn't think Hudson was seeing the massive layoffs that some areas of the country are seeing. They are in pretty good shape, here. If it goes over, they are going to have to find that money. Also, they are talking about 2010 and who knows what things are going to be. He wasn't too concerned about it.

Selectman Maddox said he shared Selectman Coutu's concerns. They are tracking right at FY09, but in looking at the handout, he was concerned about the rents.

Motion by Selectman Maddox to amend line 5151-258 Town Poor by striking out \$133,900 and inserting \$143,900, an increase of \$10,000, seconded by Selectman Coutu.

Selectman Massey said in addition to the \$8,000 which was donated by a former Selectman, there are also two other, and he was surprised they don't have it, but the only thing the Trustees of the Trust Funds provided them with are the capital reserve funds, but they don't see the non-expendable trust funds there, and there are two that the last time he looked at them, one was in excess of \$3,000 and the other in excess of \$13,000 that provides services to worthy poor, so there are other areas they can call upon. Maybe he was missing something. The numbers were July through October and the total was \$31,000. That's four months, or about \$95,000 which is less than the \$105,000 from the previous year. It looks to him like they are under-tracking from previous years. Selectman Maddox said he'd split the difference and remove the motion, knowing there are additional monies available that's not reflected. He never knew those funds were there.

Selectman Jasper said the other interesting thing that Selectman Maddox missed, but if you look at the mortgage, they've spent only \$630 and if you increase that times three, they're under \$2,000 and they spent \$7,500 last year, so there's \$5,500 available there. They are in excellent shape, at this point. This is the 2010 budget they are talking about, and '09 doesn't seem to be in bad shape.

Selectman Coutu withdrew his second. Selectman Maddox said that's the first he's heard in four and a half years that those monies exist. Selectman Coutu referred to the summary sheet that was passed out and said he was going to assume that the third item from the bottom, security deposit, was security deposits that are paid on apartment rentals, and if the town was listed with the landlords as the ones providing that deposit so the money comes back to the town. Selectman Massey said in general, they do because wherever it's possible, liens are placed on these support services that are recorded at the registry of deeds. As a result, some of the monies come back to the town, at some point. Selectman Coutu said he was talking about security deposits on apartments, not liens on homes.

Ms. Carpentier said they do put liens on homeowners, but a lot of the people being assisted are renters. The clerk who manages this definitely stipulates and is in agreement with the landlord that the security deposits come back to the town, if that person were to leave. It does not go to the employee. The town does not count of revenues coming back, but they do come back if they were to sell the house. There's no budget line item for that, but they do have some history of getting back anywhere from \$1,000 - \$10,000 in any fiscal year.

Selectman Jasper said when it comes to security deposits, his memory is that given the availability of housing units in Hudson, almost all of the security deposits go to facilities out of town and takes them off of the welfare roles because they become residents of other towns. Selectman Massey said the current welfare clerk is doing a significant service, not only for the people who avail themselves of these services, but for the town. The people that get these services are getting them because they need them. She spends a great deal of time making sure the person that is applying needs the services, is eligible for them and where possible, directing them to other services, like PSNH help programs, so a lot of her time is spent finding other agencies that can provide the services, which is why she is able to manage these programs so well. To correct something he said, and having been a Trustee, he sometimes forgets, the funds that he was referring to are known as expendable trusts. If a resident decides they want to provide some form of remembrance to the town, they can create a fund and if the Trustees of the Trust Funds are willing to accept them, they can then have the town, through the Trustees, administer the fund. The fund



can be one where you can spend the principal, which is an expendable trust fund, or it can be a non-expendable, where you can only spend the income, and the town has both of those. The two he was referring to are expendable trusts, which means the Trustees are able to spend the principal, if they so choose. He asked the Finance Director to ask the Trustees, from now on, to provide both the capital reserve funds and the other list of funds so the Board can see them. There's over \$15,000 worth of support in those two areas.

**Legal -- 5200**

Motion by Selectman Jasper to amend line 218 Legal Fees by striking \$140,000 and inserting \$135,000, a decrease of \$5,000, seconded by Selectman Massey.

Selectman Jasper said they've been doing a good job of managing the legal liability because a lot of the cases are being handled by the insurance. They're seeing fewer land use suits. In '08 they spent \$130,000 and this still leaves \$147,000 between this and collective bargaining, and he believe that, next year, was going to be low again. They need the \$12,000 there, but rather than go back and forth, he took it from the larger line item. They can transfer, if necessary. They only have one this year and one next year. \$147,000, based on what they have been spending and the \$18,000 they've expended through three months this year is sufficient. If not, they can find the money elsewhere.

Vote: Motion carried 5-0.

**Insurance -- 5910**

Ms. Carpentier said she and the Town Administrator put together these numbers. They flat-lined it. There is a decrease in the Workers Comp calculation and an increase in Property Liability, based on new estimates. They could leave them, or do line item transfers. She preferred to decrease the Workers Comp by \$25,000 based on an estimate they recently received and Property Liability is short by about \$20,700. The estimates came in after the books were done.

Selectman Massey said it would be \$170,000 for Workers Comp and for Property Liability \$204,700. (Talking over each other.) Selectman Massey said no, it would be \$194,500. Selectman Jasper said no, it would be \$195,200.

Motion by Selectman Jasper, seconded by Selectman Massey, to increase Property Liability by \$20,700 and decrease Workers Comp by \$25,000 for a net decrease of \$4,300 carried 5-0.

**Patriotic Purposes -- 5930** (No change. No discussion.)

**Other Expenses -- 5940**

Motion by Selectman Jasper to reduce Other Gas and Contingency be reduced from \$70,000 to \$50,000, seconded by Selectman Maddox.

Selectman Jasper said the number is a crap shoot, but they've seen things are in better shape. The budgeting is a little more realistic than it was. They went up from when they put the \$70,000 in and, as they've shown, when they have to, they can find the money in other places. They are very concerned about the tax rate. This still gives them a cushion, but helps get them towards their goal.

Selectman Massey said a few weeks ago, he never thought he'd see gas go lower than \$3 a gallon. He saw it at \$2.73 a few days ago. A few minutes later, he drove by again, and it had dropped to \$2.69. This morning, the price is \$2.63. He thought this was a prudent cut. Selectman Coutu agreed that it was a crap shoot and the price reduction was temporary, but he was in support of the motion.

Vote: Motion carried 5-0.

**Hydrant Rental -- 5960**

Selectman Coutu asked who they were rented from. Selectman Jasper said themselves; this was the town's contribution as a town to the water system, recognizing that the hydrants have a value to those who are not on the water system, so this contributed into the budget. It was a number which was much higher, but they had a transfer. Up until last year, they paid the town \$400,000 in lieu of taxes and the town paid them \$676,000 for hydrant rental. Right from the beginning, he questioned the logic of that, and it took him nine years to convince the Board they should just pay the hydrant rental and not transfer the money around. Selectman Coutu said that answered his questions, in looking at the numbers.

Selectman Jasper wondered if they should have the \$532,000 in there. It's a strange number, based on nothing.

Motion by Selectman Jasper to amend that number to \$285,000, a reduction of \$532, seconded by Selectman Massey, carried 4-1. Selectman Maddox voted in opposition.

Selectman Jasper said he hated those unnecessary odd numbers. Where did the \$532 come from? Selectman Maddox said it was a percentage increase off of something. They only have to come up with \$450,000 on Monday. Selectman Jasper said no. Selectman Massey said they never said the Selectmen's comments represent their goal. The goal was still the 3%, so it's unfair to say they need to get down to that other number. It would be nice, but that's not what the goal was from the beginning.

The goal was 3%. Selectman Maddox said the Chairman said he wanted to go to zero. Selectman Coutu said he can't wait to see what the Chairman is going to recommend. Selectman Jasper believes the Chairman realizes that was not a realistic goal.

Ms. Carpentier asked if the Board wanted to entertain warrant articles. The consensus was to do those Monday.

Ms. Carpentier said the operating budget was at \$26,986,099. Today, the Board cut the budget \$36,164, which is a penny. They at \$4.85 which is 4.2% increase. Selectman Jasper said a penny saved is a penny earned. He told the Board to remember to leave something for the Budget Committee to cut, otherwise, they feel worthless.

Ms. Carpentier said on Monday, it's the Police Department, Information Technology, Recreation Department, Cemetery Trustees and Conservation Commission.

**4. ADJOURNMENT**

Motion by Selectman Massey, seconded by Selectman Maddox, to adjourn at 10:55 carried 5-0.

Recorded by HGTV and transcribed by Priscilla Boisvert, Executive Assistant

**HUDSON BOARD OF SELECTMEN**

\_\_\_\_\_  
Benjamin J. Nadeau, Chairman

\_\_\_\_\_  
Richard J. Maddox, Vice-Chairman

\_\_\_\_\_  
Kenneth J. Massey, Selectman

\_\_\_\_\_  
Shawn N. Jasper, Selectman

\_\_\_\_\_  
Roger E. Coutu, Selectman