

HUDSON, NH BOARD OF SELECTMEN
Minutes of the October 23, 2008 Meeting – Budget Presentations

1. **CALL TO ORDER** by Chairman Ben Nadeau at 7:00 p.m. in the Selectmen's Meeting Room at Town Hall.
2. **PLEDGE OF ALLEGIANCE** led by Fire Chief Shawn Murray.
3. **ATTENDANCE**

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

Staff/Others: Steve Malizia, Town Administrator; Kathy Carpentier, Finance Director; Patti Barry, Town Clerk/Tax Collector; Jim Michaud, Assistant Assessor; Fire Department Staff: Chief Shawn Murray; Deputy Fire Chief of Operations Neal Carter; Deputy Fire Chief of Support Services Rob Buxton; Lt. Micky Rudolph; Executive Secretary Torrey Demanche and Administrative Aide, Helen Cheyne

4. **BUDGET PRESENTATIONS**

Vac Con Truck Chairman Nadeau said the first item they were going to take up was a carry-over from Tuesday night from the Highway Department, the Vac Con truck. Finance Director Carpentier said she was asked to review the original warrant article that was created and the Town Attorney has advised that it can be accomplished as a lease-purchase, which would be \$25,000 a year. They have to wordsmith the language. Any truck can be purchased, not necessarily a Vac Con, because it is a replacement.

She said, as in years past, she has given the Board the rollup from the other night to where they are now, with the additional \$101,802 that was cut out from the insurance changes. They are at \$4.86, which is a 4.2% increase. Cuts were made of \$141,320 on Tuesday and with the \$101,802 insurance cut, that's where they are starting from tonight.

Selectman Massey asked if they were going to forward the Vac Con to the warrant. Selectman Jasper said she didn't have the language. Selectman Massey said they don't need the language to forward it to the warrant. Mr. Malizia said because they are mixing a capital reserve with a lease-purchase, they want to make sure they get the language right. The Board asked that the warrant article clarify what a Vac Con truck is so the voters know what they are voting for.

Fire Department

Chief Murray said the Fire Department's budget proposal is what they feel is necessary to provide an adequate level of services to the town for FY2010. As directed, they have met the 0% increase in the operational budget. The department has identified additional projects and initiatives outside of the budget parameter that they feel will assist them in delivering the excellent level of service they provide to the citizens of Hudson when responding to the request for emergency services. The first one is a request for additional funding to repair the exterior walls and grouting of the Robinson Road Fire Station at an approximate cost of \$30,000; a request for additional funding to replace the flat roof of the building extension at Central Fire Station at an approximate cost of \$17,000; and two warrant articles. The first is a request to establish a fire equipment capital reserve fund for the purpose of replacing firefighter protective clothing and self-contained breathing apparatus at a cost of \$20,000 for FY2010. The other request is to replace the 2004 ambulance at a cost of \$155,000. The funding for this will be taken from the ambulance capital reserve fund.

5710

Selectman Maddox said the other departments provide more of a written explanation, so the Selectmen will probably ask a lot of questions. Overtime 105 for administration is \$2,250 and only once in the previous three years has it been used. Chief Murray said that was for the administrative staff and the training officer. Selectman Maddox referred to 232 Transportation, saying it more than doubled. Chief Murray said next year, Deputy Chief Buxton will be attending the Executive Fire Officer Program at the National Fire Academy and the Training Officer will be taking a two week course in training and that amount represents their air fare. Selectman Maddox asked if that would also cover 235 Registration Fees. Chief Murray said yes.

Selectman Coutu said he was new to the Board and the first time he has reviewed line items, so if his questions sound stupid it's only because, as a taxpayer, he's interested in learning. Chief Murray said there are no stupid questions. Selectman Coutu referred to 5710-230 and asked why they pay \$500 for meals in town. Chief Murray said on one occasion, they hosted the Chamber of Commerce's Business after Hours this year. At other times, if they are on a fire scene for a long time, and they can't get any Salvation Army support, that may be used for food for the crews. Selectman Coutu referred to 5710-233 Mileage Reimbursement and asked who got that \$250. Chief Murray said that's available to anyone who uses their personal vehicle. They cut it down this year from \$500 to \$250. Most of the time, he tries to make a staff car or utility truck available so people travel with a department vehicle. Someone may attend an early-morning class and will leave from home, so they will be reimbursed for mileage. Selectman Coutu asked if the \$1,800 236 Education Reimbursement was for college courses. Chief Murray said yes, contractually, for the Deputies and Captains. Selectman Coutu asked if this was a benefit over and above the wage package. Chief Murray wasn't sure if it was a benefit because it is a contractual agreement between the town and the union. It could be considered a benefit, but it's also a benefit to the town if they are pursuing higher education. Selectman Coutu referred to 237 Administrative Training and asked to whom those monies go. Chief Murray said out of that \$8,700, \$8,000 is used for promotional testing for Captains and Lieutenants when they conduct exams. For the past couple of years, they've been using the NH Fire Academy, and it is very expensive. They did one test two years ago and he said they will do another one next year when the promotional list expires. Selectman Coutu said if the last exam was in 07, the actual expense

was \$5,430. Selectman Coutu questioned the difference in cost. Chief Murray said the \$8,000 was a quote they received. It is based on the number of people who take the test. If the number is less than estimated, the amount would decrease.

Selectman Massey referred to 5710-237 and said there was \$9,000 in there this year and asked why they couldn't do the promotional training this year for next year. Chief Murray said there are two separate testings, one for Captains and one for Lieutenants. He didn't have the exact date of the last testing, but he could follow up and get back to him on it.

Selectman Jasper asked, relative to gasoline and diesel, if the adjustments were made. Ms. Carpentier said yes, it was rolled into the numbers and broken down into the accounts.

5715 -- Fire Facilities No questions.

5720 -- Communications

5730 -- Fire Suppression

Chief Murray said this line was down \$20,000 from last year. Selectman Massey referred to 105 Overtime and asked if the Chief has looked at replacing overtime with full-time employees to change that number. Chief Murray said in 2003, they did a comprehensive study of the staffing issue. There is a cost savings if you go up to 11 people per shift and you institute a minimum staffing system. You would go down to 10 people per shift before you'd fill with overtime. You'd go with one person less on a shift, after you got to that 11 people. When you establish a minimum shift staffing, that is where you begin to see your savings in overtime because you're then not replacing positions, man for man.

Selectman Coutu said in FY-08, \$418,515.89 was paid in overtime. He asked how much of that was attributable to sick time. Chief Murray said it's called earned time, which is a combination of sick time, vacation time and personal time. Selectman Coutu said in 10 years, he's taken one sick day, and he's 65. He was curious to see how much of this was for being out sick. Chief Murray said they can go into their payroll records to determine what was classified as Earned-Time-Sick.

Selectman Jasper said as the liaison to the Fire Department, he didn't want to argue with the Chief, but he can't let the comment on the overtime and how they would save money pass because he disagrees. They currently have eight per shift. Going to 11 is three people per shift of four shifts are 12 people. Selectman Massey said he's already done the arithmetic on that and they are way above the overtime. Selectman Jasper didn't believe that full-time staff can replace overtime. There was a point, a number of years ago, when the rollups were not so expensive and it did make sense, but now they are talking about \$50,000 a person, to start, and that number just escalates. You can't put in full time people and save overtime. It would be \$600,000 to do the 12 people and they are budgeting only \$408,000 and it wouldn't eliminate all the overtime, anyhow. Sometimes they are going to have to replace a Captain, so it doesn't just wipe it out. He was sorry, but he totally disagrees with the Chief's analysis. Chief Murray said he was speaking to the question, "Can you effect a savings of overtime?" Yes, you can, but you have to spend some money to offset that. Selectman Jasper said but they can't now. If they had shifts of 11 and did that, yes, but they don't. Chief Murray said in the overall picture of overtime, it is less expensive because they wouldn't be paying full benefits. But *can* it be done? Yes.

Selectman Maddox said, at the rate they are going with overtime, they are tracking at \$562,000. Chief Murray said yes, but in tracking over a period of time, it peaks and valleys. A lot of earned time is used in the summer. That will start to go down until they get into spring. It's cyclical. Selectman Jasper said they've had discussions nearly every year on police and fire, that some of the overtime is the result of vacancies or other factors, so they may see overtime be expended at a greater rate than was budgeted, but there will be an offset in money that's left over in the salary line. They way they've done it, you can't make a direct correlation.

Chief Murray said they handed out a spreadsheet, which shows what they have spent since Fiscal Year 04 on overtime, broken down by categories and at the bottom it shows in what years they had vacancies and the number of vacancies. There is also a note that speaks to the current spending of overtime because they knew that would be a concern.

Selectman Coutu said of the three documents that he was presented, none of them say anything about sick time. Chief Murray said sick time was part of a large pool for sick, personal and vacation time. On the Earned Time Replacement document, that covers all the vacation, sick time and personal time for 32 people--the Captains, Lieutenants and Firefighters in the Suppression Division. Selectman Coutu said they'll never know how much sick time was used. Torrey apologized, saying she must have misunderstood the question. She didn't know he wanted to know which days they were physically sick versus taking a vacation or personal time. Everything was pooled in personal time and is used for their personal reasons, some of which could be sick time. Selectman Coutu said he guessed they would never know.

Selectman Massey referred to 5732-205, Large Equipment Repair, and said it was dropped by about \$13,000 and asked if it was because they brought the new truck on line and they were expecting fewer repairs. Chief Murray said that was correct.

5740 -- Fire Prevention

Selectman Maddox referred to 215, Publications, and said 3-9-9-19-26-\$65, now into 23-95, the same as this year. Chief Murray asked what the question was. Selectman Maddox said every other year, they buy a lot of stuff and the other years on either side of it, they don't spend any money. This year, they've got allocated 23-95 and he was wondering why they were

doubling it up. Chief Murray said some of that was updates to the National Fire Life Safety Code, it's the uniform fire code and the federal regulation code, so unless there's not a major update, then some years they won't update it.

Selectman Jasper said given that both the people in Fire Prevention have been there for awhile and they are in the union. How does it happen that the salary line changes because without a contract in place, shouldn't that be the same from one fiscal year. Chief Murray said Steve Dube was in a different contract, the Captain's contract.

Chairman Nadeau referred to 237 for \$1,860. Chief Murray said this was for the St. Anselm college arson course, which is held on an annual basis. Two positions are funded. Either the Fire Prevention Officer or the Inspector goes yearly and, over the years, by attending these yearly, they are accumulating certification points towards a certified Fire Investigator. Next year, Deputy Buxton will be attending, as the Supervisor, the week long course at St. A's. The professional development part is for them to attend National Fire Protection Association code updates—life safety code, building code, etc.

5750 – Fire Ambulance

Chief Murray said this was down by \$2,900.

Motion by Selectman Maddox that 5450 Fire Ambulance Capital Reserve be reduced by \$5,000, from \$40,000 to \$35,000, seconded by Selectman Massey.

Selectman Maddox said it was at \$30,000 and the Chief bumped it up to \$40,000, so \$35,000 is a balance. Selectman Massey was wondering why the Chief didn't bump it up because they are on a three year cycle for each of the machines. This year, they are going to have a warrant article for \$155,000 which would translate to about \$52,000 per year. Otherwise, at \$35,000 they'd have only \$105,000 three years from now. The prudent thing, right now, is to leave it at \$40,000. The reason they went from \$40,000 down to \$30,000 back in 07 was, at the time, they were looking at a machine for around \$100,000. If they carry forward with a zero based budget in the next two years, they either pay it even—Steven over a few years, or you have a huge difference in the final year. Chairman Nadeau asked how much the last ambulance was. Chief Murray said \$120,000. Selectman Massey said plus a couple of changes for some additional things. Chief Murray said they got a good trade-in on the other one. Also, as of July 1, 2009, there will be a balance of \$164,000 in the Ambulance Capital Reserve account. They will be requesting \$155,000. Selectman Maddox said there's the 10; he's already ahead. Selectman Massey said 40 every three years gives them only 120, so they are still going to be in the hole.

Selectman Jasper said he was against the motion because they are going to obviously have to up it. They are going to have to get to \$50,000 eventually, so next year will probably be 45 and they will have the 10 left over, so they'll be able to do that for, perhaps, two years, but then they will have to go to \$50,000 to balance it out and by then, the ambulances will probably have gone up some more.

Vote: Motion failed, as stated by Chairman Nadeau.

Fire Alarm – 5765

Emergency Management -- 5770

Selectman Maddox said the telephones--\$3,700 for emergency management telephones. Don't they get a grant for this? Chief Murray said they used to. The state used to pay 50% of it, but they no longer do that. Selectman Maddox said if they follow the "Jasper Doctrine," of the Vice Chairman becomes Chairman, he won't be carrying three phones, so they can eliminate the one for the Chairman, if he is the person. It's nice to have, but they don't need it. He didn't know what that equates to, but they can certainly leave it in and make it up another way.

Chairman Nadeau asked how they decide what phones and why they have phones for which department heads, Captains, Lieutenants? Chief Murray said he has one, Deputy Carter has one, as he is directly responsible for the suppression division and Deputy Buxton has one because he is responsible for fire prevention and dispatch. He asked if Chairman Nadeau was talking about Emergency Management. Chairman Nadeau said the phones in there for 37. Chief Murray the Fire Chief's phone, the two Deputy Chiefs, the Police Chief, the Board of Selectmen Chairman and the Town Administrator. According to the Emergency Management plan, those individuals are the executive emergency management staff for the EOC, too. Selectman Jasper said he didn't have a phone when he was Chair. It was budgeted, but not billed. The money is there, if the Chairman wishes to have a phone. Selectman Maddox asked if that money was returned to the General Fund at the end of the year. Selectman Jasper said yes. Chief Murray said he did give money back this year.

Fire Administration – 5710

Motion by Selectman Maddox, Fire Administration Salaries, Full-time, by striking the number 428840 and inserting in its place 327840, a decrease of \$101,000, seconded by Selectman Coutu.

Selectman Maddox said they are trying to hit a goal and they knew, to do this, they would have to make some difficult choices. In that line, there is a position that, although nice to have, is not critical, in his opinion, and this would be a way to reduce down this budget to get towards their goal and not severely impact the town services. Selectman Jasper hoped this motion wasn't supported by a majority of the Board, which is eliminating the Training Officer. It's an important position, but he didn't want to go into a long dissertation about it, unless it is necessary. This is not a prudent move. The Training Officer is also serving in the role of company officer for Station One, and that would make a huge impact, as well. Training is how you keep people safe

and from being injured and, as they know, the cost of having out on injuries can be very expensive, not only monetarily, but in terms of the human toll, as well. He did not support the motion and hoped the Board wouldn't, either.

Chief Murray said probably one of the most critical positions in the Hudson Fire Department is the Training Officer. Selectman Jasper just alluded to one of the two things he does, but some of the others are, as follows. This position came about, or the reorganization back in 2004 and they had great difficulty in filling that position. In the fire service, you are dealing with certification and technical abilities of the firefighters. They don't just go to fire school, get a diploma; they don't just go to the job every day, jump on a fire truck and respond to an emergency. You have to remain proficient in your technical skills. You have to have the ability to respond to fires, to hazardous material incidents and to technical rescues, below grade rescues, low grade rescues, rescues from heights, confined space rescues, which were required by mandate to maintain certification levels and with hazardous materials training, there's federal mandates that they do 48 hours of hazardous materials training a year. On the EMS side, some of the most professional and technically competent paramedics are literally saving people's lives. Since he became Chief, this Board has pushed him to improve the technical proficiency and pushed him to concentrate on higher education. Capt. Grebinar, who is the Training Officer, and who was hired two years ago, has taken this training program full circle. They used to have the Captains and Lieutenants do it, but they couldn't keep up with it, with all the calls they go to. They couldn't maintain the certification levels that are required by law. This position is the best insurance policy the town could ever ask for because Capt. Grebinar ensures the department is meeting the federal mandate and he also ensures the firefighters are getting the proficiency training so that when they go to an emergency, they don't have to think twice about it because of all of the training they get. Their job is to protect the citizens of the town. Capt. Grebinar is the Training Officer; they man Robinson Road. There got two people to put up there, but Chief Murray didn't think it was safe. He asked Capt. Grebinar, on top of everything he had to do to build a whole new training program for the department because it had been a number of years since it was looked at, if he was willing to move his office up there and act as a company officer, and he has done that. The town is getting a real deal. They got a firefighter, an EMT, a fire instructor and training officer, not to mention that his primary assignment is Safety Officer. They kill over 100 firefighters a year in the United States, and it's because there's no one there to make sure they are operating safely overall. Capt. Grebinar is a Safety Officer for the department. At the larger incidents, he is there overseeing the operation. He has the authority to stop the incident commander for what he is doing, if there are any safety issues. Look at the town's safety record. Except for minor Workmen's Comp issues from trips, slips and falls, the firefighters are not getting hurt. They are not putting them at such a risk that it becomes a risk for the town. And his position goes on and on. It is one of the most critical positions and Capt. Grebinar has turned the training program around. They are a lot safer today than they've ever been. The firefighters are as proficient and even more professional today than they were two years ago when he came in. On a final note, they always had a concern with the call force and that was because they were part-time employees and would get half the training because they weren't doing it full time. Capt. Grebinar, during the past year, put on a comprehensive call firefighter training program—and the Board encouraged him to hire more call firefighters, put on a fantastic six-month program. He has revamped the entire call firefighter probationary program, and they successfully brought on seven more firefighters. He is spending time with them that no other training officer or company officer ever had the time to do. It truly is about keeping the employees safe and about their mission to the safety of the public in responding to their emergencies. He challenged anyone to go out and accomplish a rescue from a height, hooking up rigging and knots and ropes and being able to get someone out of a very difficult situation. You don't do it once and walk away, and then when it happens, be able to pick it right up. It takes hours and hours and hours of training. He understood the economic situation, but he was passionate in asking the Board not to remove this position. It was a critical part of the Fire Department. It is their duty to respond to the citizens of the town, but he also owes it to the firefighters to make sure they are safe and proficient in their training so that the citizens, or they, do not get injured or killed.

Selectman Coutu said he would have expected to hear both sides of the argument. He hoped Selectman Maddox could shed some light on why he would like to see the position eliminated so that he could make an intelligent decision. Selectman Maddox said he did not take out the Training Captain, he just took it out of the 101 line, so any one of the white shirts could go. They are spending \$356,000 on Chiefs and Deputy Chiefs that certainly need to step up and take some of the additional responsibility absolutely. Training Officer is a nice thing to have, but they have a sufficient amount of hours in the command staff to be able to pick that up, along with the Captains. They have just brushed through this department and cut nothing. Either they are satisfied with that, and they are going to move on and hope to make up this magic number they've set as a target, without touching one of the biggest departments. This is a position, although nice to have, and the Chief gave them a wonderful reason to have it, all those duties can be pushed off to other personnel and taken care of. This is not a direct customer service position. It is supporting the people to go out and do the work. Again, with the amount of staff they have, this could be accomplished—it was before—so, as much as it is much better now, it should be with \$101,000 worth of spending. They have to find to cut somewhere. They knew this was going to have to come down to positions, and if this Board is serious about doing what they said, something has to give and he picked this one only for the fact that, in his opinion, this is one that could give. Nothing against the individual; he probably does an absolutely wonderful job. It is the position, nothing more, nothing less, to meet within the boundaries they set as a target.

Selectman Massey said, on balance, he was going to vote against the motion because the Chief has made the case for it. Way back in August or September, they asked the departments to zero fund their operating expenses and he didn't consider that they brushed through. The Fire Department did a commendable job in meeting the Board's direction. They have reduced their operating expenses by \$301. The fact they didn't spend much time is attributable to the fact that they got to where they are because of the Board's direction.

Selectman Jasper said they made a lot of progress last night in saving money and they did it without cutting any positions. When Selectman Maddox made the suggestion they go for zero percent impact on the tax rate, he (Selectman Jasper) said

the only way they could accomplish that was by cutting positions and he believed the Board decided that's not the way it wanted to go, at this time. If they don't get to the goal, that may be something the Board may consider looking at, but at this point, they've got to go in an slash and burn, they are only on the second night. Cutting positions that have been approved by the voters, and requested by the Board, is slashing and burning. They are a long way from looking at that. They have to evaluate where they are when they are done. They don't have to find a substantial amount from every budget they go through, and something he didn't recommend. They need to look at the areas that have increased in the programs, things that could be changed. This is not the way to get to the goal.

Chairman Nadeau said the Training Officer has done an excellent job in making sure the Fire Department is more proficient in what they are doing. He has seen an increase in training with the call firefighters and he's seen a lot more of the call firefighters at incidents because of the training. This isn't a position they should be cutting. Yes, they should be looking at all aspects of it, but this is not one he was willing to cut, at this time. He's not saying they might not revisit it at the end of the budget, but not at this time.

Selectman Coutu asked how many people in the Fire Department can do training. Chief Murray said they have 58 firefighters that benefit from the training program and there are probably four or five of them who have instructor certifications. Selectman Coutu asked how many actually participate in training. Chief Murray said the four Captains train with their shifts, under the direction of the Training Officer. Selectman Massey asked if the question was, "Is there only one person who conducts training, or is there more than one person who physically conducts the training?" Selectman Coutu said yes, he didn't want to know who was certified. He wanted to know how many people are physically conducting training classes. Chief Murray said, including the Training Officer, four or five, but that is the shift Captain or the shift Lieutenant who is delegated some authority by the Training Officer. Selectman Coutu asked how much of his time is used to train other firefighters. Chief Murray said 75%-80%. The other 20% is covering and responding on calls. Selectman Coutu asked if he understood correctly that he is the shift commander at the fire station, but he's there only 20% of the time. Chief Murray said no. He's there four days a week, Tuesday through Friday, but he works on his primary job of Training Officer. If a fire call comes in while he is working his Training Officer staff function, he will either jump on the fire engine or he jumps in another car and meets the crew. He is doing double duty. Selectman Coutu asked if there were training classes going on for 70% of his shift. Chief Murray said just about every day, there's training in the department, whether it's full time during the day, or he may have training at night. There may be EMS training two times a month for the call force. There's always something going on. There are four groups that work two days and two nights, and they rotate their shifts, so as their shifts are coming around, on the day or the night, he has training scheduled for them.

Selectman Jasper said he couldn't speak to the job that Capt. Grebinar does because he wasn't on the department when he was hired, but he did spend 20 years on the department—before the Board of Selectmen fired him—but when he came on to the department under former Chief Frank Nutting, they had a pretty good training process. When he retired, those of them who had been around, for the next 16, 17 years, the training was not good. The only time they got good training was when people were hired to come in, and that's not a reflection on the officers so much as it is a fact of how busy the department got, the change in personnel. He didn't take a person down a ladder in his last 17 years and, to him, that was a fundamental. Before they'd go up on the roof and physically take someone down a ladder, they didn't do a lot of the fundamentals, and it is critical to have the right type of training and there simply is not the ability. He didn't care how many good people they have in officer positions to train, there aren't enough hours in the day and there isn't enough planning for them to be able to do a comprehensive training program. They are on one shift and are responsible for that and it can't happen with all of the other responsibilities they have. For years, he's said they've needed a good comprehensive training program. They finally got somebody in that office and, from everything he understands, he is doing a great job. It would be one of the biggest mistakes they could make in this town, to take away that training position because somebody could easily end up dead, if they don't have the right training in fire service. There are a lot of dangerous operations. If they take this away, they need to look at putting a lot more money in to hire some outside people to come in and do the training.

Selectman Coutu said he was going to agree with Selectman Jasper in that they had initially decided they had an objective to cut the budget in order to lessen the impact on the taxpayers, and they've made great strides in the one night's deliberations in achieving part of that goal. Ultimately, he'd like to see them get to that point, or even a zero impact on the town's side of the budget, if they can achieve that. He will not, at this time, support a motion, based on the arguments that were presented, that will will-nilly eliminate a position to achieve an objective of cutting \$100,000 out of a budget. However, he does reserve the right to revisit this, or another matter within that department, at the end, to cut. He will not support the motion.

Vote: Motion failed, 1-4. Selectman Maddox voted in favor.

Selectman Massey said as of that moment, they were at 62.35% of their target of \$390,000 in cuts.

Additional Requests

Roof Selectman Jasper said when it comes to leaky roofs, there's nothing dumber than to continue to let a leaky roof leak because so much more damage is done in the long run. Selectman Coutu said he forgot about those two when he said they weren't going to do wish lists. They certainly need to fix the roof.

Motion by Selectman Jasper to increase 5715 Fire Facilities Maintenance by \$17,000, seconded by Selectman Massey.

Selectman Coutu asked what the town's policy was about going out to bid. Mr. Malizia said if it's above 10 grand and under 25, three bids are solicited. Under 25, it doesn't have to be a public award. Selectman Coutu asked if it is advertised, or if three people to bid on it. Mr. Malizia said they advertise for bid and if they are aware of three companies that perform a certain service, they could direct mail to three or more. It's a two pronged approach. Selectman Coutu said, in light of the state of the economy, he'd like to have some assurances that if they are going to pursue this, and he will support the motion, he'd like to see it go out to a general bid because they might get it done for a lot less than \$17,000.

Selectman Massey said you would probably spend almost as much money as you would save in writing a bid spec, if you are going to go out to a sealed bid process. Generally speaking, on this type of a project, you contact several firms and ask for a price, but if it's based on a sealed bid, you have to write a bid spec, which is pretty specific, and they'd spend money to create a bid spec that's that specific that people can do it. Chief Murray said they obtained two estimates, but when the time comes, they would seek further estimates. This was just for budgetary purposes. The low end was \$13,000; high end was \$17,000 and a lot of that had to do with the reputation of the roofer because there's different quality roofers. Selectman Coutu asked if both of them were from Hudson. Chief Murray said one was from Hollis and one was from Nashua. Selectman Coutu said there were a lot of good roofers in Hudson and he'd like to keep the business in town. Selectman Jasper said doing flat roofs, especially one like that, is specialty roofing. This one doesn't drain off to the side. It's a lot different than just laying down material. (Talking back and forth.) That's something they can talk about in July.

Vote: Motion carried 5-0.

Moisture in the Walls Selectman Jasper said he'd like to hear a little more of the details on the \$30,000. He was aware of it and has talked to them about it. With \$17,000 here... that's been a problem for a number of years and asked what the downside was to waiting for another year. Deputy Buxton said they identified moisture, not only on the interior walls, but standing water on the floors of the station. Within the last five years, they replaced the carpeting and the floor has been tracked down to the seam between the foundation and the block and the block wall bleeding into the building. They contacted Northeast Masonry, who is doing the Rogers Memorial Library. Some grouting issues were identified. That building is called a split block building, and they are notorious for absorbing the moisture. That product cannot be bought today without waterproofing built into the block. They estimated \$16,000 alone for waterproofing; that's just to stop the moisture from coming in. On top of that, they estimated a minimum of 20-25% of the building needed repointing because the moisture had gotten in behind the joint and was actually popping the grout out from between the block. The problem would continue to compound, as they move from year to year.

Chief Murray asked if they wanted to defer this until Board members could go look at it themselves to see the actual grout coming out of the block. It's a serious problem and they are concerned about additional damages it will create.

Motion by Selectman Jasper to add \$30,000 to 5715 Fire Facilities Maintenance, seconded by Selectman Massey.

Selectman Jasper said this will only get more expensive in the future, and more damage will be done to the building. He was aware of that block. It was a huge mistake to build that building. He's known for years they'd have to do something. The blocks aren't flat; they've got the ribs that come out, and those ribs have been breaking off for years. At some point, they'd go through there and knock them off and bring in New England Brick Master to give it a totally different finish, but that would probably be even more expensive. It does need to be taken care of. He's done rehab jobs in that building and he knows the interior walls in the summer are wet, just from the moisture coming right through.

Selectman Maddox said he was going to vote against the motion. They have a target, yet they are adding, not subtracting. This would be a project, that if there is money left over in this year's budget, the FY09 budget, they at least seal the bricks and, if there's enough money, do the other half of it. He didn't think they wanted to be putting it in the budget for FY10.

Selectman Coutu said he was going to vote against this, too. They wouldn't be doing the work until July 1, anyway and if the Fire Chief returned money to the budget this year... if there is a surplus at the end of the year, he can tackle it this year, long before July 1 and he would support the Chief trying to save \$30,000 or less, having it done this year, rather than wait until July 1, 2010. If it's that critical, why wait seven or eight months to have it done?

Selectman Jasper didn't necessarily disagree with that line of thinking. He is somewhat skeptical, given how tight the budgets have been that \$30,000 will be available. However, given the action the Board took that he was opposed to about taking monies out of the budget and putting into a fuel account, it seems pretty obvious they aren't going to need the kind of money they have. If the Board would commit to using any monies left over from that account at the end of the year, or if the Chief has some monies left over, but not enough, and there is money there, then he would be willing to withdraw his motion, if the Board would consider doing it that way.

Chairman Nadeau said he'd consider doing it that way. Selectman Maddox didn't want to touch that fuel fund. They agreed that's what it would be used for and that's the only way it will survive the Budget Committee. Selectman Jasper said the Budget Committee has nothing to do with it. (Talking over each other.) Mr. Malizia said in the 2009 budget, they had \$70,000 in the fuel contingency account. Back in about August, the Board asked him to go through all of the town budgets and find another \$90,000 to add to the \$70,000 that was raised and appropriated specifically. He came up with the \$90,000 and that was isolated. That \$90,000 is what Selectman Jasper was talking about. Selectman Maddox said as long as they didn't touch the monies they told the Budget Committee they wouldn't use for anything else. They can certainly look at that.

Selectman Jasper withdrew his motion; Selectman Massey withdrew his second, saying he was totally on Board with the recommendation and agreed that the \$70,000 was going to be used only for fuel. Whatever isn't used will be returned to surplus. Selectman Coutu said by February or March they would pretty much know where they stand, going into the end of the year, based on averaging. If the money is there, rather than wait until after July 1, it puts the Chief in the position where the Board is making a commitment that could get the building fixed in the spring, rather than wait until the summer. Chief Murray said his intention would be to get to it as soon as he could. Selectman Coutu said the Chief has the Board's commitment.

Warrant Article F – Fire Equipment Capital Reserve Fund

Selectman Jasper said he wasn't going to make a motion to forward this to the warrant. In light of the grant they got from the Feds, and replaced all the equipment, while he thinks they need to establish this account, he wants to see as few articles go to the warrant as possible. He hoped that next year the Board would establish it, perhaps in a lower amount. This isn't the year to go forward with this one. They are in good shape with equipment. Chairman Nadeau agreed.

Motion to forward to the warrant a Capital Reserve Fund for Fire Equipment by Selectman Massey, seconded by Selectman Maddox, failed 0-5.

Warrant Article G – Ambulance Replacement

Motion by Selectman Jasper to forward Article G to the warrant, seconded by Selectman Maddox, carried 5-0.

Land for a new Fire Station Selectman Jasper intends to talk about the land at a regular meeting; this is not a dead issue. The Chief is putting together more accurate numbers. Selectman Coutu asked what he was talking about. Selectman Jasper said he wasn't at the last meeting when the Chief came in, asking for \$40,000 and that number will be reduced. He wanted the Board to know that, at the moment, this is not a dead issue.

Chairman Nadeau declared a 10-minute recess at 8:30 p.m. The meeting resumed at 8:40 p.m.

Assessing Department

Assistant Assessor Jim Michaud said this was his 14th budget submission to the Board of Selectmen. He said what was before them reflected a decrease from the 9100 series items, principally because he was a little confused about what items were supposed to end up in non-level funding and there were a couple items that he probably should have included in the regular budget. Beyond that, he had some proposals in the non-level funding area, which are significant. The budget is accounting for two full-time employees, two part-time employees and to maintain what they are doing from year to year, in terms of maintaining the tax base of the community and assisting the Board of Selectmen, as the Board of Assessors, in their responsibilities to follow the assessing statutes in the state.

5410

Selectman Maddox said 231, 232, 233 conference in Kentucky all adds up to \$1,100. Hearing Mr. Michaud's pleas and presentations of shortage of staff time, he wondered if this was a worthwhile endeavor. Mr. Michaud said the International Association of Assessing Officers is the only organization that assessors really get their education from. Assessing is not just appraisal; it's appraisal for tax purposes. This is the primary organization that gives them their training. This annual conference serves in education a training function for the department for him. This year, it's in Kentucky. The prior cost for annual registration was around \$400 and there is the cost of going down to the conference, plus lodging cost. The information he has picked up from the conferences over the years has assisted the department in maintaining its responsibilities to administer the tax burden and look at the issues that are coming up, such as assisted living, congregate care, lifestyle centers and the changes that have come about in Hudson and the changes that could come about. He feels this is a necessary expenditure.

Selectman Coutu said he had no problem with the training in Kentucky, but in 233, relative to 231 and 232, Mr. Michaud said it is the only training he goes to. Mr. Michaud said it primarily is the IAAO training he goes to. The NH Association of Assessing also provides training, as does the Northeast Association of Assessing Officers. Selectman Coutu said Mr. Michaud was trying to justify the \$500 by saying they use hand-me-down police cruisers and there are three field personnel and two town vehicles, and he felt Mr. Michaud was actually saying he needs a third vehicle and asked if there were three people in the field at any one given time. Mr. Michaud said he wasn't saying that they need another vehicle. He was trying to say that logistically, it makes more sense for him to travel to Concord from Hooksett, than to travel from Hooksett to Hudson to Concord for a meeting or a court case or education. He's not trying to make the case for an additional vehicle. He was saying that part of that \$500 is for folks who are using their vehicle to either go to education and are not starting out from Hudson. If they start out from Hudson, then they do use a town vehicle. Selectman Coutu said that didn't make any sense to him. Mr. Malizia clarified that Mr. Michaud was saying he doesn't take a town car home. When he goes to training in Concord, he drives from his home in Hooksett to Concord, using his own vehicle. Selectman Coutu asked if he was paid to drive from home to work. Mr. Malizia said no. Selectman Coutu asked why someone is paid to drive from their home to training; there's no difference. It's part of going to work. Selectman Jasper said Hooksett is a lot closer to Concord than Hudson, so even at 58-1/2¢ a mile, the town will save money, if he's using his own car going from home. Even if he comes back to Hudson at the end of the day, he's only going to get mileage for the distance from Hooksett to Concord times two, not the distance from Concord to Hudson because he would have traveled to Hudson anyhow. It makes a lot of sense for him to do that.

Selectman Maddox said it's way too much work for \$500. He referred to 252 and said there were more notes in there about separate cover and over cover and he wanted to make sure he was agreeing to something he understood. Mr. Michaud said on the first one, George SanSoucy is the public utility consultant for valuation of the public utilities in town, which is worth

about \$102 million in the tax base. He has been the consultant since 1993. At the time he wrote this memo, he did not have an estimate from him of what the annual cost would be to maintain the values, the pickups on public utility valuation. That number is \$8,000 but Mr. Michaud estimated \$2,000. If the Board wants to allocate money to do a statistical update of values—this is in the non-level funding—in either 2009 property tax year or the 2010 property tax year, that would be \$13,000. If the Board doesn't want to do that, they need to fund this up to \$8,000 to cover Mr. SanSoucy's annual pickup cost of what it will take to do, not a reassessment, but just to do his normal additions and deletions of public utility value. Selectman Maddox asked if he was saying that it's not \$8,000, but it's actually \$13,000 under the note that's below George SanSoucy. Mr. Michaud said \$13,000 is the estimate to do the reassessment. If the Board doesn't want to do that, then it will cost \$8,000. The \$2,000 needs to be increased by \$6,000 to \$8,000.

Selectman Coutu said it sounds to him like Mr. SanSoucy will be paid \$13,000 to do something, but they will pay him \$8,000 not to do anything. It sounds like he is going to adjust some numbers on a piece of paper and will be paid \$8,000. Mr. Michaud said when Mr. SanSoucy is doing the additions and deletions of public utility property, he's getting all the renditions from the public utilities—PSNH, Tenneco, KeySpan, New England Hydro and New England Power, and he's going through those renditions and he's applying his depreciation schedule, bringing it back to 2007, the reevaluation year. He has to do that in a manner in which he will be able to defend, and that is what the \$8,000 is for. He's not going in and resetting all of the values of public utility property that would be done in a statistical update. He has to do this according to uniform standards professional appraisal practices. If they do an update, he has to do it according to the manual DRA is now requiring, per state legislature action. There is a difference between doing normal pickups and add ons and deletions and the difference between doing a full statistical update value, the differences in documentation of what it is he is accomplishing in arriving at those public utility values. If they decide to do a reassessment, it will cost \$13,000; if the Board want to do just the additions and deletions, the cost is \$8,000. Or it can be zero, and they won't pick up any value on public utility property.

Selectman Maddox asked if the \$2,000 was just a place holder. Mr. Michaud said yes, because he didn't have the figures from Mr. SanSoucy. Selectman Maddox said in the past, it had been about \$8,000 so Mr. Michaud met the budget target by bringing it to \$2,000 and now he's telling the Board they need to put in another \$6,000 to make it real. Mr. Michaud said he wouldn't articulate it that way because that wasn't the intention. He wanted to put in a place holder. Selectman Maddox said \$1 would be a place holder; \$2,000 was a real number. They have to make that \$2,000 number \$8,000, \$13,000 or zero because \$2,000 is not an option. Mr. Michaud said it was correct that \$2,000 was not an option. That's why he was there presenting his budget to the Board.

Selectman Jasper said they were at the point of making a decision, so he asked Mr. Michaud to explain the benefit of doing a full assessment versus the normal update for \$8,000. Mr. Michaud said it's the difference between just getting the materials from the public utilities, what they've added and what they've deleted and bringing that into a schedule that they can then calculate the value that's been added or deleted for the town's public utility property. If Mr. SanSoucy is doing a reassessment, he's doing a complete reanalysis of all of the property in the town of Hudson owned by all public utilities, which represents about \$102 million. They did a full revaluation in 2002 and 2007. In 2004, they did a statistical update, so every two years is not out of the norm—and it could go three years. What he was asking was if the Board wanted some money in the arsenal to possibly update values in 2009, or 2010, as the real estate market conditions warrant. People are out there every day. The all see what's happening in the market. Do they want to have the money in the kitty to do that or not? They were OK to do it when the market was going up. He wanted to know if the Board was OK with doing it with the market going down. It's not required. They can wait five years from 2007 and the market could come back up, but there's going to be some pain between them. Some of it is tangible and some is intangible. When he came here in 1995, they were at 116% of market value. He was the Anti-Christ; he was the Devil because he did this. The market did it. But the town wasn't in a position to be reassessing property with human resources or on a contractual basis. He was suggesting to the Board that if they want to respond to the market, it takes money and personnel.

Selectman Jasper said they would expect that things would go down, at this point, not up. Mr. Michaud said there certainly are properties that would see a decrease in value, but there's other properties... there's a condo complex where the values are coming in spot on with what they have, even sale prices that occurred a month ago. He's not going to say that if the town does a reassessment, every single... he can't make that statement because the analysis hasn't been done. He's saying the trend line is they are rising above 100. He is tracking it on a monthly and quarterly basis. Is it going to get better? Even the experts aren't expert on that.

Selectman Jasper said they weren't talking about condos, but about utilities. He asked Mr. Michaud what his recommendation was that they should be doing, keeping in mind the best interest of the town. Mr. Michaud said he was recommending the town should have money in the kitty to look at doing a reassessment of property of the whole town. Selectman Coutu said, as Selectman Jasper said, they are not talking about the town; they are talking about the utilities. They are talking about line item 5410-252, George SanSoucy, \$2,000. He said Mr. Michaud said \$2,000 was not an option, so which of the other three figures was he professionally recommending to the Board--zero, \$8,000 or \$13,000?

Selectman Massey asked to step in and said, to him, this was one of those things that would be either zero dollars or \$52,250. Selectman Maddox said that was a new number. Selectman Massey said no, it was in the backup. It's not going to make any sense to do just the utilities because the argument by them would be the town didn't update anybody else, so why update them. If the values go down, other companies would say the town updated the utilities, but not the companies. They've got a problem with fairness across the board. Right now, there's approximately \$420,000 in the overlay account. The overlay account is the amount of money that they put into the tax rate in order to offset monies that they have to rebate back to a

successful challenge to a property owner's valuation. His estimate right now is if they don't do this next year, they are talking somewhere between a minimum of \$25,000 and \$50,000 additional added to the overlay. That's an estimate, which could be more or could be less. Every year they don't update the values, and if someone challenges it, and they've already had 47 challenges this year, every challenge, until it gets adjudicated by the BTLA, carries forward. Right now, they have property owners that are challenging 2006 evaluations; 2007 has already been there; 2008 is coming up. That rolls all four with interest. \$52,000 is probably a good investment because it stops the clock on all challenges that are on the table, and it makes it a lot harder for somebody to challenge the next year out. It's up to the Board. You pay me now, or you pay me later. They can't look at the \$13,000 in isolation. They have to look at it in its totality. They do everything, or they do nothing.

Selectman Jasper said they just did a revaluation last year. They just went through that. Most towns don't do it every two or three years, but they've been moving towards that. The problem becomes where one particular type of property—condominiums—got way out of whack, and they had to do that, but he didn't think they should go through a reval again. Selectman Massey said they would be doing a statistical reval. Selectman Jasper said that's primarily all they're going to be doing from now on. They are going out and constantly updating the cards. Selectman Massey said every once in awhile they have to do a complete, 100% change-over. Mr. Michaud said the question is timing. Do they do it on the second year, or third year? Selectman Massey said the question was you can't just do a statistical update. Mr. Michaud said they are maintaining a cyclical data collection and they are going through the community and looking at people's property and maintaining a process where they really don't have to go through a traditional revaluation. They are maintaining the data on a cyclical basis.

Selectman Jasper said if the assessment of every type of property is at 120%, they are OK. If they knocked everything down by 20% and went to 100%, the taxes don't change, so there's no value to anybody fighting it. The problem becomes if houses are at 125%, commercial is at 140% and industrial is at 130%, then everything is out of whack. He didn't know where they are at, right now. He tends to think, with the economy they are in, he didn't want to spend the \$52,000 but he didn't know if they are out of whack in any one sector or, if they have to, can they make those adjustments to bring it to 116%, or whatever. He's not crazy about doing it all over again. Selectman Massey said except, if they don't do it, they have to anticipate that the overlay is going to increase. Selectman Jasper said not necessarily. There have been communities that have been way, way off on the assessment, but if everything is relative, it doesn't increase the overlay because if everybody is at 116% or at 80%, then it doesn't matter because the taxes are the same. It becomes problematic when one sector becomes out of line. Selectman Massey asked how they knew it was out of line. Selectman Jasper said based on the sales data. Selectman Massey said it's based on the fact that the individuals come to the Assessor's office and fill out a tax abatement form because their valuation is too high. Selectman Jasper said that's part of it, but there are people who are going to say that on a constant basis. Over the 14 years he has been on the Board of Selectmen, the names coming in filing for abatements haven't changed. It's the same group of people. Those people are going to do it, regardless, because there's a lot of money at stake and if they can save a few thousand, they are. He wants to know if they are out of whack in some sectors which will cause problems, or are they still in pretty good balance, after only a year?

Mr. Michaud said this was October of 08 and the annual assessment date is April 1 of each year that every community has to follow. He can't crystal ball what is going to happen in the first quarter of 09, but the trend line is that it will continue to go above 100. No market goes up or down in an equitable fashion, so even when that are at 116%, it wasn't an equitable 116%. The problem with a declining market is what is declining—volume of sales, so you have a declining credibility of the analysis. They simply don't have enough data that tells where they should be making the changes. He said to consider this as a possible investment in something for 09, or 2010. Could they allocate money next year to try to do something in 2010 if their ratio is at 108 or 110. By putting it in this budget, it gives them the ammunition to choose between which years they want to do it in, if any, 09 or 10. The Board gets phone calls and he gets visits. The appearance is they are quick to go up when the market was going up, but they're not so quick to readjust values when they are going down. That's an intangible quality, and all he was saying is that the Board can show they are recognizing the potential in the market for reassessment by allocating those funds. It's not required; they don't have to do it.

Selectman Maddox said he was going to try to split the baby. He's had people say to him that they have that average \$321,000 house and they can't sell it for \$270,000. While the assessed value should go down, they still need X amount dollars, the tax rate is going to go up. He is torn between spending money to make everybody look good. In his opinion, this is a warrant article. Let the voters decide if they want to spend \$52,000 to reevaluate. That way, for those who say their house is worth \$100,000 less, spend the money.

Selectman Coutu agreed with Selectman Maddox in that they need to have so much money to operate a budget, and whether they reappraise all the properties and they all go down 20% and they're going to have to find 20% more money, so they're going to have to raise the taxes to make up the difference. Selectman Jasper said that would be automatically reset. Selectman Coutu said what confused him were the statements Mr. Michaud made, saying this gives him the option of doing it in 2009 or 2010. If this is a 2010 budget, they can't touch that money July 1, 2009. Mr. Michaud offered to assist in clearing up the confusion. Selectman Coutu declined the offer.

Selectman Jasper said the worst thing they could do is start saying, "Some years, we put the reassessment in the warrant and sometimes we need to put it in the budget," that's a disaster because once they start putting these things on the warrant, you can't just stop doing that. That's not a responsible way to govern. Either reassessments are warrant articles, or they are not; it's not a matter of the economy. He didn't think people would vote in favor of a reassessment for \$52,000 particularly if they know that even if their assessment goes down, that doesn't necessarily mean their taxes will go down. He didn't have a better handle of what segment of the market was doing better than another. If commercial prices were tanking at twice the rate of the

homeowners, and they do a reassessment, guess who is going to pay more money. The homeowner will. With the job market the way it is, he was having a hard time believing that one is going down that much differently than the other. This isn't something they'd do under normal circumstances on the second year. They'd be doing it on the third year, if they want to stay on schedule. They already had a long discussion about cutting jobs, and now they are talking about putting \$52,000 in, which is half the amount they talked about, just in case they want to. The whole state is going to be in the same situation. This isn't just Hudson. It's going to be everybody. He was still debating whether to take out the \$2,000 or put in \$6,000. He didn't want to put in \$13,000.

Motion by Selectman Massey, seconded by Selectman Maddox, to change cost center 5410-238 Postage by adding \$4,250; 5410-252 Professional Services for a total of \$46,000 which would represent \$11,000 increase in the utility update, \$27,000 for the overall property, and \$8,000 for the publishing of the reassessment insert in the local newspaper, for a total of \$50250, with the difference, there is \$2,000 already in the budget.

Selectman Massey believed that the \$52,000 is a prudent risk to offset the anticipated overlay increase because the overlay increase will be approximately the same amount of money, but they stop all tax cases on the date they do the valuation, in the sense they can no longer go beyond that date. Chairman Nadeau said they just did one last year. Selectman Massey said the clock is running for the ones going forward. Selectman Maddox asked how 2006 could still be there then. Selectman Massey said that one was already there. It's a judgment call, but he thinks the return on investment is good. It's to offset any significant increase in the overlay. This year, the overlay is \$420,000.

Selectman Jasper said if somebody has a \$100,000 assessment and they are assessed at 116% and they are saying their real value should be \$84,000, as long as they're in the same range, everybody else with the same type of property are also at 116%, when the BTLA looks at this, they are going to say it's proportional, so they're OK. The only time it's going to change is if they were at 118% and everybody else was at 116%, then they'd get the potentially 2% difference. Mr. Michaud said that was correct. They need to prove their implied market value is disproportionate to the general level of assessment in the community, and the general level of assessment in the community is that ratio, the 116%. If they're 110%, they don't care. If they are above the 116 by a measurable margin, they would carry the day. That's a tangible argument. The intangible is any time you go above 100, people come at you, making you feel you are doing something unconstitutional. Selectman Jasper said they then send them a letter, saying they are the same proportionately. None of the professionals are going to go forward, unless they believe they are disproportional, and they may believe they are after the assessment, anyhow. They see these cases all the time. Mr. Michaud agreed, saying there is no incentive to not throw something against the wall to see if it will stick. Selectman Jasper said the only time he would be interested in doing this in an off-cycle year would be if they were convinced their numbers were terribly skewed and he didn't have any evidence to show that their numbers in any one sector are skewed, so he will not support the motion.

Vote: Motion failed, 2-3. Selectmen Massey and Maddox voted in favor of the motion.

Motion by Selectman Massey to change cost center 5410-252 Professional Services, by decreasing a total of \$2,000 which represents the public utility update, thus changing the amount from \$22,895 to \$20,895, seconded by Selectman Jasper.

Mr. Michaud said that means they will not be having any change in public utility value for next year. They are saying to the other property owners in town, "we're going to do the pickups on you, but we're not going to do them on public utility property." Selectman Massey said maybe he misunderstood, saying he thought that if they did one, they had to do them all. The Board just voted not to do everybody but the utilities, so why would they be doing utilities? Mr. Michaud said they'd be doing the annual maintenance, additions and deletions, of public utility property. They put up their sub-station, more telephone poles, lay more pipe, they take pipe out—this is the normal thing they've done every year. They maintain residential building permit pickups, commercial/industrial pickups, and they also maintain the additions or deletions of public utility property, based upon data that they hire Skip SanSoucy to collect from the public utilities, basically come back and say the value has done this, or it's done that. They are talking about treating public utility property equitably and fairly. Selectman Massey said if he understood correctly, the money in there now, the \$20,000 is to do the pickups for all new construction, other than the utilities. Selectman Jasper said no, that's what staff was doing.

Motion by Selectman Massey to modify 5410-252 Professional Services by adding \$6,000, for a total of \$28,895, seconded by Selectman Jasper.

Mr. Michaud offered to put this into perspective. There was a little sidewalk easement appraisal that was done on Lowell Road. The cost of that appraisal was \$6,500. \$6,000--\$102 million in public utility value. If it goes up by 5%... Selectman Massey said he understood.

Selectman Maddox said putting \$2,000 was a disservice to the Board because it has to be \$8,000 or zero. \$2,000 was just to make him hit the target. Mr. Michaud said that was not his intention and apologized if Selectman Maddox felt that it was. The \$2,000 was a place holder; zero would have been a disservice. The \$8,000 figure came in from Skip SanSoucy last week and he didn't have time to modify the budget. Selectman Maddox asked what he charged last year. Mr. Michaud said last year was different because they did a reassessment.

Selectman Massey said they should not question a department head's motives. The question is only if the number is good or not. To question his motives does a disservice to him and to the Board. Selectman Jasper said Jim has been doing this for a

long time and he has done a great job. The reality is he is a smart guy and he would know that if he did that to make the budget look good, but then had to come in and ask for more money, he's going to look like a jerk, if he did that on purpose. He's too smart a guy to have done that, so he thought Selectman Maddox was way out of line. Selectman Massey said besides, he's \$5,900 under budget, as it is. Selectman Maddox asked why, then, didn't he put in \$8,000? That's all he was asking. Selectman Jasper said because he didn't have the number.

Selectman Massey said they had another tacky item to take care of because of what Mr. Michaud mentioned at the beginning, that there was a disconnect of what he had to budget in the IT line—5477-269 and 5477-303. Those line items are not in the IT budget and should be in this budget. He thought this was being picked up in the IT budget, but in speaking with Lisa Nute, it's not in her budget.

Motion by Selectman Massey to adjust 5477-269 Assessing Software by adding \$900, which would change that line item to \$8,750 from \$7,850, seconded by Selectman Jasper.

Selectman Jasper said there was a note saying \$900 was with separate cover for above the zero percent increase, per the BOS directive. Selectman Massey said in talking with Jim today, he thought those were being picked by the IT Department. Selectman Jasper said the notation didn't agree with that line of thinking. Selectman Jasper asked Jim for an explanation. Mr. Michaud said he was confused on how IT funding was going to be done within this budget cycle, if it was within each department, or in IT. At the time he wrote this, the \$900 was an item he thought was over and above what they were supposed to be putting in their budgets. That is a number to make up for the increase he received from Patriot Properties this spring that he didn't have time to put in the budget request from last year. He had too many things moving at the time and he didn't have any indication from Patriot Properties what the number would be. The other IT items was his confusion where they were supposed to put them. Selectman Jasper said Jim put this one in for above the zero percent, but it's really not an optional thing. Mr. Michaud said that was right, but when he was running his numbers, he felt that he could not be over zero percent increase; he had to bring it down to zero percent. Selectman Jasper said that was a misunderstanding. He should have taken out lodging or training or something like that because those are optional things. Paying Patriot Properties is not optional. They can't say no to that, but they can say no to his going to a conference.

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

Motion by Selectman Massey to amend 5477-303 Assessing Other Office Supplies by increasing it from zero to \$1,500, seconded by Selectman Jasper.

Selectman Massey said this is one of those other items that got caught in the differences in the budgeting. They would hear the whole IT budget on Monday, but they have to have these cartridges. Without them, they can't print. Selectman Jasper said he did understand with this one because it wasn't clear and he did have a conversation with Lisa yesterday. It may not look like it makes sense at first glance, but there is a philosophy behind it that does. They do need to do this.

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

Selectman Maddox asked what the new number was. They were at 2.4% increase, but money was added to this department. Ms. Carpentier said 5%, with salaries.

Other Professional Services

Mr. Michaud said in the non-level funding notes, item 3-B. He currently has \$20,000 in 252, which has been sitting in the budget, to cover appraisal costs related to defending the values for 2006 and 2007 and 2008. The cost to defend commercial/ industrial property assessment, with using an outside appraiser, who is charging \$4,800 for the actual appraisal, but that doesn't include the cost of going in, preparing for the court, preparing to look at the other side's appraisal. They are talking in the range of \$6,000 - \$7,000 per case. \$20,000 isn't going to go very far when they are looking at 47 properties that are under appeal for 2007 and 11 in 2006. He did send some memos to the Board over the last couple of months, detailing the issue they currently have, and these are related to current court cases and current settlement discussions that the Board and he has had with the property owners. On February 18, they've got four properties coming up that are very significant and will probably wipe out the \$20,000 in this year's budget, if they don't settle or drop the case. They're going to have any number of properties coming up to be scheduled, either at the end of this fiscal year, or starting at the beginning of the next fiscal year. He asked if the Board wanted to allocate funding to help defend the assessments on those properties. The 47 properties for 2007, the delta between the town's value and the taxpayer's estimated value is \$21.5 million. At \$21.5 million, that's \$322,000 in 2007 tax rate and \$343,000 at the 2008 tax rate. In addition, for 2006, they have a delta of \$10.8 million. The worst case scenario is \$186,000. These are tax dollars. They are talking about if the worst case scenario, not including interest, is about \$850,000. Will the courts go all the way to the other side? Not likely. Will some of these drop on their own? Some have and some may continue to. They are going to allocate funds to help defend the values, or they are going to be working out settlements and getting it from the overlay, or some combination thereof. The \$20,000 that's in the budget for next year is only going to go so far and that's why he has \$30,000 in there, non-level funding, to adjust that item.

Motion by Selectman Jasper to increase 252 Professional Services by \$30,000, seconded by Selectman Massey.

Selectman Jasper said this was one of those things where they either put the \$30,000 in or pretty much, decide to cave every time somebody comes in. If they're not willing to go to court and they don't have the money in there to do it, they just cave.

Selectman Massey asked why they couldn't, in June, encumber monies for litigation, or does it have to be underway? Mr. Malizia said if they were able to get some sort of evidence from whoever is defending the property values that they total some number for a defense of X amount of cases, they could probably make an argument to the auditors to allow them to encumber something like that for a year. If they had evidence they have 47 cases, 10 coming up, with an average case costing \$xx to defend, they were use this vendor or that vendor, they could make the argument and the auditors would probably allow it because of the scope and the size of it. It's a relatively modest number, if they were talking \$30,000. Selectman Massey said he was thinking that some or all of this could be taken out of the unexpended balance at the end of the year, rather than place it all on next year's tax base. Selectman Massey said it's about a penny and they'd get into a very complicated accounting method and that money can just roll over into surplus and it has the same net effect. If they start doing that, it's just going to be an accounting nightmare.

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

Automobiles

Mr. Michaud said they currently have two 2003 Chevy Impalas, one with 74,000 miles and one with 82,000 miles. In the past, they've been successful in working with the Police Department to trade in an older vehicle in order to get a newer one. This year, it doesn't look like that's an option because there appears to be a trade-in initiative and those will be traded in in January of 09, which would not be in the current fiscal year, not next fiscal year. If the Board wanted to maintain a fleet that was within two or three years old, in order to do that, he was asking if they wanted to allocate funds to continue that. If the Board wants to hang on to the 2003's another year, then it would not be an option.

Selectman Jasper didn't think they every stated an age for the vehicles in the town fleet. As long as they are serviceable and not costing a lot of money. His vehicle is a lot older than that with a lot more miles on it, so he didn't have a problem keeping them in the fleet another year, if they are performing well. When he is ready to trade, bring the Board some history that it's becoming a problem. Otherwise, he's not interested.

Equipment and Maintenance of Automobiles

Mr. Michaud said line 325, in the past, he's estimated minimal money for equipment and maintenance of the automobiles. \$250 is in the budget. This current budget year is the first year there are two vehicles within the department. They have an \$1,100 fix of an engine that he asked the Board for leeway from the contingency fund for this current year. This is an estimate of potential repair cost coming up in FY10 for the two vehicles, to add \$1,750 to the current \$250.

Chairman Nadeau asked if this was going anywhere. There was no response.

Gasoline

Mr. Michaud said he had 13-22-50. They currently have an estimated amount they use yearly of 500 gallons. He understands there has been some movement on the price for gas from \$3.15 to \$2.50. It's likely that can be made up within the budget and not have to go through non-level funding.

Town Clerk/Tax Collector – 5030

Patti Barry said she had no additional requests for any increases this year. She was able to adjust a couple of line items to accommodate a few increases, but it's still a net zero percent increase. Selectman Maddox asked if the IT was in there because software shows zero dollars. Ms. Carpentier asked what account it was. Chairman Nadeau said 5030-412. Ms. Barry said the 412 was for the software that was needed to install the motor vehicle program; it was not part of the cartridge. Ms. Carpentier said they have maintenance costs for all of the MUNI-Smart modules in the main IT Department. Selectman Maddox said she has printers, so he was wondering if that was the same meeting that Mr. Michaud attended. Ms. Carpentier said the IT Director will talk about all of the departments when she gets here. Selectman Massey said they have to get the squirreliness clarified. All of the departments were to put their operating supplies in their own budget under a title called IT, which would include things like printer cartridges and there's nothing in the budget that addresses that. The question is if it is in the IT budget, or do they have to come back and revisit this one. Chairman Nadeau asked if it was under Office Supplies. Ms. Barry said that's where the 745 was absorbed in Office Supplies, 303. Selectman Maddox said every other office has an IT line. Selectman Massey asked if she put the cartridges in that line. Ms. Barry said that's where they were put. Ms. Carpentier said that's for departments that have multiple, eight, 10 departments. It's all in one spot.

Selectman Coutu said he was so confused. Selectman Maddox said this was his first year; it gets better. Selectman Coutu said no, this was beyond confusion. He was hearing contradictory statements every day. He thought it was made very clear that IT wanted to rein in and control cartridges and everything would go to IT on cartridges. Selectman Jasper said no. Selectman Coutu said that's the way it was explained to him. He asked KC if he was right or wrong. Ms. Carpentier said they have a history of not knowing how much their costs are for IT, so over the year, she and the IT Director have been trying to capture all the costs, and that was the directive of the department heads, but Jim Michaud apparently didn't understand that.

Selectman Jasper said the cartridges are allocated by department in order to keep track. If someone just goes to IT every time they want a cartridge, people could be printing reams and reams of things and there is no accountability within the department. They are just going to the Quartermaster to get their supplies. This way, it's allocated, so if someone is getting out of control, it's easy to identify. What's the difference if it's in office supplies or an IT line? Ms. Carpentier said the printing of tax bills is a big part of her printing, and that is done on the big printer downstairs in IT. The office printers have historically been covered in her office supply budget. The reason they are having trouble is because they have no history and they are just beginning to

track that. Selectman Maddox said the next one they were going to do was Board of Selectmen, and it has an IT Town Administrative of \$406, so it's broken down to that level. He's surprised it wasn't done that way in the Town Clerk's budget, but if it's in office supplies and they're covered, Merry Christmas.

Selectman Massey said if that's the case, it should be identified in a separate line for this cost center the IT expenses, so that next year, when they go through the budget, there will be a record of it.

Selectman Jasper recalled the big battle over postage because they went up \$9,000 last year. The budget went up \$5,000 actual last year over year to date. He realized that the last tax bill went out in the last fiscal year, but even so, that would be reflected in the \$24,000. He was wondering if the \$33,000 was realistic. He didn't think it was last year and is less convinced it is this year. Ms. Barry said last year, she had the software and extra audit fees to pay for. She didn't outsource their motor vehicle notices and tried to do that in the office to save money. She's not in a position to do that any longer and will have to send those notices out. They are averaging about 2,400 a month. She is not sure what the total cost will be over the year by doing that. Next year, if she is still low, she will decrease the postage, but she hasn't factored that in yet. Also, they implemented a new reminder notice for dogs because the amount of civil forfeitures and certified mails for dogs was really high last year, so in May, they implemented a reminder notice, which decreased their certified notices for dogs by 250, which was quite a savings.

Selectman Coutu asked when someone was notified by certified mail about their dog licenses, are they charged for that? Ms. Barry said they are allowed to recover \$5; it costs \$5.32 to mail the notice. Selectman Coutu said they ought to raise the registration fees. Selectman Jasper said that was set by the state. That was one of the 23 taxes that did go up this year.

Selectman Massey said Wow! What a difference a year makes. They have come a long way from what was a well run organization to begin with, but what Patty has done in the last year to step it up a notch, she and her people are to be commended. Selectman Coutu said, in light of having gone through the previous budget of only \$228,000 in over an hour, to her budget of \$293,000 in about 10 minutes speaks well of her department. Apparently, she knew what she was doing.

Selectman Jasper said everything they've got on Saturday are light budgets, so what they have left for tonight is relatively light. Given that it's 10:00, he'd like to defer what is left on the schedule to Saturday. Selectman Massey seconded that motion.

Mr. Malizia reminded them that he would not be present on Saturday, due to a previous commitment. The numbers were there and he didn't increase anything, so they should be able to get through it without a problem. Selectman Maddox said they could always wait until Monday for his budgets.

Ms. Carpentier said they were at \$4.87, a 4.5% increase—a penny change from the start. It was 141 and now it's 106,000 decrease, compared to the 141, plus the insurance of almost \$2,000. Selectman Jasper asked what the goal was. Selectman Coutu said 396.

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

5. ADJOURNMENT

Motion by Selectman Jasper, seconded by Selectman Maddox, to adjourn at 10:00 p.m. carried 3-2. Selectmen Massey and Coutu voted in opposition.

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